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Tina Walia
City of Saratoga

Otto Lee
County of Santa Clara

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087

Silicon Valley Clean Energy Authority Board of Directors Meeting

Wednesday, August 13, 2025
6:00 pm

Sunnyvale Civic Center
456 W. Olive Avenue
Sunnyvale, CA

Gilroy City Hall
Administration Conference Room
7351 Rosanna Street
Gilroy, CA

Villanueva 547
M5507 Lujan de Cuyo
Mendoza, Argentina

Teleconference Meeting
Webinar:

<https://svcleanenergy-org.zoom.us/j/89359262468>

Telephone (Audio Only):
US: +1 669-219-2599
Webinar ID: 893 5926 2468

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.



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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

Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Gov. Code Section 54956.9: (one potential case)

Report from Closed Session

Consent Calendar (Action)

- 1a) Approve Minutes of the June 11, 2025, Board of Directors Meeting
- 1b) Receive June 2025 Treasurer Report
- 1c) Authorize the Chief Executive Officer to Execute Agreement with EcoMetricx for Three Years with a Not to Exceed Amount of \$800,000 for Cloud Infrastructure Implementation
- 1d) Approve SVCE 2024 Annual Power Source Disclosure Report Attestation
- 1e) Approve an Allocation of Program Fund Dollars of \$4.4 million to Expand the Home Rebates Program
- 1f) Adopt SVCE's Revised Load Management Standards Compliance Plan
- 1g) Receive June 2025 Decarbonization Strategy and Programs Quarterly Report

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1h) Adopt Resolution Amending the Location for Regular Silicon Valley Clean Energy Board of Directors Regular Meetings

1i) Authorize the Chief Executive Officer to Execute a Three-Year Agreement with Maher Accountancy for a Not to Exceed Amount of \$1,125,100.00 for Accounting and Audit Support Services

1j) Adopt Resolution Authorizing the Chief Executive Officer to Finalize Negotiations and Execute Master Agreement with J. Aron & Company LLC to Enable the Execution of Energy Transactions

1k) Authorize the Chief Executive Officer to Execute an Amended and Restated Scheduling Coordinator Agreement and an Amended and Restated Agreement to Provide Scheduling Agent and Energy Management Services to Incorporate Resource Optimization Functions into the Service with a Combined Not to Exceed Limit of \$1,700,000 through December 31, 2026, and an Annual Renewal Not to Exceed of \$1,400,000 for Tenaska Power Services

1l) Authorize the Chief Executive Officer to Execute Agreement for Elevator Modernization and Maintenance Services for Silicon Valley Clean Energy Headquarters in an Amount Not to Exceed \$400,000

1m) Receive Finance and Administration Committee Report

1n) Receive Additional Committees Report

1o) Receive California Community Power Report

Special Hearing

2) Public Hearing in Compliance with Government Code § 3502.3 Regarding Vacancy Rates, Recruitment, and Retention Efforts (Discussion)

Regular Calendar

3) CEO Report (Informational)

4) Adopt Resolution Authorizing the Chief Executive Officer to Execute the Power Supply Contract with the California Community Choice Financing Authority and Related Supporting Agreements (Action)

5) Authorize the Chief Executive Officer to Execute a 10-Year Power Purchase Agreement with IP Darden III, LLC for Up to 93.01 MW of Solar Photovoltaic Energy and a 91.48 MW Co-located, Four-Hour Battery Energy Storage System (Action)



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6) Provide Feedback on the Fiscal Year 2025-26 Proposed Operating Budget, and the Proposal to Maintain the Current Financial Reserves Targets and Policy (Discussion)

7) Introduction to Fiscal Year 2025-26 Strategic Focus Areas and Strategic Plan (Discussion)

8) Local Agency Action Planning Update (Informational)

Board Member Announcements and Direction on Future Agenda Items

Adjourn

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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 (Statute 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, June 11, 2025

7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

Gilroy City Hall
Administration Conference Room
7351 Rosanna Street
Gilroy, CA

DRAFT MEETING MINUTES

Call to Order:

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

Roll Call

Present:

Larry Klein (Vice Chair), Sunnyvale
Elliot Scozzola, Campbell
Shiela Mohan, Cupertino
Zach Hilton, Gilroy (participated remotely)
Sally Meadows, Los Altos
Linda Swan, Los Altos Hills
Rob Rennie, Los Gatos
Garry Barbadillo, Milpitas
Javed Ellahie, Monte Sereno
Yvonne Martinez Beltran, Morgan Hill (participated remotely)
Pat Showalter, Mountain View
Otto Lee, Santa Clara County
Tina Walia, Saratoga

Absent:

None.

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

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

- 1a) Approve Minutes of the May 14, 2025, Board of Directors Meeting
- 1b) Approve Minutes of the May 14, 2025, Board of Directors Special Meeting
- 1c) Approve Minutes of the May 29, 2025, Board of Directors Special Meeting

- 1d) Receive April 2025 Treasurer Report
- 1e) Authorize the Chief Executive Officer to Approve CC Power's Annual Budget and Dues in an amount Not to Exceed \$500,000 for CC Power's Fiscal Year 2025-2026 and Delegate Authority to the Chief Executive Officer to Enter Agreements Using Approved Funds
- 1f) Authorize the Chief Executive Officer to Execute Agreement with the Building Decarbonization Coalition for Support with Event Strategy, Planning and Implementation Services and the Neighborhood Electrification Program in an Amount Not-to-Exceed \$400,000 Over Two Years
- 1g) Approve Member Agency Support Programs Budget Consolidation
- 1h) Receive 2024 Silicon Valley Clean Energy and Electrification Awareness Residential Customer Survey Results
- 1i) Authorize the Chief Executive Officer to Execute First Amendment to the Bellawatt Inc., SVCE eHub and Appliances Assistant Agreement to Add \$223,000 for a New Customer Rate Tool, for a New Not-to-Exceed Amount of \$890,500 through 2027
- 1j) Receive Executive Committee Report
- 1k) Receive 2025 Legislative Response to Industry Transition Ad Hoc Committee Report
- 1l) Receive Finance and Administration Committee Report
- 1m) Receive Audit Committee Report
- 1n) Receive California Community Power Report

Vice Chair Klein opened Public Comment.

No speakers.

Vice Chair Klein closed Public Comment.

MOTION: Director Walia moved and Director Lee seconded the motion to approve the Consent Calendar, Items 1a through 1n.

The motion carried unanimously by verbal roll call vote.

Regular Calendar

2) CEO Report (Discussion)

Chief Executive Officer (CEO) Monica Padilla addressed the following in her report:

- 1) Staff promotion announcement for Kaley Dodson, Rotational Power Analyst, who was promoted from Senior Energy Services Specialist;
- 2) Introduction of new staff members David Shim, Senior Finance and Data Analyst, and Meagan LeBerth, Data and Analytics Intern, who both provided brief welcome comments;
- 3) An update on legislation from Bena Chang, Director of Government and Legislative Affairs, who provided information on Senate Bill (SB) 540 and Assembly Bill (AB) 306;
- 4) A presentation from Ashlie Pak, Community Outreach Fellow, with highlights of SVCE's Youth Education Initiatives which included Student Sponsorship, Education Nonprofit Grant, and the EmpowerSV Scholarship competition.
- 5) Announcement of the 16th Annual California Climate and Energy Collaborative Forum scheduled for July 9th and 10th, 2025, in San Jose.

Vice Chair Klein provided supportive comments regarding SVCE's Youth Education Initiatives programs.

Vice Chair Klein opened Public Comment.

No speakers.

Vice Chair Klein closed Public Comment.

3) Adopt Resolution to Authorize the Chief Executive Officer to Approve or Execute Agreements with Firms Providing Services to Initiate Silicon Valley Clean Energy to Execute its Fourth Prepay (Action)

Amrit Singh, CFO and Director of Finance and Administration, introduced municipal advisor Michael Berwanger of PFM Financial Advisors LLC and provided a presentation with a request of the Board of Directors to authorize the CEO to execute agreements for a total cost of \$1,125,000, which included an approximate 10 percent contingency, with the following firms to provide services to enable SVCE to execute its fourth prepay:

1. PFM Financial Advisors LLC & PFM Swap Advisors - \$275,000
2. Chapman & Cutler (Disclosure/Issuer's Counsel) - \$175,000
3. Ballard Spahr (Bond and Tax Counsel) - \$250,000
4. Moody's Investor Service Inc (Credit Rating) - \$321,500

In addition to the request to approve or execute the agreements listed above, staff requested the Board of Directors approve engagement with Morgan Stanley as the Prepay Supplier with the following proposed fee structure:

- Bond underwriting fee of \$5.50/bond plus underwriter expenses of \$0.50/bond
- Energy Service Revenue of \$1.10 per MWh
- If floating rate debt is issued, up to 12 basis points charge on interest rate swap

Highlights from the presentation included prepay background information, prepay goal and structure, prepay structure overview, an overview of the request, and an outline of next steps. CFO and Director of Finance and Administration Singh noted staff was not seeking final approval for the prepay but requesting the Board of Directors authorize the CEO to engage with firms to initiate the documents necessary to structure the prepay; the final execution request would be brought to the Board in August 2025.

Staff responded to questions and comments regarding the prepay structure, diversification of energy supplier and funding recipient, potential savings estimate, initial pricing and re-pricing periods of existing prepay, previous prepay savings, funding of third party prepay costs, customer rate discounts, duration of the prepay and reset period, and financial thresholds of proposed agreements.

Vice Chair Klein opened Public Comment.

No speakers.

Vice Chair Klein closed Public Comment.

MOTION: Director Lee moved and Director Walia seconded the motion to adopt Resolution 2025-13 authorizing the Chief Executive Officer to approve or execute agreements with firms providing services to initiate Silicon Valley Clean Energy to execute its fourth Prepay, and engagement with Morgan Stanley as the Prepay Supplier.

The motion carried unanimously by verbal roll call vote.

4) Results of Stress Test Analyses (Discussion)

CFO and Director of Administrative Services Singh presented the findings of SVCE's stress test analyses. Highlights of the presentation included:

1. Review of the enterprise risk management (ERM) framework;
2. Review of key financial risk drivers;
3. 5-year financial Base Case forecast update which included updated projections, comparison with mid-year budget, and uncertainties surrounding the financial projections;
4. Stress test construction; and
5. Comparison of the updated base case with the stress test scenario

CFO and Director of Administrative Services Singh reviewed the staff recommendation of no major changes for developing the budget in September and to adjust the budget in December when there is more certainty on next year's rates.

Staff responded to Board member questions and comments regarding 2024 resource adequacy (RA) and Renewables Portfolio Standard (RPS) pricing, potential effects of fire risks, compliance periods and volatile energy prices, CCA reserve targets, and reserve outlook under base case and stress scenarios.

Vice Chair Klein opened Public Comment.

No speakers.

Vice Chair Klein closed Public Comment.

Vice Chair Klein provided supportive comments to staff for their presentation, board members for their questions and discussion, and subcommittee for input.

5) Authorize the Chief Executive Officer to Execute Agreement for Planning, Architecture, & Design Services for Silicon Valley Clean Energy Headquarters (Action)

Jessica Cornejo, Senior Community Strategies Specialist, presented a recommendation for the Board of Directors to authorize the CEO to negotiate, execute and administer changes to a contract for planning, architecture and design services with a vendor to be determined in an amount not-to-exceed \$660,000.

The presentation included the following:

- Overview of Request for Proposal process;
- Scope of work, including design, engineering, permitting and construction support;
- Updated timeline of headquarters construction; and
- Next steps to finalize the contract

Staff responded to questions and comments regarding space planning for the board chambers at the new headquarters, design concepts, project contracts and integration of state labor standards, and implementation of community design spaces.

Vice Chair Klein opened Public Comment.

No speakers.

Vice Chair Klein closed Public Comment.

MOTION: Director Showalter moved and Director Scozzola seconded the motion to authorize the Chief Executive Officer to execute an agreement for planning, architecture, & design services for Silicon Valley Clean Energy Headquarters.

The motion carried unanimously by verbal roll call vote.

6) Local Agency Action Planning (Informational)

Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies, provided a status update on agency electrification readiness planning which included information on SVCE's partnerships with member agencies for permit process improvements, prioritization of resources targeting emissions reduction, and proposed 2025 agency commitments for various electrification programs.

Vice Chair Klein opened Public Comment.
No speakers.
Vice Chair Klein closed Public Comment.

Directors provided supportive comments to staff regarding their partnership in electrification readiness planning with member agencies.

Board Member Announcements and Direction on Future Agenda Items

Director Walia thanked SVCE for providing the City of Saratoga with a competitive grant award in the amount of \$493,000 for electrification initiatives.

Director Martinez Beltran thanked Vice Chair Klein and CEO Padilla for attending the ribbon-cutting ceremony at the all-electric Butterfield Fire Station in Morgan Hill.

Vice Chair Klein thanked SVCE staff for tabling at the Sunnyvale Art and Wine Festival event in Sunnyvale.

Vice Chair Klein thanked Alternate Director Mohan and the City of Cupertino for hosting SVCE Board meetings at Cupertino Community Hall and announced that future SVCE Board meetings would be held at the City of Sunnyvale City Hall Council Chambers starting in August 2025 due to renovations at the Cupertino chambers.

Adjourn

Vice Chair Klein adjourned the meeting at 9:15 p.m.

ATTEST:

Andrea Pizano, Board Secretary



TREASURER REPORT

**Fiscal Year to Date
As of June 30, 2025**

(Preliminary & Unaudited)

Issue Date: August 13, 2025

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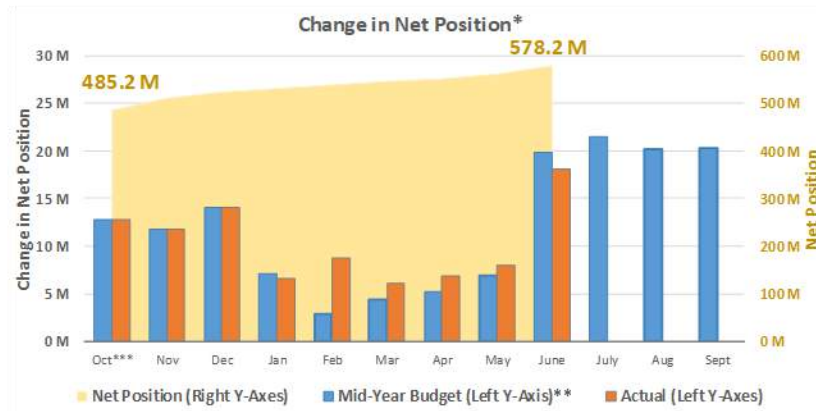
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SILICON VALLEY CLEAN ENERGY AUTHORITY Financial Statement Highlights (\$ in millions) June 30, 2025

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Balance Sheet Highlights:

- > SVCE operations resulted in a change in net position of \$18.1 million for the month of June and \$93 million for fiscal-year-to-date (FYTD).
- > Total Net Position increased further to \$578.2 million.
- > SVCE is investing ~98% of available funds, recognizing interest/dividend income of \$16.8M FYTD.



*Does not yet recognize unspent program dollars

**For reconciliation purposes, budget numbers include actual program expenses and depreciation, excludes GASP87 expenses.

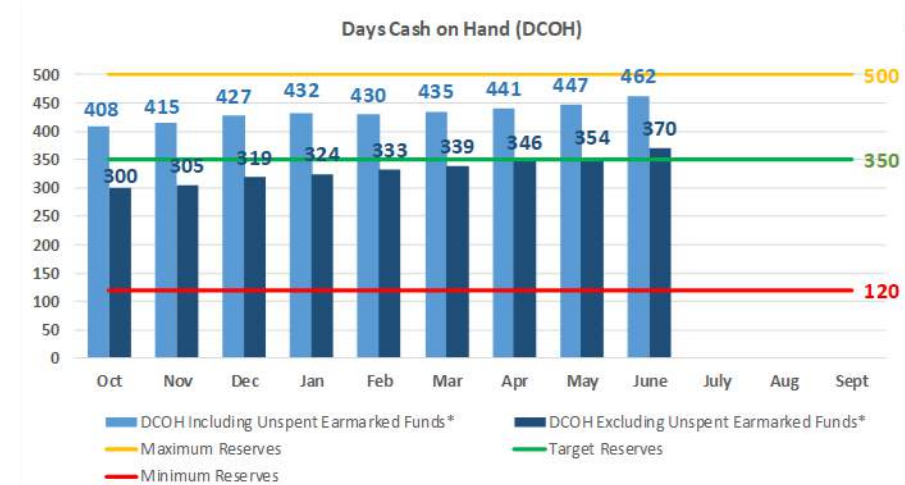
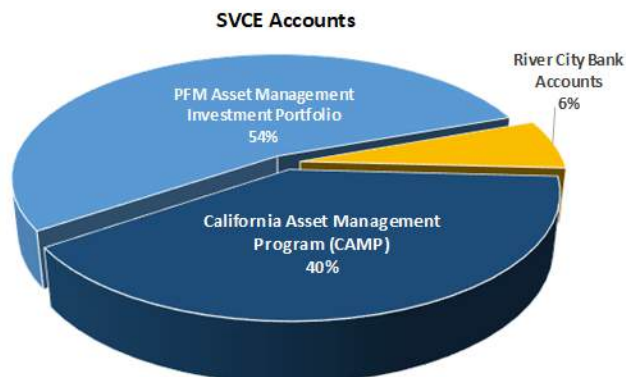
*** Changed from prior months' reporting to illustrate the starting fiscal year net position at Oct. 1, 2025, of \$485M. Prior reports showed an ending month balance of \$498M.

SVCE Yield-bearing Accounts:

Combined Ending Balance*	542.3 M
Total Interest/Div. Earned FYTD	16.8 M
Average Yield to Maturity**	4.28%

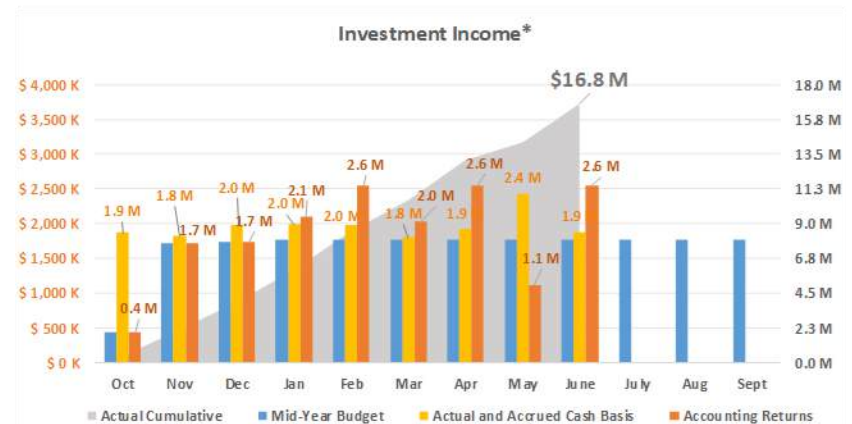
* Includes River Bank accounts - Money Market, Collateral and CS; CAMP, PFM Portfolio

** Average annualized yield for the current month. Investment yields are measured to maturity at market.



* Earmarked funds are unspent SVCE program and the building funds.

October, 2024-January, 2025 results are updated per the Mid-Year budget revisions adopted in March 2025.



* Accounting returns investment of income includes unrealized mark-to-market gain or loss of the total investment portfolio as per US GAAP. Actual and Accrued Cash Basis excludes mark-to-market gains (losses).

SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights (\$ in millions)**
June 30, 2025

Page 3

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

- > Operating margin of \$104.7 million (or 30%) fell slightly below the Mid-Year Budget expectations of \$106.7M (29%) operating margin for the fiscal year to date.
- > FYTD Power Supply costs are -6.0% below Mid-Year Budget.
- > Retail GWh sales FYTD landed -6.1% below Mid-Year Budget for the month of June and -2.3% YTD.

Variance Explanation:

October-December - revenue and all operating cost were actualized during the Mid-Year budgeting

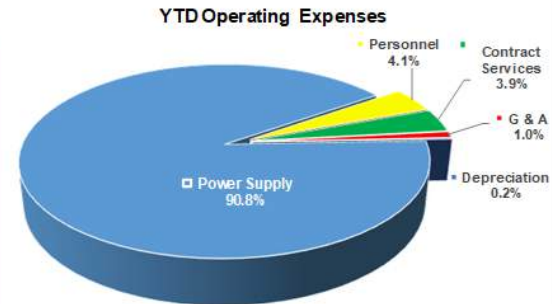
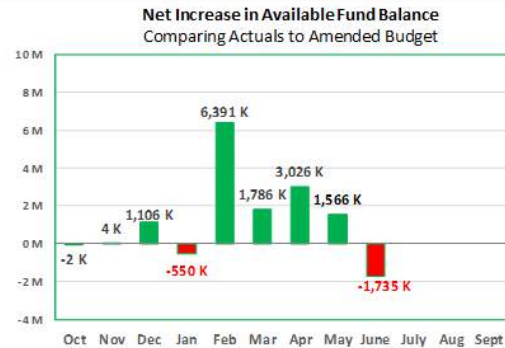
January-February - Weaker customer demand was offset by lower power supply cost, liquidated damage payments and reduced operating expenses.

March - Customer demand was in-line with expectations while all components of operating expenses remained below MY budget.

April - Lower demand was offset by reduced power supply cost and other operating expenses, combined with higher investment

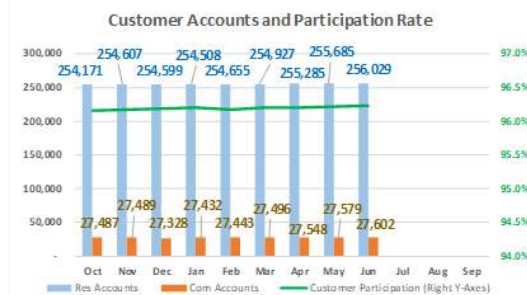
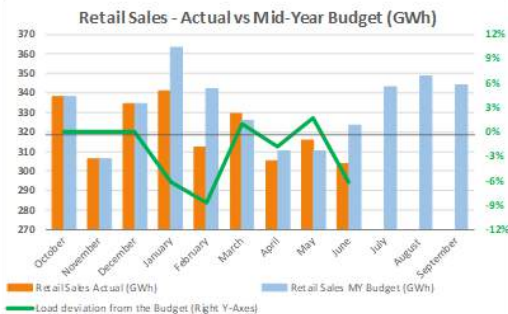
May - Revenue increased more than power supply cost due to stronger demand, elevating SVCEs operating margin. Investment income came in below expectations reflecting MTM fluctuations.

June - Weaker summer demand decreased SVCE operating margin and net income below MY budget level.



\$ in millions	June			Fiscal YTD			Main Drivers:
	Actual	MY Budget	% Dif	Actual	MY Budget	% Dif	
Revenue	44.0 M	50.2 M	-12.3%	345.3 M	362.5 M	-4.7%	- Lower customer demand and a negative true-up settlement, partly offset by liquidated damage payments. - Lower YTD costs is mostly due to lower energy consumption and a decline in energy/attribute prices.
Power Supply Cost	25.0 M	27.5 M	-8.9%	240.5 M	255.7 M	-6.0%	
Operating Margin	19.0 M	22.7 M	-16.5%	104.7 M	106.7 M	-1.9%	- Staffing vacancies, underrunning professional services, and lower marketing expenses - Reflects budgetary transfers to program and other funds offset by investment income and bill credit trueups.
Operating Expenses (ex Power)	2.4 M	3.6 M	-33.9%	20.9 M	28.5 M	-26.8%	
Other Non-Op. Expen. (Income)	-2.6 M	-1.8 M	45.3%	0.6 M	7.0 M	-91.3%	Reflects budgetary transfers to program and other funds offset by investment income and bill credit trueups.
Net Increase in Available Fund Balance	19.2 M	20.9 M	-8.3%	83.2 M	71.2 M	16.9%	

Customer Load Statistics:



Total Accounts 283,631
Opt-Out Accounts (Month) 21
Opt-Out Accounts (FYTD) 340
Opt-Up Accounts (Month) (6)
Opt-Up Accounts (FYTD) (50)

Program Funds:

	Beginning Balance	End Balance	YTD Contributions	YTD Expenditures
General Program Fund	\$ 77,436,658	\$ 81,175,015	\$ 10,530,000	\$ 6,791,643
CRCR Fund*	\$ 5,437,984	\$ 6,534,224	\$ 5,370,000	\$ 4,273,760
Electrification Discount Fund	\$ 9,159,393	\$ 8,849,258	\$ -	\$ 310,125
Nuclear & Hanford Prog. Funds	\$ 2,188,000	\$ 7,696,000	\$ 5,508,000	\$ -
Building Fund	\$ 20,000,000	\$ 8,360,354	\$ -	\$ 11,535,464

* 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 June 30, 2025

ASSETS

Current Assets

Cash & Cash Equivalents*	\$ 282,613,151
Accounts Receivable, net of allowance	34,297,938
Investments	47,643,900
Accrued Revenue	31,293,690
Other Receivables	4,710,185
Prepaid Expenses	1,177,708
Deposits	739,800

Total Current Assets **402,476,372**

Noncurrent assets

Capital assets, net of depreciation	12,172,722
Investments**	227,250,951

Total Noncurrent Assets **239,423,673**

Total Assets **641,900,045**

LIABILITIES

Current Liabilities

Accounts Payable	2,865,449
Accrued Cost of Electricity	44,005,080
Other accrued liabilities	1,912,559
User Taxes and Energy Surcharges due to other gov'ts	1,206,858
Supplier security deposits	225,000

Total Current Liabilities **50,214,946**

Noncurrent Liabilities

Supplier security deposits	13,478,125

Total noncurrent liabilities **13,478,125**

Total Liabilities **63,693,071**

NET POSITION

Net investment in capital assets	12,172,722
Unrestricted (deficit)	566,034,252
Total Net Position	\$ 578,206,974

* May not account for securities acquired towards the end of the month but not yet paid.

** May include securities acquired towards the end of the month but not yet paid.

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

October 1, 2024 through June 30, 2025

OPERATING REVENUES

Electricity Sales, Net	\$335,929,305
GreenPrime electricity premium	1,741,914
Liquidated damages	<u>7,586,727</u>

TOTAL OPERATING REVENUES **345,257,946**

OPERATING EXPENSES

Cost of Electricity	240,512,011
Contract services	10,230,897
Staff compensation and benefits	10,957,699
Program incentives	4,183,736
Other operating expenses	2,584,047
Depreciation	<u>563,887</u>

TOTAL OPERATING EXPENSES **269,032,277**

OPERATING INCOME (LOSS) **76,225,669**

NONOPERATING REVENUES (EXPENSES)

Investment Income	16,789,704
Financing costs	<u>(5,273)</u>

TOTAL NONOPERATING REVENUES (EXPENSES) **16,784,431**

CHANGE IN NET POSITION

	93,010,100
Net Position at beginning of period	<u>485,196,874</u>
Net Position at end of period	<u>\$578,206,974</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS October 1, 2024 through June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 350,568,456
Receipts of liquidated damages	7,586,727
Receipts of security deposits	29,054,225
Payments to suppliers for electricity	(266,139,474)
Payments of security deposits	(12,450,000)
Payments for other goods and services	(17,830,005)
Payments for staff compensation and benefits	(10,846,683)
Tax and surcharge payments to other governments	(6,324,148)
Net cash provided (used) by operating activities	<u>73,619,098</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Finance costs paid	<u>(1,719)</u>
Net cash provided (used) by financing activities	<u>(1,719)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments of lease liability	(406,293)
Acquisition of capital assets	<u>(11,748,297)</u>
Net cash provided (used) by capital and related financing activities	<u>(12,154,590)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	14,979,508
Proceeds from investment sales	115,426,085
Purchase of investments	<u>(170,729,103)</u>
Net cash provided (used) by investing activities	<u>(40,323,510)</u>

Net change in cash and cash equivalents	21,139,279
Cash and cash equivalents at beginning of year	<u>261,473,872</u>
Cash and cash equivalents at end of period	<u>\$ 282,613,151</u>

NONCASH INVESTING ACTIVITIES

Unrealized appreciation (depreciation) and timing differences in investment income	\$ 1,810,196

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)
October 1, 2024 through June 30, 2025

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

Operating Income (loss)	\$ 76,225,669
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	563,887
(Increase) decrease in accounts receivable	8,763,509
(Increase) decrease in accrued revenue	(1,714,205)
(Increase) decrease in other receivables	12,181,003
(Increase) decrease in prepaid expenses	(551,379)
(Increase) decrease in current deposits	35,419
Increase (decrease) in accrued cost of electricity	(20,428,872)
Increase (decrease) in accounts payable	1,085,049
Increase (decrease) in accrued liabilities	(93,515)
Increase (decrease) in taxes and surcharges due to other governments	(472,467)
Increase (decrease) in supplier security deposits	(1,975,000)
Net cash provided (used) by operating activities	<u>\$ 73,619,098</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2024 through June 30, 2025

		\$361,224,003				
	FYTD	FYTD	Variance		FY 2024-25	FY 2024-25
OPERATING REVENUES	Actual	Mid-Year Budget	\$	%	Mid-Year Budget	Remaining Budget
Energy Sales	\$335,929,305	\$361,224,003 *	-\$25,294,698	-7%	\$521,650,000 *	\$185,720,695
Green Prime Premium	1,741,914	1,234,768 *	\$507,146	41%	\$1,884,000 *	142,086
Other Income	7,586,727	*	7,586,727	n/a	*	(7,586,727)
TOTAL OPERATING REVENUES	345,257,946	362,458,771	(17,200,825)	-5%	523,534,000	178,276,054
ENERGY EXPENSES						
Power Supply	240,512,011	255,734,158	(15,222,147)	-6%	349,478,000	108,965,989
Operating Margin	104,745,935	106,724,613	(1,978,678)	-2%	174,056,000	69,310,065
OPERATING EXPENSES						
Data Management	2,548,527	2,636,488	(87,961)	-3%	3,549,000	1,000,473
PG&E Fees	902,706	1,111,001	(208,295)	-19%	1,516,000	613,294
Salaries & Benefits	10,957,699	13,800,486	(2,842,787)	-21%	18,805,000	7,847,301
Professional Services	2,981,920	5,554,486	(2,572,566)	-46%	7,797,000	4,815,080
Marketing & Promotions	636,062	1,309,509	(673,447)	-51%	1,885,000	1,248,938
General & Administrative	2,868,583	4,126,574	(1,257,991)	-30%	5,733,000	2,864,417
TOTAL OPERATING EXPENSES	20,895,497	28,538,544	(7,643,047)	-27%	39,285,000	18,389,503
OPERATING INCOME/(LOSS)	83,850,438	78,186,069	5,664,369	7%	134,771,000	50,920,562
NON-OPERATING REVENUES						
Investment Income	16,789,704	14,464,962	2,324,742	16%	19,756,000	2,966,296
TOTAL NON-OPERATING REVENUES	16,789,704	14,464,962	2,324,742	16%	19,756,000	2,966,296
NON-OPERATING EXPENSES						
Financing	1,720	8,884	(7,164)	-81%	12,000	10,280
CAPITAL EXPENDITURES, TRANSFERS, & OTHER						
Capital Outlay	6,361	37,500	(31,139)	-83%	50,000	43,639
One-Time Customer Bill Credit	-	-	-	n/a	35,000,000	35,000,000
Transfer to Programs Fund	10,530,000	10,530,000	-	0%	10,530,000	-
Nuclear Allocation	3,708,000	3,708,000	-	0%	3,708,000	-
Transfer to Hanford Emissions Mitigation Fund	1,800,000	1,800,000	-		1,800,000	
Transfer to CRCR Fund	5,370,000	5,370,000	-	0%	5,370,000	-
Transfer from Electrification Discount Fund	(310,125)	-	(310,125)	n/a	-	310,125
Transfer from CRCR Fund - customer bill relief	(3,707,933)	-	(3,707,933)	n/a	-	3,707,933
TOTAL OTHER USES	17,396,303	21,445,500	(4,049,197)	-19%	56,458,000	39,061,697
NET INCREASE(DECREASE) IN AVAILABLE FUND BALANCE	\$ 83,242,119	\$ 71,196,647	\$ 12,045,472	17%	\$98,057,000	\$14,814,881

* While the Total Operating Revenues were correctly modeled, the Mid-Year budget incorrectly included actual revenues from Oct-Dec 2024 of \$0.6 million from Green Prime Premium and \$2.8 million from Other Income in the Energy Sales category. The breakdown of the budgeted Total Operating Revenues among Energy Sales, Green Prime Premium, and Other Income is shown according to the approved Mid-Year budget.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
GENERAL PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2024 through June 30, 2025**

REVENUE & OTHER SOURCES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
Transfers in - General Programs	\$ 10,530,000	\$ 10,530,000	\$ -	100.0%
Total	\$ 10,530,000	\$ 10,530,000	\$ -	
EXPENDITURES & OTHER USES:				
Program expenditures	17,552,064	6,791,643	10,760,421	38.7%
Net increase (decrease) in fund balance	<u>\$ (7,022,064)</u>	<u>\$3,738,357</u>		
Fund balance at beginning of period		<u>77,436,658</u>		
Fund balance at end of period		<u>\$81,175,015</u>		

**CUSTOMER RELIEF & COMMUNITY RESILIENCY FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2024 through June 30, 2025**

REVENUE & OTHER SOURCES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
Transfer from Operating Fund	\$ 5,370,000	\$ 5,370,000	\$ -	100.0%
EXPENDITURES & OTHER USES:				
Customer bill relief credit	4,411,000	3,707,933	703,067	84.1%
Other program expenditures	825,000	565,827	259,173	68.6%
Total Program expenditures	<u>5,236,000</u>	<u>4,273,760</u>	<u>962,240</u>	
Net increase (decrease) in fund balance	<u>\$ 134,000</u>	<u>1,096,240</u>		
Fund balance at beginning of period		<u>5,437,984</u>		
Fund balance at end of period		<u>\$6,534,224</u>		

ELECTRIFICATION DISCOUNT FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2024 through June 30, 2025

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
REVENUE & OTHER SOURCES:				
Transfer from Operating Fund	\$ -	\$ -	\$ -	n/a
EXPENDITURES & OTHER USES:				
Program expenditures	850,000	310,125	539,875	36.5%
Net increase (decrease) in fund balance	<u><u>\$ (850,000)</u></u>	<u><u>(310,125)</u></u>		
Fund balance at beginning of period		9,159,383		
Fund balance at end of period		<u><u>\$8,849,258</u></u>		

BUILDING FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2024 through June 30, 2025

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
REVENUE & OTHER SOURCES:				
Transfer from Operating Fund *			\$ -	n/a
EXPENDITURES & OTHER USES:				
Capital outlay	-	11,535,464		
Other program expenditures		<u>104,182</u>	(104,182)	
		11,639,646		
Net increase (decrease) in fund balance	<u><u>\$ -</u></u>	<u><u>(11,639,646)</u></u>		
Fund balance at beginning of period		20,000,000		
Fund balance at end of period		<u><u>\$8,360,354</u></u>		

NUCLEAR AND HANFORD PROGRAM FUNDS
BUDGETARY COMPARISON SCHEDULE
October 1, 2024 through June 30, 2025

REVENUE & OTHER SOURCES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
Transfers in - Nuclear Allocation	\$ 3,708,000	\$ 3,708,000		
Transfer in - Hanford Emissions Mitigation Fund	\$ 1,800,000	\$ 1,800,000	\$ -	100.0%
Total	\$ 5,508,000	\$ 5,508,000	\$ -	
 EXPENDITURES & OTHER USES:				
Program expenditures	-	-	-	
 Net increase (decrease) in fund balance	\$ 5,508,000	\$5,508,000		
Fund balance at beginning of period		2,188,000		
Fund balance at end of period		\$7,696,000		

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2024 through June 30, 2025

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
OPERATING REVENUES													
Electricity sales, net	\$ 42,272,261	\$ 36,066,964	\$ 40,444,049	\$ 37,228,673	\$ 35,529,828	\$ 34,904,798	\$ 31,391,510	\$ 34,317,024	\$ 43,774,198				\$335,929,305
Green electricity premium	\$ 216,009	\$ 177,897	\$ 192,481	\$ 188,052	\$ 178,307	\$ 193,727	\$ 206,394	\$ 187,690	\$ 201,357				1,741,914
Liquidated damages	\$ 2,400,000	\$ 404,610			\$ 4,769,259			\$ 7,335	\$ 5,523				7,586,727
Total operating revenues	44,888,270	36,649,471	40,636,530	37,416,725	40,477,394	35,098,525	31,597,904	34,512,049	43,981,078	-	-	-	345,257,946
OPERATING EXPENSES													
Cost of electricity	29,690,455	\$ 23,435,665	\$ 24,597,864	\$ 30,250,162	\$ 31,366,058	\$ 27,919,533	\$ 23,596,328	\$ 24,645,113	\$ 25,010,833				240,512,011
Staff compensation and benefits	1,153,708	\$ 1,135,297	\$ 1,503,015	\$ 1,268,232	\$ 1,111,324	\$ 1,224,232	\$ 1,176,748	\$ 1,236,271	\$ 1,148,872				10,957,699
Data manager	270,465	\$ 270,551	\$ 270,449	\$ 271,060	\$ 271,407	\$ 297,492	\$ 298,166	\$ 299,318	\$ 299,619				2,548,527
Service fees - PG&E	100,000	\$ 96,085	\$ 104,098	\$ 99,430	\$ 99,450	\$ 99,963	\$ 100,000	\$ 103,680	\$ 100,000				902,706
Consultants and other professional fees	806,956	\$ 771,641	\$ 713,688	\$ 488,719	\$ 758,117	\$ 686,305	\$ 1,228,117	\$ 593,977	\$ 732,144				6,779,664
Other operating expenses	462,895	\$ 852,622	\$ 1,008,087	\$ 522,513	\$ 628,025	\$ 686,023	\$ 840,532	\$ 695,796	\$ 1,071,290				6,767,783
Depreciation	53,537	\$ 53,341	\$ 65,816	\$ 65,817	\$ 65,679	\$ 79,983	\$ 79,788	\$ 35,349	\$ 64,577				563,887
Total operating expenses	32,538,016	26,615,202	28,263,017	32,965,933	34,300,060	30,993,531	27,319,679	27,609,504	28,427,335	-	-	-	269,032,277
Operating income (loss)	12,350,254	10,034,269	12,373,513	4,450,792	6,177,334	4,104,994	4,278,225	6,902,545	15,553,743	-	-	-	76,225,669
NONOPERATING REVENUES (EXPENSES)													
Grant income	-	\$ -											-
Interest income	428,694	\$ 1,712,666	\$ 1,742,311	\$ 2,102,525	\$ 2,556,286	\$ 2,024,762	\$ 2,554,759	\$ 1,112,698	\$ 2,555,003				16,789,704
Financing costs	(701)	\$ (625)	\$ (549)	\$ (472)	\$ (2,125)	\$ (308)	\$ (241)	\$ (164)	\$ (88)				(5,273)
Total nonoperating revenues (expenses)	427,993	1,712,041	1,741,762	2,102,053	2,554,161	2,024,454	2,554,518	1,112,534	2,554,915	-	-	-	16,784,431
CHANGE IN NET POSITION	\$ 12,778,247	\$ 11,746,310	\$ 14,115,275	\$ 6,552,845	\$ 8,731,495	\$ 6,129,448	\$ 6,832,743	\$ 8,015,079	\$ 18,108,658	\$ -	\$ -	\$ -	\$ 93,010,100

**SILICON VALLEY CLEAN ENERGY AUTHORITY
INVESTMENTS SUMMARY
October 1, 2024 through June 30, 2025**

Ending Balance of SVCE Accounts:	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 33,363,756	\$ 28,561,690	\$ 48,885,983	\$ 23,794,276	\$ 27,049,188	\$ 42,937,816	\$ 45,927,353	\$ 32,564,164	\$ 21,348,354			
California Asset Management Program (CAMP)	\$ 206,767,899	\$ 229,607,825	\$ 216,507,939	\$ 249,409,396	\$ 240,227,528	\$ 233,113,584	\$ 233,966,069	\$ 255,875,229	\$ 260,768,773			
PFM Asset Management Investment Portfolio	\$ 281,807,003	\$ 270,469,593	\$ 271,357,416	\$ 273,147,693	\$ 276,597,488	\$ 275,221,074	\$ 277,682,923	\$ 277,661,144	\$ 278,632,183			
Total Ending Balance	\$ 521,938,658	\$ 528,639,108	\$ 536,751,338	\$ 546,351,364	\$ 543,874,204	\$ 551,272,475	\$ 557,576,345	\$ 566,100,537	\$ 560,749,310			

Return On Investments:

Annual % Yield	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	4.58%	4.58%	4.55%	4.53%	4.42%	4.39%	4.36%	4.35%	4.33%			
California Asset Management Program (CAMP)	5.03%	4.87%	4.73%	4.55%	4.51%	4.47%	4.45%	4.42%	4.40%			
PFM Asset Management Investment Portfolio *	4.45%	4.45%	4.45%	4.40%	4.33%	4.25%	4.14%	4.30%	4.16%			
Average Return On Investments:	4.69%	4.64%	4.57%	4.47%	4.41%	4.35%	4.29%	4.36%	4.28%			

* Yield to Maturity at Market.

Accounting Returns	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 14,385	\$ 26,036	\$ 36,682	\$ 38,759	\$ 20,782	\$ 21,676	\$ 25,765	\$ 47,976	\$ 28,267			
California Asset Management Program (CAMP)	\$ 908,552	\$ 839,926	\$ 900,114	\$ 901,457	\$ 818,132	\$ 886,056	\$ 852,485	\$ 909,160	\$ 893,544			
Other Interest Income	\$ 4,447	\$ 2,470	\$ 2,313	\$ 2,322	\$ 2,242	\$ 2,020	\$ 2,181	\$ 2,089	\$ 2,151			
PFM Asset Management Investment Portfolio *	\$ (498,690)	\$ 844,234	\$ 803,202	\$ 1,159,987	\$ 1,715,130	\$ 1,115,010	\$ 1,674,328	\$ 153,474	\$ 1,631,039			
Total Interest and Investment Gains	\$ 428,694	\$ 1,712,666	\$ 1,742,311	\$ 2,102,525	\$ 2,556,286	\$ 2,024,762	\$ 2,554,758	\$ 1,112,699	\$ 2,555,002			

* Includes change in current market value (month over month), accrued interest and money market dividends (as per US GAAP).

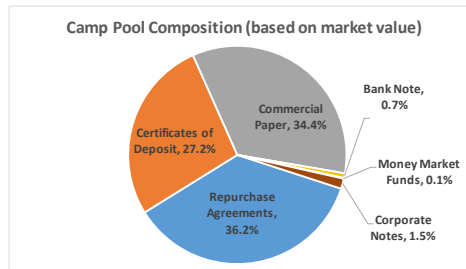
Actual and Accrued Cash Basis Returns	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 14,385	\$ 26,036	\$ 36,682	\$ 38,759	\$ 20,782	\$ 21,676	\$ 25,765	\$ 47,976	\$ 28,267			
Camp Pool Composition (based on market value):	\$ 908,552	\$ 839,926	\$ 900,114	\$ 901,457	\$ 818,132	\$ 886,056	\$ 852,485	\$ 909,160	\$ 893,544			
Other Interest Income	\$ 4,447	\$ 2,470	\$ 2,313	\$ 2,322	\$ 2,242	\$ 2,020	\$ 2,181	\$ 2,089	\$ 2,151			
PFM Asset Management Investment Portfolio *	\$ 945,927	\$ 954,874	\$ 1,046,439	\$ 1,048,124	\$ 1,144,192	\$ 895,923	\$ 1,043,886	\$ 1,476,104	\$ 952,095			
Total Interest and Investment Gains	\$ 1,873,311	\$ 1,823,305	\$ 1,985,548	\$ 1,990,662	\$ 1,985,349	\$ 1,805,676	\$ 1,924,316	\$ 2,435,329	\$ 1,876,058			

* Includes interest/dividends/coupons received, net realized gains/losses and monthly change in accrued interest.

CAMP Portfolio Statistics

As of June 30, 2025

Beginning of the Month Market Value	\$ 255,875,229
Ending of The Month Market Value	\$ 260,768,773
Monthly Distribution Yield	4.40%
Weighted Average Maturity (days)	41

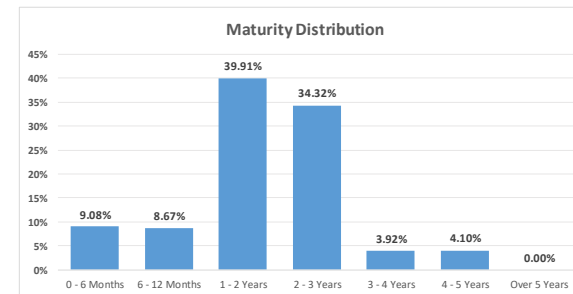
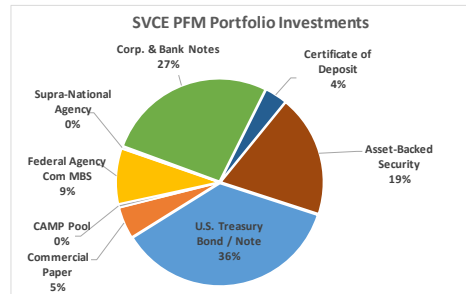


PFM Portfolio Statistics

As of June 30, 2025

Portfolio Par Value	\$ 276,343,980
Portfolio Market Value (incl. Accrued Interest)	\$ 278,632,183
Yield to Maturity at Cost	4.48%
Yield to Maturity at Market	4.16%
Benchmark Yield*	3.87%
Portfolio Effective Duration (years)	1.35
Weighted Average Maturity (days)	674

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



SVCE Investment Policy:

https://svcleanenergy.org/wp-content/uploads/FP-08_Investments.pdf

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

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
Retail Sales Actual (GWh)	338.0	306.3	334.6	341.1	312.1	329.2	305.1	315.8	303.8				2,886
Retail Sales MY Budget (GWh)	338.0	306.3	334.6	363.3	341.8	326.0	310.5	310.3	323.6	342.9	348.8	344.1	2,954
Load deviation from the Budget	0.0%	0.0%	0.0%	-6.1%	-8.7%	1.0%	-1.7%	1.8%	-6.1%				-2.3%
Customer Participation Rate Res	96.1%	96.1%	96.2%	96.1%	96.2%	96.2%	96.2%	96.2%	96.2%				
Customer Participation Rate Com	96.5%	96.5%	96.4%	96.5%	96.2%	96.4%	96.5%	96.5%	96.5%				
Total Accounts	281,658	282,096	281,927	281,940	282,098	282,423	282,833	283,264	283,631				283,631
Opt-Out Accounts	41	25	31	66	42	40	50	24	21				340
Opt-Up Accounts	-7	17	-23	-9	8	-11	-8	-11	-6				-50

Age Summary (as of 7/1/2025)

<30 days	\$30,347,537
<60 days	\$1,615,949
<90 days	\$795,119
<120 days	\$624,218
Older	\$3,277,889

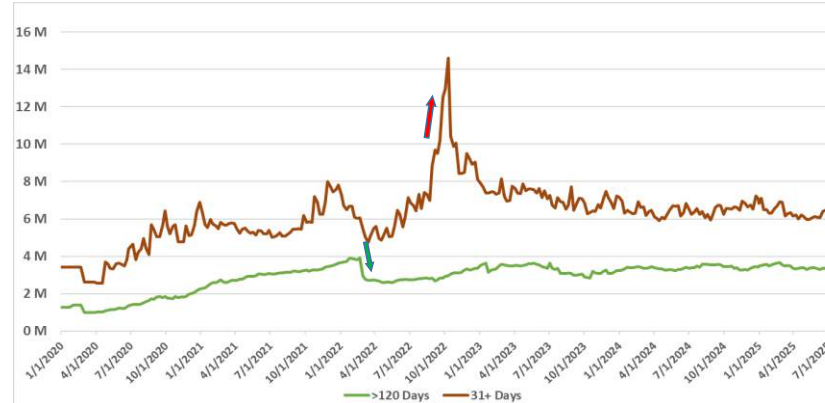
Accounts Receivable Days

26 Days

\$36,660,713

TOTAL DUE

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



	Date	Amount
High	11/29/2021	\$7.99M
Low	4/17/2020	\$2.54M
Current	7/1/2025	\$6.3 M

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

Bad Debt % (Budget)

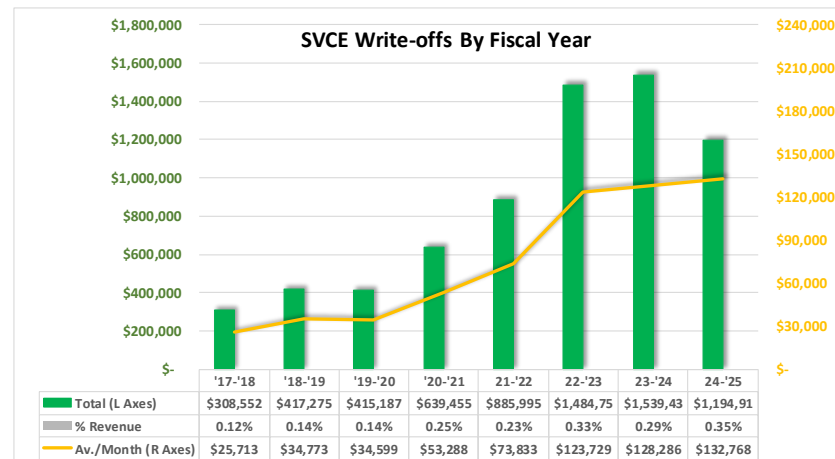
0.75%

Bad Debt % (Actual)

June 2025 FYTD

0.35%

SVCE Write-offs By Fiscal Year



Silicon Valley Clean Energy

June 30, 2025

Certificate of Compliance

During the reporting period for the month ended June 30, 2025, 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, a division of U.S. Bancorp Asset Management, Inc.

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


Managed Account Security Transactions & Interest

 For the Month Ending **June 30, 2025**
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											
	05/27/25	06/03/25	HSBC USA INC DTD 06/03/2025 4.650% 06/03/2028	40428HR95	260,000.00	(259,877.80)	0.00	(259,877.80)			
	05/29/25	06/02/25	USAA CAPITAL CORP (CALLABLE) DTD 06/02/2025 4.375% 06/01/2028	90327QDA4	385,000.00	(384,272.35)	0.00	(384,272.35)			
	06/03/25	06/10/25	BMWLT 2025-1 A3 DTD 06/10/2025 4.430% 06/26/2028	096912AD2	495,000.00	(494,989.11)	0.00	(494,989.11)			
	06/03/25	06/10/25	BANK OF NY MELLON CORP (CALLABLE) DTD 06/10/2025 4.441% 06/09/2028	06406RCH8	415,000.00	(415,000.00)	0.00	(415,000.00)			
	06/03/25	06/10/25	WFCIT 2025-A1 A DTD 06/10/2025 4.340% 05/15/2030	92970QAJ4	1,125,000.00	(1,124,981.33)	0.00	(1,124,981.33)			
	06/03/25	06/13/25	NATIONAL AUSTRALIA BK/NY DTD 06/13/2025 4.308% 06/13/2028	632525CJ8	760,000.00	(760,000.00)	0.00	(760,000.00)			
	06/04/25	06/09/25	FHMS K067 A2 DTD 09/01/2017 3.194% 07/01/2027	3137FAWS3	1,725,000.00	(1,688,478.52)	(1,224.37)	(1,689,702.89)			
	06/05/25	06/10/25	TARGET CORP (CALLABLE) DTD 06/10/2025 4.350% 06/15/2028	87612EBU9	340,000.00	(339,996.60)	0.00	(339,996.60)			
	06/10/25	06/18/25	AUST & NZ BANKING GRP NY DTD 06/18/2025 4.362% 06/18/2028	05253JB75	1,000,000.00	(1,000,000.00)	0.00	(1,000,000.00)			
	06/12/25	06/16/25	ANALOG DEVICES INC (CALLABLE) DTD 06/16/2025 4.250% 06/15/2028	032654BD6	1,470,000.00	(1,468,412.40)	0.00	(1,468,412.40)			
	06/17/25	06/25/25	KCOT 2025-2A A2 DTD 06/25/2025 4.480% 04/17/2028	50117LAB4	300,000.00	(299,963.82)	0.00	(299,963.82)			
Transaction Type Sub-Total					8,275,000.00	(8,235,971.93)	(1,224.37)	(8,237,196.30)			
INTEREST											
	06/01/25	06/01/25	USAA CAPITAL CORP DTD 06/03/2024 5.250% 06/01/2027	90327QD97		0.00	18,768.75	18,768.75			
	06/01/25	06/25/25	FHMS K074 A2 DTD 03/01/2018 3.600% 01/01/2028	3137F4D41		0.00	3,000.00	3,000.00			
	06/01/25	06/25/25	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BRQJ7		0.00	2,508.74	2,508.74			
	06/01/25	06/25/25	FHMS K058 A1 DTD 11/01/2016 2.340% 07/01/2026	3137BSP64		0.00	507.51	507.51			


Managed Account Security Transactions & Interest

 For the Month Ending **June 30, 2025**
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											
	06/01/25	06/25/25	FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82		0.00	6,359.79	6,359.79			
	06/01/25	06/25/25	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36		0.00	961.44	961.44			
	06/01/25	06/25/25	FNA 2018-M2 A2 DTD 02/01/2018 3.001% 01/01/2028	3136B0YM2		0.00	3,269.81	3,269.81			
	06/01/25	06/25/25	FNA 2024-M6 A2 DTD 11/01/2024 3.005% 07/01/2027	3136BTGM9		0.00	5,007.50	5,007.50			
	06/01/25	06/25/25	FHMS K068 A2 DTD 10/01/2017 3.244% 08/01/2027	3137FBBX3		0.00	2,297.83	2,297.83			
	06/01/25	06/25/25	FHMS KJ28 A2 DTD 02/01/2020 2.308% 10/01/2027	3137FREE7		0.00	3,085.37	3,085.37			
	06/01/25	06/25/25	FHMS K737 A2 DTD 01/01/2020 2.525% 10/01/2026	3137FOXJ7		0.00	2,209.37	2,209.37			
	06/01/25	06/25/25	FHMS K079 A2 DTD 08/01/2018 3.926% 06/01/2028	3137FGZT5		0.00	4,907.50	4,907.50			
	06/01/25	06/25/25	FHMS K075 A2 DTD 04/01/2018 3.650% 02/01/2028	3137F4X72		0.00	4,486.46	4,486.46			
	06/01/25	06/25/25	FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJXQ7		0.00	1,511.95	1,511.95			
	06/01/25	06/25/25	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4		0.00	1,274.87	1,274.87			
	06/01/25	06/25/25	FHMS K739 A2 DTD 11/01/2020 1.336% 09/01/2027	3137F64P9		0.00	2,645.13	2,645.13			
	06/01/25	06/25/25	FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRE5		0.00	1,820.00	1,820.00			
	06/01/25	06/25/25	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79		0.00	1,958.01	1,958.01			
	06/01/25	06/25/25	FHMS K076 A2 DTD 05/01/2018 3.900% 04/01/2028	3137FEZU7		0.00	3,900.00	3,900.00			
	06/01/25	06/25/25	FHMS K054 A2 DTD 04/01/2016 2.745% 01/01/2026	3137BNGT5		0.00	2,306.32	2,306.32			
	06/01/25	06/25/25	FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3		0.00	2,727.38	2,727.38			


Managed Account Security Transactions & Interest

 For the Month Ending **June 30, 2025**
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											
	06/08/25	06/08/25	JP MORGAN CHASE BANK NA (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8		0.00	15,330.00	15,330.00			
	06/10/25	06/10/25	NATIONAL AUSTRALIA BK/NY DTD 06/09/2022 3.500% 06/10/2025	63254ABD9		0.00	8,750.00	8,750.00			
	06/10/25	06/10/25	NATIONAL AUSTRALIA BK/NY DTD 01/10/2024 4.750% 12/10/2025	63253QAF1		0.00	9,500.00	9,500.00			
	06/11/25	06/11/25	NATIONAL AUSTRALIA BK/NY DTD 06/11/2024 5.087% 06/11/2027	63253QAJ3		0.00	62,442.93	62,442.93			
	06/14/25	06/14/25	VISA INC (CALLABLE) DTD 12/14/2015 3.150% 12/14/2025	92826CAD4		0.00	15,750.00	15,750.00			
	06/15/25	06/15/25	WOART 2023-D A2A DTD 11/08/2023 5.910% 02/16/2027	98164DAB3		0.00	296.30	296.30			
	06/15/25	06/15/25	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4		0.00	1,108.00	1,108.00			
	06/15/25	06/15/25	FORDO 2024-C A2A DTD 09/20/2024 4.320% 08/15/2027	34532UAB5		0.00	2,154.46	2,154.46			
	06/15/25	06/15/25	BACCT 2024-A1 A DTD 06/13/2024 4.930% 05/15/2029	05522RDJ4		0.00	4,231.58	4,231.58			
	06/15/25	06/15/25	AMXCA 2025-2 A DTD 05/13/2025 4.280% 04/15/2030	02582JCP4		0.00	3,975.64	3,975.64			
	06/15/25	06/15/25	HART 2025-A A3 DTD 03/12/2025 4.320% 10/15/2029	44935CAD3		0.00	6,102.00	6,102.00			
	06/15/25	06/15/25	KCOT 2024-2A A2 DTD 06/25/2024 5.450% 04/15/2027	50117DAB2		0.00	1,169.72	1,169.72			
	06/15/25	06/15/25	COPAR 2024-1 A2A DTD 11/26/2024 4.610% 10/15/2027	14043NAB5		0.00	1,343.58	1,343.58			
	06/15/25	06/15/25	TAOT 2024-D A2A DTD 10/17/2024 4.550% 08/16/2027	89239TAB8		0.00	1,921.73	1,921.73			
	06/15/25	06/15/25	FORDO 2024-D A2A DTD 11/22/2024 4.590% 10/15/2027	34535VAB0		0.00	1,969.88	1,969.88			
	06/15/25	06/15/25	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5		0.00	450.46	450.46			


Managed Account Security Transactions & Interest

 For the Month Ending **June 30, 2025**
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											
	06/15/25	06/15/25	ALLYA 2024-1 A3 DTD 03/13/2024 5.080% 12/15/2028	02008FAC8		0.00	1,629.83	1,629.83			
	06/15/25	06/15/25	HART 2023-C A2A DTD 11/13/2023 5.800% 01/15/2027	44918CAB8		0.00	621.90	621.90			
	06/15/25	06/15/25	MBART 2025-1 A2A DTD 01/23/2025 4.500% 02/15/2028	58773DAB0		0.00	7,593.75	7,593.75			
	06/15/25	06/15/25	KCOT 2024-1A A2 DTD 02/21/2024 5.390% 01/15/2027	50117BAB6		0.00	2,065.48	2,065.48			
	06/15/25	06/15/25	FORDO 2025-A A2A DTD 03/25/2025 4.470% 12/15/2027	34535KAB4		0.00	7,748.00	7,748.00			
	06/15/25	06/15/25	DCENT 2023-A1 A DTD 04/11/2023 4.310% 03/15/2028	254683CY9		0.00	4,669.17	4,669.17			
	06/15/25	06/15/25	HART 2024-C A2A DTD 10/16/2024 4.530% 09/15/2027	448976AB6		0.00	3,093.31	3,093.31			
	06/15/25	06/15/25	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1		0.00	3,595.62	3,595.62			
	06/15/25	06/15/25	BAAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1		0.00	4,018.00	4,018.00			
	06/15/25	06/15/25	NAROT 2025-A A3 DTD 05/27/2025 4.490% 12/17/2029	65481GAD7		0.00	2,772.58	2,772.58			
	06/15/25	06/15/25	TAOT 2024-B A2A DTD 04/30/2024 5.410% 03/15/2027	89237NAB3		0.00	1,247.63	1,247.63			
	06/15/25	06/15/25	ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2		0.00	2,277.00	2,277.00			
	06/15/25	06/15/25	HART 2024-B A2A DTD 07/24/2024 5.150% 06/15/2027	44934QAB7		0.00	1,658.07	1,658.07			
	06/15/25	06/15/25	FORDO 2024-A A2A DTD 03/19/2024 5.320% 01/15/2027	34535EAB8		0.00	745.84	745.84			
	06/15/25	06/15/25	HAROT 2024-1 A2 DTD 02/21/2024 5.360% 09/15/2026	437918AB1		0.00	1,467.91	1,467.91			
	06/15/25	06/15/25	KCOT 2025-1A A2 DTD 02/19/2025 4.610% 12/15/2027	50117FAB7		0.00	2,439.46	2,439.46			
	06/15/25	06/15/25	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8		0.00	1,473.25	1,473.25			



Managed Account Security Transactions & Interest

For the Month Ending June 30, 2025

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											
	06/15/25	06/15/25	WOART 2024-C A2A DTD 08/20/2024 4.780% 01/18/2028	98164NAB1		0.00	2,812.55	2,812.55			
	06/15/25	06/15/25	FORDO 2024-B A2A DTD 06/24/2024 5.400% 04/15/2027	34531QAB5		0.00	4,707.81	4,707.81			
	06/15/25	06/15/25	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0		0.00	1,348.38	1,348.38			
	06/15/25	06/15/25	TAOT 2025-A A2A DTD 01/29/2025 4.480% 11/15/2027	89240JAB7		0.00	6,608.00	6,608.00			
	06/15/25	06/15/25	HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3		0.00	1,221.48	1,221.48			
	06/15/25	06/15/25	NAROT 2024-B A2A DTD 10/23/2024 4.510% 06/15/2027	65479WAB0		0.00	3,916.66	3,916.66			
	06/15/25	06/15/25	WFCIT 2024-A1 A DTD 03/01/2024 4.940% 02/15/2029	92970QAA3		0.00	3,807.92	3,807.92			
	06/15/25	06/15/25	COMET 2024-A1 A DTD 09/24/2024 3.920% 09/15/2029	14041NGE5		0.00	4,736.67	4,736.67			
	06/15/25	06/15/25	WOART 2024-A A2A DTD 02/14/2024 5.050% 04/15/2027	98164RAB2		0.00	427.64	427.64			
	06/15/25	06/15/25	AMXCA 2024-1 A DTD 04/23/2024 5.230% 04/16/2029	02582JKH2		0.00	3,116.21	3,116.21			
	06/15/25	06/15/25	CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4		0.00	3,461.50	3,461.50			
	06/15/25	06/15/25	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3		0.00	1,566.83	1,566.83			
	06/15/25	06/15/25	WFCIT 2024-A2 A DTD 10/24/2024 4.290% 10/15/2029	92970QAE5		0.00	2,341.63	2,341.63			
	06/15/25	06/15/25	HAROT 2024-4 A2 DTD 10/24/2024 4.560% 03/15/2027	43816DAB1		0.00	5,567.97	5,567.97			
	06/15/25	06/15/25	COPAR 2023-2 A2A DTD 10/11/2023 5.910% 10/15/2026	14044EAB4		0.00	555.35	555.35			
	06/15/25	06/15/25	NAROT 2024-A A2A DTD 05/22/2024 5.470% 12/15/2026	65479UAB4		0.00	1,592.63	1,592.63			
	06/15/25	06/15/25	BAAT 2024-1A A3 DTD 05/22/2024 5.350% 11/15/2028	09709AAC6		0.00	557.29	557.29			



Managed Account Security Transactions & Interest

For the Month Ending June 30, 2025

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											
	06/15/25	06/15/25	MBART 2023-2 A2 DTD 10/25/2023 5.920% 11/16/2026	58769FAB1		0.00	103.78	103.78			
	06/15/25	06/15/25	WOART 2025-A A2A DTD 01/29/2025 4.490% 04/17/2028	98164YAB7		0.00	4,302.92	4,302.92			
	06/15/25	06/15/25	US TREASURY N/B DTD 12/16/2024 4.000% 12/15/2027	91282CMB4		0.00	18,000.00	18,000.00			
	06/15/25	06/15/25	TAOT 2024-C A2A DTD 07/30/2024 5.160% 05/17/2027	89237QAB6		0.00	949.73	949.73			
	06/15/25	06/15/25	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9		0.00	4,433.46	4,433.46			
	06/15/25	06/15/25	NAROT 2023-B A2A DTD 10/25/2023 5.950% 05/15/2026	65480MAB9		0.00	423.81	423.81			
	06/15/25	06/15/25	WOART 2024-B A2A DTD 05/22/2024 5.480% 09/15/2027	98164HAB4		0.00	831.83	831.83			
	06/15/25	06/15/25	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2		0.00	2,067.49	2,067.49			
	06/15/25	06/15/25	CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/16/2029	161571HV9		0.00	2,664.17	2,664.17			
	06/15/25	06/15/25	AMXCA 2025-1 A DTD 02/11/2025 4.560% 12/15/2029	02582JKM1		0.00	6,137.00	6,137.00			
	06/15/25	06/15/25	USAOT 2024-A A2 DTD 07/30/2024 5.250% 03/15/2027	90327VAB4		0.00	2,902.57	2,902.57			
	06/16/25	06/16/25	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7		0.00	444.58	444.58			
	06/16/25	06/16/25	GMCAR 2025-1 A2A DTD 01/15/2025 4.440% 01/18/2028	362955AB2		0.00	5,383.50	5,383.50			
	06/16/25	06/16/25	GMCAR 2024-3 A2A DTD 07/10/2024 5.350% 06/16/2027	38013KAB6		0.00	1,897.76	1,897.76			
	06/16/25	06/16/25	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2		0.00	2,263.83	2,263.83			
	06/16/25	06/16/25	GMCAR 2024-4 A2A DTD 10/16/2024 4.530% 10/18/2027	38014AAB7		0.00	2,100.85	2,100.85			
	06/16/25	06/16/25	GMCAR 2024-2 A2A DTD 04/10/2024 5.330% 03/16/2027	379931AB4		0.00	446.38	446.38			



Managed Account Security Transactions & Interest

For the Month Ending June 30, 2025

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											
	06/20/25	06/20/25	VALET 2025-1 A2A DTD 03/25/2025 4.510% 01/20/2028	92868MAB5		0.00	6,765.00	6,765.00			
	06/20/25	06/20/25	VZMT 2025-3 A1A DTD 03/31/2025 4.510% 03/20/2030	92348KDY6		0.00	5,675.08	5,675.08			
	06/20/25	06/20/25	VALET 2024-1 A2A DTD 11/26/2024 4.650% 11/22/2027	92868RAB4		0.00	5,097.31	5,097.31			
	06/20/25	06/20/25	BAAAT 2025-1A A3 DTD 05/12/2025 4.350% 11/20/2029	05594BAD8		0.00	1,015.00	1,015.00			
	06/20/25	06/20/25	VALET 2023-2 A2A DTD 11/21/2023 5.720% 03/22/2027	92867YAB0		0.00	708.65	708.65			
	06/20/25	06/20/25	PILOT 2025-1A A3 DTD 05/21/2025 4.610% 10/20/2028	73329KAD8		0.00	1,336.90	1,336.90			
	06/21/25	06/21/25	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5		0.00	921.38	921.38			
	06/21/25	06/21/25	HAROT 2025-1 A2 DTD 02/11/2025 4.530% 08/23/2027	43814VAB3		0.00	10,192.50	10,192.50			
	06/21/25	06/21/25	HAROT 2024-3 A2 DTD 08/21/2024 4.890% 02/22/2027	43813YAB8		0.00	2,589.34	2,589.34			
	06/22/25	06/22/25	PFAST 2024-1A A2A DTD 12/13/2024 4.450% 01/24/2028	73328EAB7		0.00	1,796.41	1,796.41			
	06/24/25	06/24/25	HOME DEPOT INC DTD 06/25/2024 5.100% 12/24/2025	437076CX8		0.00	25,500.00	25,500.00			
	06/25/25	06/25/25	BMWOT 2024-A A3 DTD 06/11/2024 5.180% 02/26/2029	096919AD7		0.00	3,086.42	3,086.42			
	06/25/25	06/25/25	CHAOT 2024-3A A2 DTD 06/27/2024 5.530% 09/27/2027	16144LAB2		0.00	1,918.48	1,918.48			
	06/25/25	06/25/25	BMWOT 2025-A A2A DTD 02/12/2025 4.430% 10/25/2027	096924AB1		0.00	3,414.79	3,414.79			
	06/25/25	06/25/25	CHAOT 2024-5A A2 DTD 09/24/2024 4.400% 11/26/2027	16144QAB1		0.00	786.38	786.38			
	06/25/25	06/25/25	CHAOT 2024-1A A2 DTD 03/27/2024 5.480% 04/26/2027	16144BAB4		0.00	234.18	234.18			
	06/25/25	06/25/25	CHAOT 2024-2A A2 DTD 04/25/2024 5.660% 05/26/2027	16144CAB2		0.00	1,104.09	1,104.09			


Managed Account Security Transactions & Interest

 For the Month Ending **June 30, 2025**
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											
	06/25/25	06/25/25	CHAOT 2024-4A A2 DTD 07/30/2024 5.250% 09/27/2027	16144YAB4		0.00	1,303.22	1,303.22			
Transaction Type Sub-Total						0.00	438,272.12	438,272.12			
MATURITY											
	06/10/25	06/10/25	NATIONAL AUSTRALIA BK/NY DTD 06/09/2022 3.500% 06/10/2025	63254ABD9	500,000.00	500,000.00	0.00	500,000.00	16,760.00	0.00	
Transaction Type Sub-Total					500,000.00	500,000.00	0.00	500,000.00	16,760.00	0.00	
PAYDOWNS											
	06/01/25	06/25/25	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36	22,313.25	22,313.25	0.00	22,313.25	963.13	469.39	
	06/01/25	06/25/25	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BRQJ7	54,688.39	54,688.39	0.00	54,688.39	3,561.15	1,519.91	
	06/01/25	06/25/25	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79	1,223.42	1,223.42	0.00	1,223.42	59.17	43.06	
	06/01/25	06/25/25	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4	1,038.95	1,038.95	0.00	1,038.95	74.95	30.90	
	06/01/25	06/25/25	FHMS K058 A1 DTD 11/01/2016 2.340% 07/01/2026	3137BSP64	13,826.20	13,826.20	0.00	13,826.20	708.59	280.99	
	06/01/25	06/25/25	FHMS KJ28 A2 DTD 02/01/2020 2.308% 10/01/2027	3137FREE7	1,882.52	1,882.52	0.00	1,882.52	69.34	61.54	
	06/01/25	06/25/25	FNA 2018-M2 A2 DTD 02/01/2018 3.001% 01/01/2028	3136B0YM2	1,719.69	1,719.69	0.00	1,719.69	48.77	46.35	
	06/01/25	06/25/25	FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJXQ7	150,541.20	150,541.20	0.00	150,541.20	4,951.39	625.44	
	06/01/25	06/25/25	FHMS K739 A2 DTD 11/01/2020 1.336% 09/01/2027	3137F64P9	2,464.51	2,464.51	0.00	2,464.51	189.17	153.55	
	06/01/25	06/25/25	FHMS K054 A2 DTD 04/01/2016 2.745% 01/01/2026	3137BNGT5	20,665.06	20,665.06	0.00	20,665.06	1,045.36	308.86	
	06/15/25	06/15/25	NAROT 2024-B A2A DTD 10/23/2024 4.510% 06/15/2027	65479WAB0	99,985.37	99,985.37	0.00	99,985.37	7.98	6.10	



Managed Account Security Transactions & Interest

For the Month Ending June 30, 2025

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											
	06/15/25	06/15/25	USAOT 2024-A A2 DTD 07/30/2024 5.250% 03/15/2027	90327VAB4	109,885.97	109,885.97	0.00	109,885.97	7.11	4.77	
	06/15/25	06/15/25	KCOT 2024-2A A2 DTD 06/25/2024 5.450% 04/15/2027	50117DAB2	20,999.73	20,999.73	0.00	20,999.73	2.39	1.57	
	06/15/25	06/15/25	FORDO 2024-A A2A DTD 03/19/2024 5.320% 01/15/2027	34535EAB8	30,378.48	30,378.48	0.00	30,378.48	1.07	0.60	
	06/15/25	06/15/25	NAROT 2023-B A2A DTD 10/25/2023 5.950% 05/15/2026	65480MAB9	64,764.28	64,764.28	0.00	64,764.28	0.95	0.34	
	06/15/25	06/15/25	COPAR 2023-2 A2A DTD 10/11/2023 5.910% 10/15/2026	14044EAB4	63,475.45	63,475.45	0.00	63,475.45	5.60	2.60	
	06/15/25	06/15/25	WOART 2024-B A2A DTD 05/22/2024 5.480% 09/15/2027	98164HAB4	34,537.18	34,537.18	0.00	34,537.18	3.47	2.40	
	06/15/25	06/15/25	COPAR 2024-1 A2A DTD 11/26/2024 4.610% 10/15/2027	14043NAB5	33,419.55	33,419.55	0.00	33,419.55	1.40	1.10	
	06/15/25	06/15/25	HART 2023-C A2A DTD 11/13/2023 5.800% 01/15/2027	44918CAB8	39,577.59	39,577.59	0.00	39,577.59	1.85	0.96	
	06/15/25	06/15/25	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	26,808.09	26,808.09	0.00	26,808.09	696.38	335.63	
	06/15/25	06/15/25	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9	29,082.66	29,082.66	0.00	29,082.66	6.57	41.93	
	06/15/25	06/15/25	HART 2024-C A2A DTD 10/16/2024 4.530% 09/15/2027	448976AB6	69,784.16	69,784.16	0.00	69,784.16	4.23	3.27	
	06/15/25	06/15/25	FORDO 2024-B A2A DTD 06/24/2024 5.400% 04/15/2027	34531QAB5	126,353.52	126,353.52	0.00	126,353.52	9.45	6.16	
	06/15/25	06/15/25	TAOT 2024-B A2A DTD 04/30/2024 5.410% 03/15/2027	89237NAB3	43,252.67	43,252.67	0.00	43,252.67	3.11	1.95	
	06/15/25	06/15/25	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	27,860.65	27,860.65	0.00	27,860.65	200.25	128.29	
	06/15/25	06/15/25	MBART 2025-1 A2A DTD 01/23/2025 4.500% 02/15/2028	58773DAB0	137,043.92	137,043.92	0.00	137,043.92	3.30	2.75	
	06/15/25	06/15/25	WOART 2024-A A2A DTD 02/14/2024 5.050% 04/15/2027	98164RAB2	24,921.78	24,921.78	0.00	24,921.78	1.95	1.14	
	06/15/25	06/15/25	KCOT 2024-1A A2 DTD 02/21/2024 5.390% 01/15/2027	50117BAB6	54,782.78	54,782.78	0.00	54,782.78	0.71	0.33	



Managed Account Security Transactions & Interest

For the Month Ending June 30, 2025

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											
	06/15/25	06/15/25	HART 2024-B A2A DTD 07/24/2024 5.150% 06/15/2027	44934QAB7	42,223.96	42,223.96	0.00	42,223.96	1.71	1.20	
	06/15/25	06/15/25	HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3	30,229.22	30,229.22	0.00	30,229.22	232.63	127.95	
	06/15/25	06/15/25	TAOT 2024-C A2A DTD 07/30/2024 5.160% 05/17/2027	89237QAB6	26,493.46	26,493.46	0.00	26,493.46	0.25	0.14	
	06/15/25	06/15/25	FORDO 2024-C A2A DTD 09/20/2024 4.320% 08/15/2027	34532UAB5	54,543.33	54,543.33	0.00	54,543.33	2.19	1.58	
	06/15/25	06/15/25	MBART 2023-2 A2 DTD 10/25/2023 5.920% 11/16/2026	58769FAB1	19,905.67	19,905.67	0.00	19,905.67	0.89	0.43	
	06/15/25	06/15/25	NAROT 2024-A A2A DTD 05/22/2024 5.470% 12/15/2026	65479UAB4	55,139.09	55,139.09	0.00	55,139.09	0.57	0.32	
	06/15/25	06/15/25	TAOT 2024-D A2A DTD 10/17/2024 4.550% 08/16/2027	89239TAB8	48,462.05	48,462.05	0.00	48,462.05	3.15	2.40	
	06/15/25	06/15/25	WOART 2023-D A2A DTD 11/08/2023 5.910% 02/16/2027	98164DAB3	21,274.56	21,274.56	0.00	21,274.56	1.79	0.94	
	06/15/25	06/15/25	WOART 2024-C A2A DTD 08/20/2024 4.780% 01/18/2028	98164NAB1	77,780.87	77,780.87	0.00	77,780.87	1.65	1.13	
	06/15/25	06/15/25	HAROT 2024-1 A2 DTD 02/21/2024 5.360% 09/15/2026	437918AB1	89,421.64	89,421.64	0.00	89,421.64	8.25	4.10	
	06/15/25	06/15/25	HAROT 2024-4 A2 DTD 10/24/2024 4.560% 03/15/2027	43816DAB1	157,123.64	157,123.64	0.00	157,123.64	10.71	7.91	
	06/16/25	06/16/25	GMCAR 2025-1 A2A DTD 01/15/2025 4.440% 01/18/2028	362955AB2	34,806.25	34,806.25	0.00	34,806.25	3.32	2.80	
	06/16/25	06/16/25	GMCAR 2024-4 A2A DTD 10/16/2024 4.530% 10/18/2027	38014AAB7	53,875.51	53,875.51	0.00	53,875.51	2.25	1.67	
	06/16/25	06/16/25	GMCAR 2024-3 A2A DTD 07/10/2024 5.350% 06/16/2027	38013KAB6	59,280.43	59,280.43	0.00	59,280.43	0.14	0.00	
	06/16/25	06/16/25	GMCAR 2024-2 A2A DTD 04/10/2024 5.330% 03/16/2027	379931AB4	19,946.38	19,946.38	0.00	19,946.38	1.32	0.80	
	06/20/25	06/20/25	VALET 2024-1 A2A DTD 11/26/2024 4.650% 11/22/2027	92868RAB4	93,919.86	93,919.86	0.00	93,919.86	1.50	1.07	
	06/20/25	06/20/25	VALET 2023-2 A2A DTD 11/21/2023 5.720% 03/22/2027	92867YAB0	26,131.15	26,131.15	0.00	26,131.15	1.53	0.83	


Managed Account Security Transactions & Interest

 For the Month Ending **June 30, 2025**
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											
	06/21/25	06/21/25	HAROT 2024-3 A2	43813YAB8	75,925.69	75,925.69	0.00	75,925.69	5.94	4.01	
			DTD 08/21/2024 4.890% 02/22/2027								
	06/22/25	06/22/25	PFAST 2024-1A A2A	73328EAB7	68,579.97	68,579.97	0.00	68,579.97	5.85	4.86	
			DTD 12/13/2024 4.450% 01/24/2028								
	06/25/25	06/25/25	CHAOT 2024-4A A2	16144YAB4	40,555.73	40,555.73	0.00	40,555.73	3.79	2.75	
			DTD 07/30/2024 5.250% 09/27/2027								
	06/25/25	06/25/25	CHAOT 2024-3A A2	16144LAB2	61,901.33	61,901.33	0.00	61,901.33	0.53	0.26	
			DTD 06/27/2024 5.530% 09/27/2027								
	06/25/25	06/25/25	CHAOT 2024-2A A2	16144CAB2	50,298.01	50,298.01	0.00	50,298.01	1.82	1.82	
			DTD 04/25/2024 5.660% 05/26/2027								
	06/25/25	06/25/25	CHAOT 2024-5A A2	16144QAB1	24,614.46	24,614.46	0.00	24,614.46	2.19	1.69	
			DTD 09/24/2024 4.400% 11/26/2027								
	06/25/25	06/25/25	CHAOT 2024-1A A2	16144BAB4	14,570.13	14,570.13	0.00	14,570.13	1.22	0.73	
			DTD 03/27/2024 5.480% 04/26/2027								
Transaction Type Sub-Total					2,554,279.41	2,554,279.41	0.00	2,554,279.41	12,923.98	4,253.27	
SELL											
	06/05/25	06/06/25	CCCIT 2023-A1 A1	17305EGW9	245,000.00	245,803.91	6,335.56	252,139.47	834.63	823.80	FIFO
			DTD 12/11/2023 5.230% 12/08/2027								
	06/26/25	06/27/25	BP CAP MARKETS AMERICA (CALLABLE)	10373QBY5	615,000.00	625,940.85	3,428.28	629,369.13	10,940.85	10,940.85	FIFO
			DTD 05/17/2024 5.017% 11/17/2027								
Transaction Type Sub-Total					860,000.00	871,744.76	9,763.84	881,508.60	11,775.48	11,764.65	
Managed Account Sub-Total						(4,309,947.76)	446,811.59	(3,863,136.17)	41,459.46	16,017.92	
Total Security Transactions						(4,309,947.76)	\$446,811.59	(\$3,863,136.17)	\$41,459.46	\$16,017.92	



Staff Report – Item 1c

Item 1c: Authorize the Chief Executive Officer to Execute Agreement with EcoMetricx for Three Years with a Not to Exceed Amount of \$800,000 for Cloud Infrastructure Implementation

From: Monica Padilla, CEO

Prepared by: Scott Wrigglesworth, Director of Risk and Analytics
Rebecca Fang, Manager of Data and Analytics

Date: 8/13/2025

RECOMMENDATION

Staff requests that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") authorize the Chief Executive Officer (CEO) to execute a new agreement (Attachment 1) with EcoMetricx for cloud infrastructure implementation services for a total amount not to exceed \$800,000 for a period of three years.

BACKGROUND

Since September 2019, SVCE has worked with Camus Energy to develop and maintain **Data Analytics In SVCE Territory** (DAISY), SVCE's cloud-based data analytics platform hosted on Google Cloud Platform (GCP). Over the years, SVCE and Camus Energy have developed DAISY into a robust platform that serves as a central repository for SVCE's demand-side data, enabling more efficient and accurate data analytics and reporting to facilitate data-driven decision making across the organization.

Since DAISY primarily serves the demand-side of SVCE's business, SVCE seeks vendor support to build a similar platform for the supply-side of its business, connect it to DAISY, and create a centralized cloud platform in GCP. This central repository will be named "RADaR" (Repository for Analytics, Data, and Reporting) and will unify data, analytics, and reporting across SVCE. This will ensure a single source of truth for common datasets such as electricity load, enhance SVCE's analytics capabilities, and set organization-wide standards for documentation, version control, user permissions, and data security.

In addition, SVCE's contract with Camus Energy will end in September 2025. SVCE is in the process of bringing DAISY in-house to prepare for this, but would benefit from vendor support to align DAISY with the broader RADaR data architecture and continue developing the demand-side of RADaR.

For the reasons above, staff issued a Request for Proposals (RFP) for a Cloud Infrastructure Implementation Partner on March 10, 2025, which closed on April 7, 2025. The RFP scope was structured into 2 tasks: 1) Implementation and 2) Ongoing Services. A key goal of this project was to develop a solution that SVCE could manage and develop internally with a lean maintenance effort; therefore, SVCE sought an implementation partner that would be flexible in order to adapt to existing and new data architecture standards, as well as communicative and transparent throughout the development process.

The RFP garnered a strong response, with 13 proposals submitted. Staff carried out a rigorous evaluation process over multiple months. The primary evaluation criteria were: relevant experience, proposed approach, cost for value, contract exceptions, and cybersecurity. The proposal submitted by EcoMetricx was selected as

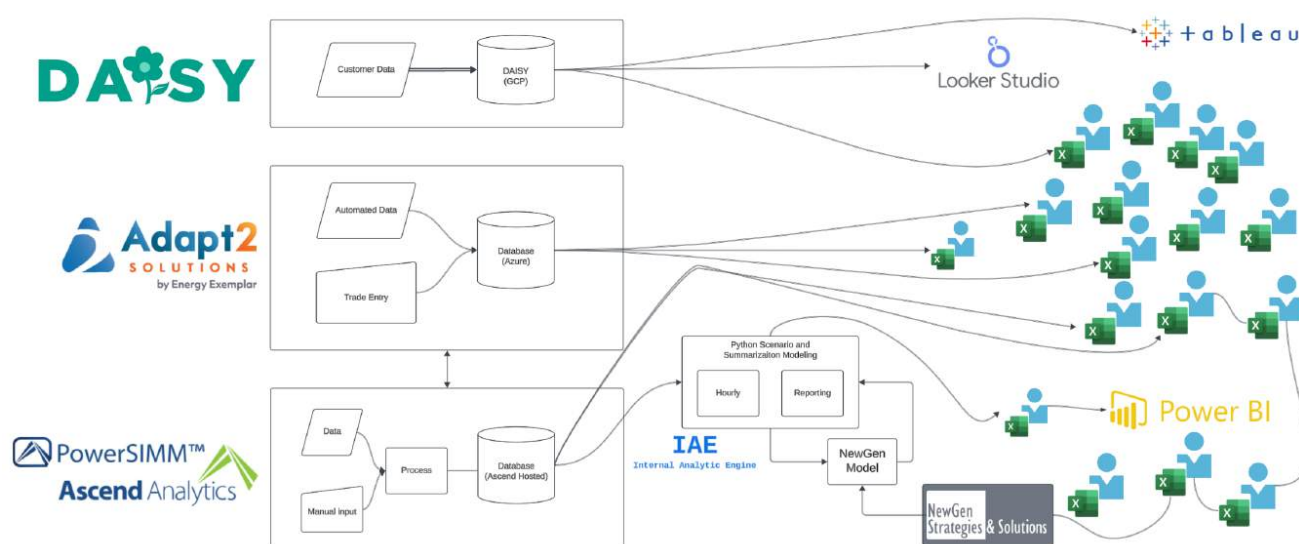
the top finalist. SVCE negotiated an agreement with EcoMetricx to build and maintain RADaR over a period of 3 years.

EcoMetricx is a data analytics and cloud engineering firm specializing in energy sector solutions. Established in 2017, the company is a California-based corporation with twenty employees, including certified cloud architects, data engineers, and data scientists. The organization is structured into specialized teams for Cloud Infrastructure, Data Engineering, and Data Science, enabling them to tackle end-to-end data platform implementations. EcoMetricx's current client list includes energy companies, municipal utilities, and technology firms.

ANALYSIS & DISCUSSION

Current State

CURRENT - SVCE Core Data System Architecture - Simplified Illustration



(Note: Enlarged Image at end of document)

Demand-side data systems: DAISY, or svce-demand, is SVCE's existing data platform hosted in GCP. DAISY contains four core GCS buckets, one BQ project, and dashboards within Looker Studio. Permissions to the GCP project are managed using tiered Google Groups, where a subset of SVCE staff (Power Users) have access to directly querying and developing in the project. DAISY is currently being developed in partnership with Camus Energy through September 2025, at which point it will be transitioned over to SVCE.

Supply-side data systems: The organization of data in the supply side consists of a contract management software (Adapt2), a risk and portfolio modeling software (Ascend: PowerSIMM), a load forecasting software (Itron), in-house models, and a range of disparate Excel scripts. There is limited automation among these platforms and most data transfers are manual. The contract management software serves as a source of truth for contracts, counterparty credit ratings, their historical data, and settlements/ associated meter data. The modeling software uses contract data, including historical performance of a contract, and provides modeled outputs of financial scenarios.

Other tools and applications: In addition to the data systems above, SVCE leverages box for file storage, Excel/Python/R for data analysis, ArcGIS Pro for mapping and spatial analysis, Github for version control, and is transitioning to PowerBI for reports and dashboards.

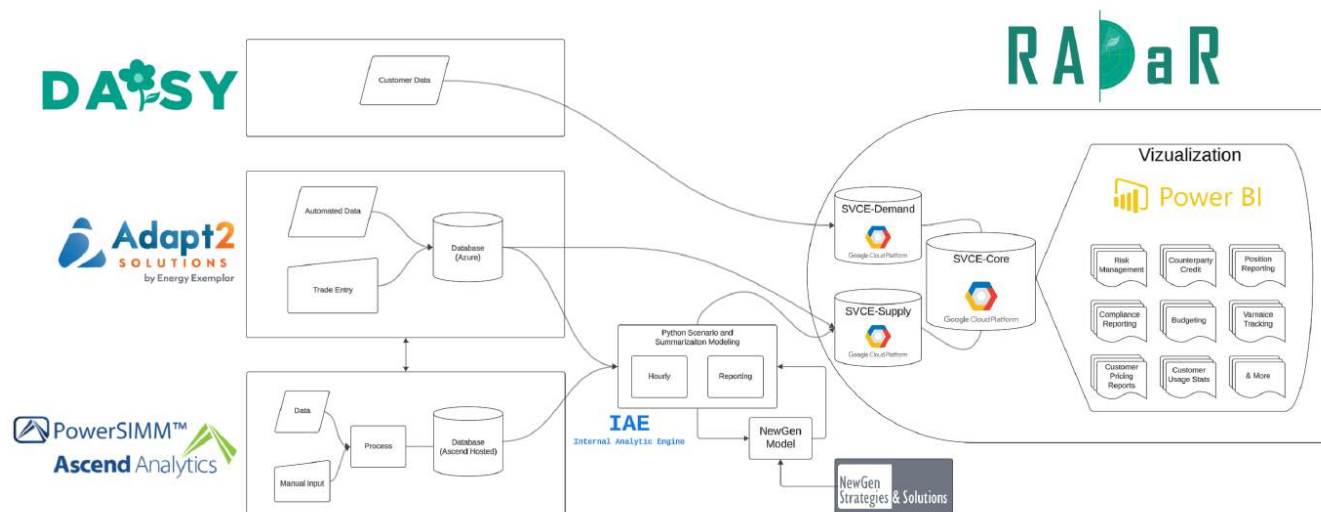
Future State – RADaR

In fall 2024, staff began to scope RADaR, a central repository hosted in GCP which would unify its data warehousing, data analytics, and reporting needs across the organization. RADaR would ensure a single

Agenda Item: 1c**Agenda Date: 8/13/2025**

source of truth for common datasets, enhance SVCE's analytics capabilities, and set organization-wide standards for documentation, version control, user permissions, and data security.

FUTURE - SVCE Core Data System Architecture - Simplified Illustration



(Note: Enlarged Image at end of document)

RADaR will consist of three GCP projects: *svce-demand*, *svce-supply*, and *svce-core*.

- *svce-demand*: Also known as DAISY, this is SVCE's **existing** GCP project containing primarily demand-side data. Includes Google Cloud Storage (GCS) buckets, BigQuery tables, ETL systems, pre-made queries and routines, and documentation.
- *svce-supply*: This will be a **new** GCP project containing data for SVCE's "supply-side"¹ business functions. Vendor will develop ETL systems to ingest data from various software into GCS and BigQuery.
- *svce-core*: This will be a **new** GCP project that brings together summarized data from *svce-demand* and *svce-supply* for reporting and analytics across the two sides of business. It will also house data that are utilized by both sides of the business (e.g. settlement-quality load data, weather data, rates data).

Staff Proposal

Staff issued an RFP for a cloud infrastructure implementation partner to co-develop and maintain RADaR. Based on responses to the RFP, staff recommends contracting with EcoMetricx for cloud infrastructure implementation services via the attached draft agreement (Attachment 1). This will enable staff to leverage vendor expertise to develop RADaR using industry best practices while ensuring that RADaR can be maintained in-house post-implementation.

STRATEGIC PLAN

Approval of the attached agreement is in direct support of the Board-approved Strategic Plan as follows: Goal 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)."

ALTERNATIVE

Alternatives include selecting a different vendor to perform the needed services, or bringing services in-house.

¹ Includes functions such as: deal capture, energy trading and risk management, portfolio management, compliance

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Staff does not recommend these alternatives as the other proposals received either did not meet SVCE's needs or were not as competitive from a cost-to-value perspective, and SVCE currently does not have the bandwidth and full expertise to perform the services with existing staff within the target timeframe.

FISCAL IMPACT

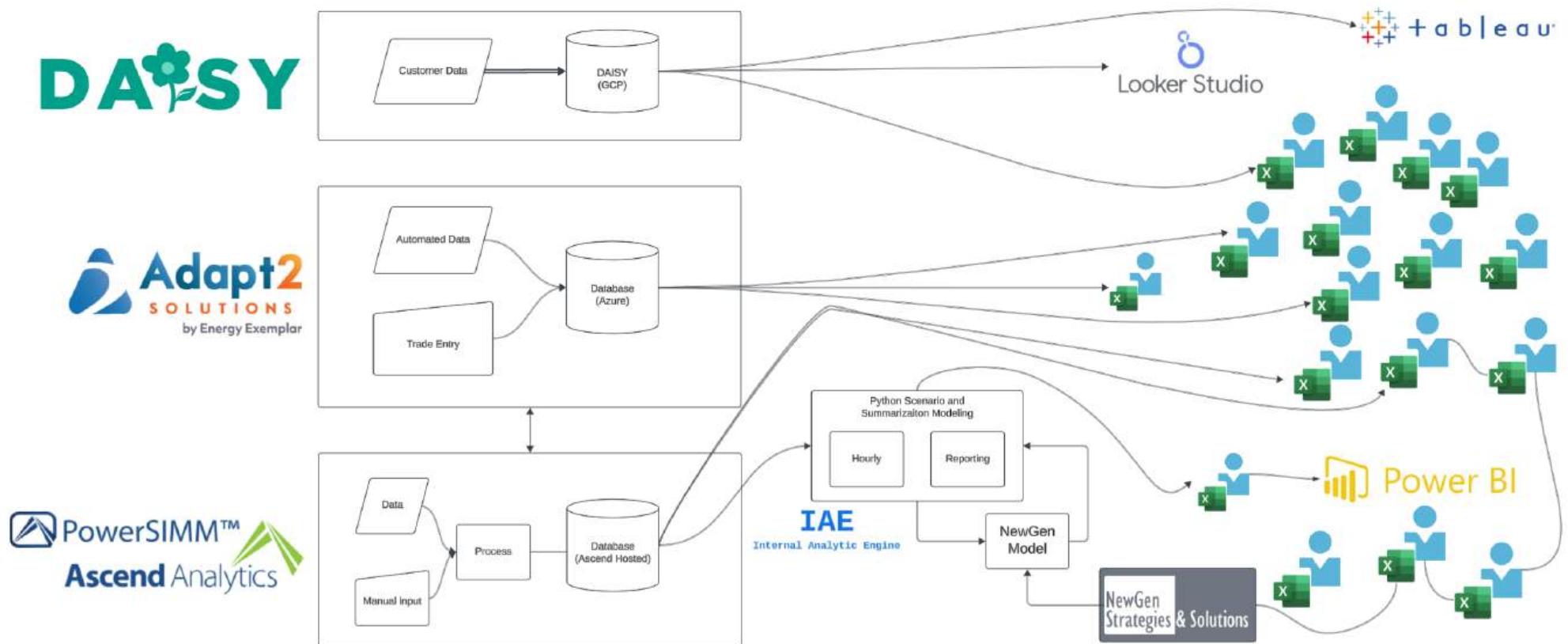
If approved, the proposed agreement is expected have an execution date of August 14, 2025 with a project start on August 18. The contract will have a three-year contract term with a not-to-exceed amount of \$800,000 for the entire term. The cost for year 1 of the agreement is covered in the current budget (given we start in the current FY 2024-25) and the remaining portion of the contract is included in the FY 2025-26 budget request. Appropriations of funds for subsequent years of the agreement will be requested in upcoming budgets.

ATTACHMENT

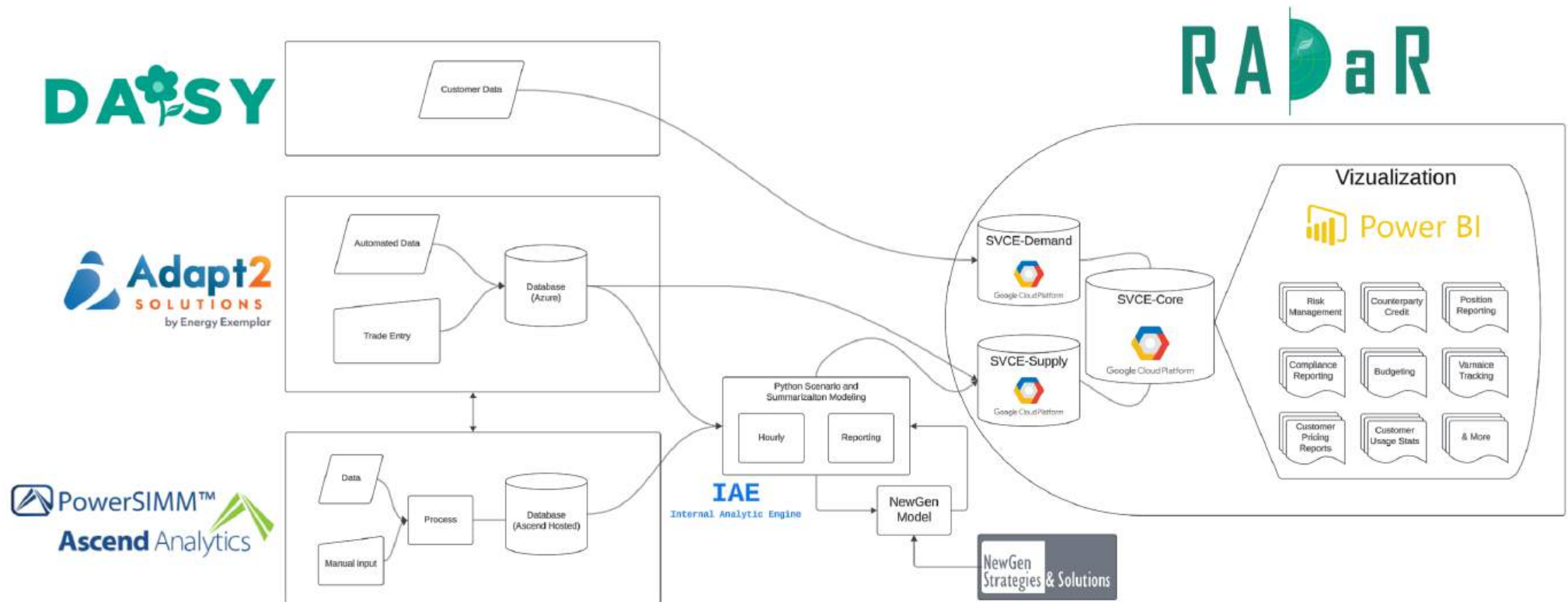
1. Draft Agreement with EcoMetricx for Cloud Infrastructure Implementation Services

(See next pages for enlarged images)

CURRENT - SVCE Core Data System Architecture - Simplified Illustration



FUTURE - SVCE Core Data System Architecture - Simplified Illustration



**AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND
ECOMETRIX, LLC
FOR
CLOUD INFRASTRUCTURE IMPLEMENTATION SERVICES**

THIS AGREEMENT ("Agreement"), is entered into this 14 day of AUGUST, 2025, by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency, ("Authority"), and ECOMETRIX, LLC, a California limited liability company (hereinafter referred to as "Consultant") (collectively referred to as the "Parties" and individually as a "Party").

RECITALS:

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

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

C. Authority and Consultant desire to enter into an agreement for Cloud Infrastructure Implementation services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. TERM

The term of this Agreement shall commence on August 18, 2025, and shall terminate on August 17, 2028, unless terminated earlier as set forth herein.

2. SERVICES TO BE PERFORMED

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

3. COMPENSATION TO CONSULTANT

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed Eight Hundred Thousand dollars (\$800,0000) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. AGREEMENT PERFORMANCE

Consultant and Authority agree that the timeline of performance of the Agreement by Consultant shall be in accordance with the schedule set forth in "Exhibit B." Notwithstanding the above, the Parties may mutually agree to revise the timeline for performance.

5. STANDARD OF CARE

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

6. INDEPENDENT PARTIES

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

contractors in the role of Authority officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Consultant's personnel practices. Authority shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to Authority from Consultant as a result of Consultant's failure to promptly pay to Authority any reimbursement or indemnification arising under this section.

7. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF AUTHORITY

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

8. NON-DISCRIMINATION

In the performance of this Agreement, Consultant, and any subconsultant under the Consultant, shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Consultant shall have responsibility for compliance with this Section.

9. HOLD HARMLESS AND INDEMNIFICATION

A. General Indemnification. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify Authority and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those Authority agents serving as independent contractors in the role of Authority officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the errors, omissions or willful misconduct of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all reasonable attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all reasonable legal expenses and costs incurred by Indemnitees in connection therewith.

B. Intellectual Property Indemnification. Consultant hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights"), except as otherwise expressly provided by this Agreement. Consultant warrants that the services to be provided pursuant to this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any U.S. IP Rights of any third party. Consultant shall indemnify, defend, and hold Indemnitees, harmless from and against any Liabilities by a third party that the services to be provided pursuant to this Agreement infringe or violate any third-party's IP Rights, provided any such right is enforceable in the United States. Such costs and expenses shall include reasonable attorneys' fees of counsel of Authority's choice, expert fees and all other costs and fees of litigation.

C. The acceptance of the services by Authority shall not operate as a waiver of these rights of indemnification. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability.

D. Consultant's indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

10. INSURANCE

A. General Requirements. On or before the commencement of the term of this Agreement, Consultant shall furnish Authority with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the Authority by certified mail, Attention: Chief Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to Authority and licensed to do insurance business in the State of California. Endorsements naming the Authority as additional insured shall be submitted with the insurance certificates.

D. Subrogation Waiver. Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Authority with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against Authority by virtue of the payment of any loss under such insurance.

E. Failure to Secure or Maintain Insurance. If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, Authority shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the

Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

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

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

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

11. CONFLICT OF INTEREST

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

12. PROHIBITION AGAINST TRANSFERS

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of Authority. Any attempt to do so without such consent shall be null and void, and any assignee, sublessee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from Authority under this Agreement may be assigned to a bank, trust company or other financial institution and Consultant may also assign this Agreement in the context of a LLC conversion, re-incorporation or re-organization, third party merger or sale of business or sale of all or substantially all of Consultant's assets provided the third party assignee assumes all of the responsibilities and liabilities of the Agreement that were agreed to by Consultant and notice is provided to Authority within thirty days of assignment, without prior written consent. Written notice of such assignments shall be promptly furnished to Authority by Consultant.

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

13. SUBCONTRACTOR APPROVAL

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

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

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

14. REPORTS

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

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

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

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

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

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

15. RECORDS

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

16. PARTY REPRESENTATIVES

The Chief Executive Officer ("Authority Representative") shall represent the Authority in all matters pertaining to the services to be performed under this Agreement. The Chief Operating Officer (Consultant Representative") shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. CONFIDENTIAL INFORMATION AND DOCUMENTS

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by Authority. Authority represents that all Data received by Consultant from Authority or to which Consultant was provided access to by Authority will not contain any trade secrets or proprietary property of any third party without the need for any third party consent or approvals not yet obtained or that providing such Data to Consultant violates the privacy rights of any third party. Authority shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the Authority Representative or unless requested in writing by the Authority's General Counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the Authority. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives Authority notice of such court order or subpoena. Consultant shall obtain and maintain SOC II, Type II certification no later than September 17, 2026.

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

C. It is understood that Authority is subject to the California Public Records Act (Gov. Code § 7920.000 *et seq.*). If a request under the California Public Records Act is made to view any documents Consultant provided to Authority, Authority shall notify Consultant of the request and the date that such records will be released to the requester unless Consultant obtains a court order enjoining that disclosure. If Consultant fails to obtain a court order enjoining that disclosure, Authority will release the requested information on the date specified.

D. In the event Authority gives Consultant written notice of a "litigation hold" or request under the Public Records Act, then as to all data identified in such notice or request, Consultant shall, at no additional cost to Authority, isolate and preserve all such data pending receipt of further direction from the Authority.

E. Consultant warrants it shall NOT ever have access (or require access) to personally identifiable information or confidential data to fulfill the terms of this Agreement, and Consultant shall provide the Python scripts SVCE will require to anonymize any data.

F. Consultant's covenants under this section shall survive the expiration or termination of this Agreement.

18. NOTICES

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

NOTICES TO AUTHORITY:

333 W. El Camino Real

Suite 330

Sunnyvale CA 94087

Attention: Chief Executive Officer

INVOICES TO AUTHORITY:

invoices@svcleanenergy.org

TO CONSULTANT:

EcoMetricx, LLC

591 Rockefeller

Irvine CA 92612

Attention: Chief Operating Officer

19. TERMINATION

Except in the case of a Force Majeure Event, in the event either party fails or refuses to perform any of the provisions pertaining to that party's obligations at the time and in the manner required hereunder, upon written notice received from the non-breaching party, the party alleged to have breached the Agreement shall be deemed in default in the performance of this Agreement. If the alleged breaching party fails to cure the default within the time specified (which shall be determined by the non-

~~breaching party but shall be not less~~ than 10 days) and according to the requirements set forth in the non-breaching party's written notice of default, and in addition to any other remedy available to the non-breaching party by law, the non-breaching party Representative may terminate the Agreement by giving the alleged breaching party written notice thereof, which shall be effective immediately. Each party Representative shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) calendar days' prior written notice to the other party as provided herein. Upon receipt of any notice of termination, the party receiving notice of termination shall immediately discontinue performance.

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

20. COMPLIANCE WITH LAWS

Each party shall keep itself informed of and shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by either party or in any way affect the performance of Consultant's services pursuant to this Agreement. Consultant shall, at all times, observe and comply with all such laws and regulations, including, but not limited to the Americans with Disabilities Act, the Stored Communications Act, 18 U.S.C. Section 2701, et seq., California Civil Code Sections 1798.80 through 1798.84, and the California Consumer Privacy Act, Civil Code Section 1798.100 et seq. Authority, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

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

21. CONFLICT OF LAW

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

22. ADVERTISEMENT

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

23. WAIVER

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

24. AUTHORITY

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

25. INSERTED PROVISIONS

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

26. CAPTIONS AND TERMS

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

27. AUTHORITY'S RIGHTS TO EMPLOY OTHER CONSULTANTS

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

28. EXHIBITS

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

29. FORCE MAJEURE

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

30. FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE

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

31. ATTORNEY FEES

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

32. SEVERABILITY

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

33. SUCCESSORS AND ASSIGNS

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

34. NO THIRD PARTY BENEFICIARIES INTENDED

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

35. COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE

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

36. DRAFTING PARTY

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

37. ENTIRE AGREEMENT

This Agreement (including any Exhibits referenced herein) is the final, complete and exclusive agreement between the parties with respect to the subject matter hereof and supersedes and merges all prior contemporaneous representations, discussions, proposals, negotiations, conditions, communications and agreements, whether written or oral, between the parties relating to the subject matter hereof and all past course of dealing or industry custom. Any modification of this Agreement will be effective only by a written document signed by both Authority and Consultant.

38. ACCEPTANCE OF DELIVERABLES.

After User Acceptance Testing is complete, if there are any deliverables identified in the Agreement that are to be developed for and delivered to Authority in connection with the performance of services by Consultant under this Agreement, Authority shall have ten (10) business days from its receipt of any deliverable developed by Consultant and delivered for use by Authority in performance of the services ("Deliverable") to review and evaluate such Deliverable to determine whether the Deliverable meets the written expectations or requirements (collectively "Specifications") for that Deliverable as set forth in the Agreement. If no written rejection is given to Consultant by Authority within ten (10) business days following Authority's receipt of such Deliverable, such Deliverable shall be deemed accepted. If Authority does not accept such Deliverable, Authority shall provide Consultant with a detailed written description of the inaccuracies, inadequacies, inconsistencies, defects, deficiencies or other problems in the Deliverable that led to the rejection. Consultant shall use commercially reasonable efforts to correct any such rejected Deliverable. Consultant shall not be responsible for any delays in the delivery schedule identified in the Agreement ("Delivery Schedule") that are caused by Authority. Deliverables submitted prior to User Acceptance Testing are not subject to the review process described above.

39. WARRANTY DISCLAIMER

EXCEPT FOR THE WARRANTIES EXPRESSLY SET FORTH IN THE AGREEMENT, CONSULTANT MAKES NO OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, UNDER THE AGREEMENT, INCLUDING WITHOUT LIMITATION, THE CONDITION OF THE SERVICES, WORK PRODUCT OR DELIVERABLES PROVIDED THEREIN, AND EXCEPT AS EXPRESSLY STATED IN THE AGREEMENT, CONSULTANT EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTIES OF NEED, TITLE OR ACCURACY AND ALL WARRANTIES OF NON-INFRINGEMENT OR OTHER VIOLATION OF THIRD PARTY RIGHTS INCLUDING ANY WARRANTY THAT MAY ARISE FROM THE COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.

40. LIMITATION OF LIABILITY.

To the extent permitted by applicable law, in no event will either Party be liable to the other Party under any legal theory for any special, indirect, consequential, exemplary or incidental damages, however caused, arising from or relating to the Agreement, even if such Party has been advised of the possibility of such damages. In addition, except for Consultant's indemnification obligations expressly set forth in the Agreement, Consultant's liability under the Agreement shall not exceed the total amounts of insurance required to be maintained by Consultant under the Agreement. Consultant shall not be liable for any deficiency in performing the services if such deficiency results from a failure by Authority to reasonably cooperate with Consultant or failure of Authority to provide reasonable access to its relevant systems so that Consultant can perform the services. Each Party acknowledges that the limitations of liability herein are a fundamental part of the basis of the bargain hereunder, and neither Party would have entered into this Agreement absent such limitations.

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

RECOMMENDED FOR APPROVAL

Scott Wigglesworth, Director, Risk Management & Analytics

CONSULTANT NAME
ECOMETRICX, LLC

By: _____

Name: MARTYN FRICKER

Title: CHIEF OPERATING OFFICER

Date:

SILICON VALLEY CLEAN ENERGY

AUTHORITY

A Joint Powers Authority

By: _____

Name: Monica Padilla

Title: Chief Executive Officer

Date:

APPROVED AS TO FORM:

Counsel for Authority

ATTEST:

Authority Clerk

Exhibit A

Scope of Services

This Statement of Work is entered into as of this 14th day of AUGUST, 2025, by and between EcoMetricx, LLC ("Consultant") and the Silicon Valley Clean Energy Authority ("Authority") under the terms and conditions of that certain Authority's Standard Consultant Agreement dated 14 AUGUST, 2025 by and between Consultant and Authority ("Agreement"). Any term that is not defined herein shall have the meaning set forth in the Agreement.

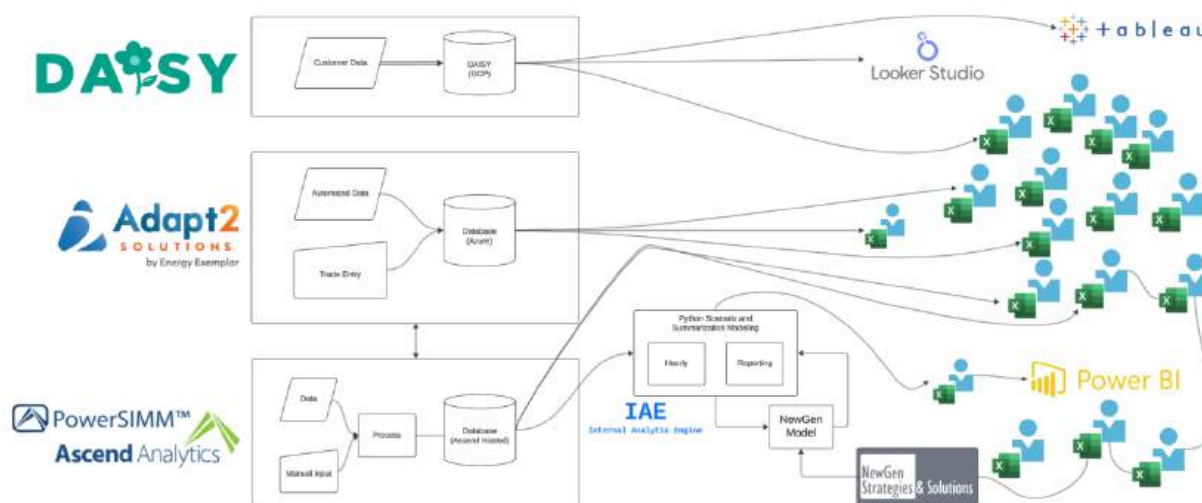
Description of the Requirement

Below are the Authority's requirements for the services. A full description of these requirements can be found in the [Cloud Infrastructure Implementation Partner RFP document](#).

The Authority seeks services to implement and maintain data architecture which centralizes its data warehousing, data analytics, and reporting needs across the organization. Specifically, the Authority intends to integrate its existing data systems into a central repository hosted in Google Cloud Platform (GCP), to be referred to internally as RADaR.

Current State

CURRENT - SVCE Core Data System Architecture - Simplified Illustration



Demand-side data systems: DAISY, or svce-demand, is the Authority’s existing data platform hosted in GCP. DAISY contains 4 core GCS buckets, one BQ project, and dashboards within Looker Studio. Permissions to the GCP project are managed using tiered Google Groups, where a subset of Authority staff (Power Users) have access to directly querying and developing in the project. DAISY is currently being developed in partnership with a vendor through September 2025, at which point it will be transitioned over to the Authority.

Supply-side data systems: The organization of data in the supply side consists of a contract management software (Adapt2), a risk and portfolio modeling software (Ascend: PowerSIMM), a load forecasting software (Itron), in-house models, and a range of disparate Excel scripts. There is limited

automation among these platforms and most data transfers are manual. The contract management software serves as a source of truth for contracts, counterparty credit ratings, their historical data, and settlements/ associated meter data. The modeling software uses contract data, including historical performance of a contract, and provides modeled outputs of financial scenarios. See tables below for more detailed information on supply-side workflows.

Workflows	Inputs	Outputs	Dependent Processes	Process Medium	Update Frequency	Priority
Risk Oversight Committee Reporting	8	2	0	Excel	Daily	1
Budget Formation	6	1	0	Excel	Daily	1
Load Forecasting	6	1	5	Itron Software	Quarterly	1
Internal Analytics Engine	5	0	1	Python	Daily	1
Renewable Portfolio Standard Compliance	5	3	0	Ascend Software	Quarterly	1
External Portfolio Modeling	4	6	5	Excel	Bi-Weekly	1
Internal Net Revenue Modeling	4	1	2	Excel	Daily	1
Organization Financial Stress Testing	3	3	0	Excel	Daily	1
Projected vs Actuals Clean Energy Position	14	1	0	Excel	Daily	2
Bilateral Settlements with Contract Counterparty	10	2	0	Excel	Monthly	2
Resource Adequacy Report	4	1	0	Excel	Monthly	2
RA Obligation Report	4	4	0	Excel	Monthly	2
Renewable Contract Report	4	1	0	Excel	Quarterly	2
CAISO Shadow Settlements	3	1	0	Adapt2 Software	Daily	2
Counter Party Credit Report	3	2	1	Excel	Daily	3
Slice of Day Resource Adequacy (RA)	Unknown	Unknown	Unknown	Excel	Daily	3
Climate Registry Information System	4	1	0	Excel	Quarterly	4
Historic Customer Data Report	3	1	0	Excel	Ad-Hoc	4
RA Contract Report	2	1	0	Excel	Ad-Hoc	4
Retail Sales Report	1	1	0	Excel	Ad-Hoc	4
Number of Unique Inputs	66					

Business Process	Data Workflow	Input Count	Input Data	Source	Repository	Format	Process Medium	Output Data
Settlements		CAISO Shadow Settlements	Prices	CAISO	Adapt2	SQL Database	Adapt2	Settled CAISO Data

	CAISO Shadow Settlements	CAISO Shadow Settlements	Meter Data	CAISO	Adapt2	SQL Database		
		CAISO Shadow Settlements	CAISO Settlements	CAISO	Adapt2	SQL Database		
	Bilateral Settlements with Contract Counterparty	Bilateral Settlements with Contract Counterparty	Prices	CAISO	Adapt2	SQL Database	Excel	Settled Contract Data
		Bilateral Settlements with Contract Counterparty	Meter Data	CAISO	Adapt2	SQL Database		Supplier Invoices
		Bilateral Settlements with Contract Counterparty	CAISO Settlements	CAISO	Adapt2	SQL Database		
		Bilateral Settlements with Contract Counterparty	Outage Data	CAISO	Adapt2	SQL Database		
		Bilateral Settlements with Contract Counterparty	RECs	WREGIS	Adapt2	SQL Database		
		Bilateral Settlements with Contract Counterparty	Contracted Products	Adapt2	Adapt2	SQL Database		
		Bilateral Settlements with Contract Counterparty	RA Invoice	Supplier	Box	Excel File		
		Bilateral Settlements with Contract Counterparty	IST Invoice	Supplier	Box	Excel File		
		Bilateral Settlements with Contract Counterparty	Carbon Free Invoice	Supplier	Box	Excel File		
		Bilateral Settlements with Contract Counterparty	REC Invoice	Supplier	Box	Excel File		
	Un-Integrated	Un-Integrated	Telemetry	CAISO	None	None		
		Un-Integrated	Schedules	CAISO	None	None		
Financial Modeling	External Portfolio Modeling	External Portfolio Modeling	Contracted Products	Adapt2	Adapt2	SQL Database	Ascend	Ascend Prices
		External Portfolio Modeling	Broker Quotes	Various; Email	Box	Excel File		Ascend Hourly Power Position

		External Portfolio Modeling	NP-15 Monthly Forward Energy Prices	CAISO	Box	CSV		Ascend Hourly RA Position
		External Portfolio Modeling	Load Forecast	Load Forecasting	Box	Excel File		Ascend Stochastic Forwards
								BESS Net Revenue Optimization
								Min Margin of Over Procurement
	Internal Analytics Engine	Internal Analytics Engine	Contracted Products	Adapt2	Adapt2	SQL Database	Internal Python Model	IAE Analysis
		Internal Analytics Engine	Consultant Built Revenue Model	Consultants	Box	Excel File		
		Internal Analytics Engine	NP-15 Monthly Forward Energy Prices	CAISO	Box	CSV		
		Internal Analytics Engine	Load Forecast	Load Forecasting	Box	Excel File		
		Internal Analytics Engine	Ascend Stochastic Forwards	External Portfolio Modeling	Box	Excel File		
	Risk Oversight Committee Reporting	Risk Oversight Committee Reporting	Credit Guidance Limits	Unsure			Excel	Weekly Risk Oversight Committee Report
		Risk Oversight Committee Reporting	Contract Credit Limits	Adapt2	Adapt2	SQL Database		Monthly Risk Oversight Committee Report
		Risk Oversight Committee Reporting	Internal Credit Limit Policies (ERMP)	Board Approved Document	Adapt2	SQL Database		
		Risk Oversight Committee Reporting	Credit Ratings	Moody's	Adapt2	SQL Database		
		Risk Oversight Committee Reporting	Ascend Prices	External Portfolio Modeling	Box	Excel File		
		Risk Oversight Committee Reporting	Ascend Hourly Power Position	External Portfolio Modeling	Box	Excel File		
		Risk Oversight Committee Reporting	Internal Net Revenue Model	Internal Net Revenue Modeling	Box	Excel File		

		Risk Oversight Committee Reporting	Hedge Percentages	Load Resource Balance	Box	Excel File		
	Internal Net Revenue Modeling	Internal Net Revenue Modeling	BESS Net Revenue Optimization	External Portfolio Modeling	Box	Excel File	Excel	Internal Net Revenue Model
		Internal Net Revenue Modeling	IAE Analysis	Internal Analytics Engine	Box	CSV		
		Internal Net Revenue Modeling	Investments MTM	Unknown	Box	Excel File		
		Internal Net Revenue Modeling	POLR	CPUC	Box	Excel File		
	Counter Party Credit Report	Counter Party Credit Report	Contract Credit Limits	Adapt2	Adap2	SQL Database	Adapt2	Counter Party Credit Report
		Counter Party Credit Report	Internal Credit Limit Policies (ERMP)	Board Approved Document	Adapt2	SQL Database		Counter Party Credit Outflow
		Counter Party Credit Report	Credit Ratings	Moody's	Adapt2	SQL Database		
	Organization Financial Stress Testing	Organization Financial Stress Testing	Ascend Stochastic Forwards	Ascend	Box	Excel File	Excel	Days Cash on Hand
		Organization Financial Stress Testing	Counter Party Credit Outflow	Counter Party Credit Report	Box	Excel File		Reserve Predictions
		Organization Financial Stress Testing						Net Revenue at Scenario
	Budget Formation	Budget Formation	Days Cash on Hand	Stress Testing	Box	Excel File	Excel	Budget
		Budget Formation	Reserve Projections	Stress Testing	Box	Excel File		
		Budget Formation	Net Revenue at Scenario	Stress Testing	Box	Excel File		
		Budget Formation	Internal Net Revenue Model	Internal Net Revenue Modeling	Box	CSV		
		Budget Formation	Operating Expenses	Operational Data	Box	Excel File		
		Budget Formation	Program Spending	Operational Data	Box	Excel File		
Positions	Load Forecasting	Load Forecasting	Historical Customer Sales by Class	Demand Side DAISY Data	DAISY	Big Query Table	Itron	Load Forecast

		Load Forecasting	Historical Customer Counts by Class	Demand Side DAISY Data	DAISY	Big Query Table		
		Load Forecasting	Historic Energy Technology Adoption	Demand Side DAISY Data	DAISY	Big Query Table		
		Load Forecasting	Forecasted Energy Technology Adoption	Regulator Provided Data	Box	Excel		
		Load Forecasting	Historic Load (Google)	Demand Side DAISY Data	DAISY	Big Query Table		
		Load Forecasting	Historic Weather Data	Demand Side DAISY Data/R Package	DAISY	Big Query Table		
	Slice of Day Resource Adequacy (RA)	Slice of Day Resource Adequacy (RA)						Slice of Day RA Position
	Projected vs Actuals Clean Energy Position	Projected vs Actuals Clean Energy Position	Contract Data	Adapt2	Adapt2	SQL Database	Excel	Clean Position
		Projected vs Actuals Clean Energy Position	RPS Compliant Contract	Compliance Process	Box	Excel		
		Projected vs Actuals Clean Energy Position	Generation Forecast		Box	Excel		
		Projected vs Actuals Clean Energy Position	Meter Data	CAISO	Adapt2	SQL Database		
		Projected vs Actuals Clean Energy Position	WREGIS RECs	WREGIS	Adapt2	SQL Database		
		Projected vs Actuals Clean Energy Position	Contracted Generation		Box	Excel		
		Projected vs Actuals Clean Energy Position	Supplier Invoices	Bilateral Settlements	Box	Excel		
		Projected vs Actuals Clean Energy Position	Settled CAISO Data	Shadow Settlements	Box	Excel		
		Projected vs Actuals Clean Energy Position	Settled Contract Data	Bilateral Settlements	Box	Excel		
		Projected vs Actuals Clean Energy Position	T+52/70 Estimated Load	Calpine	Box	Excel		
		Projected vs Actuals Clean Energy Position	T+7/9 Estimated Load	CAISO	Box	Excel		

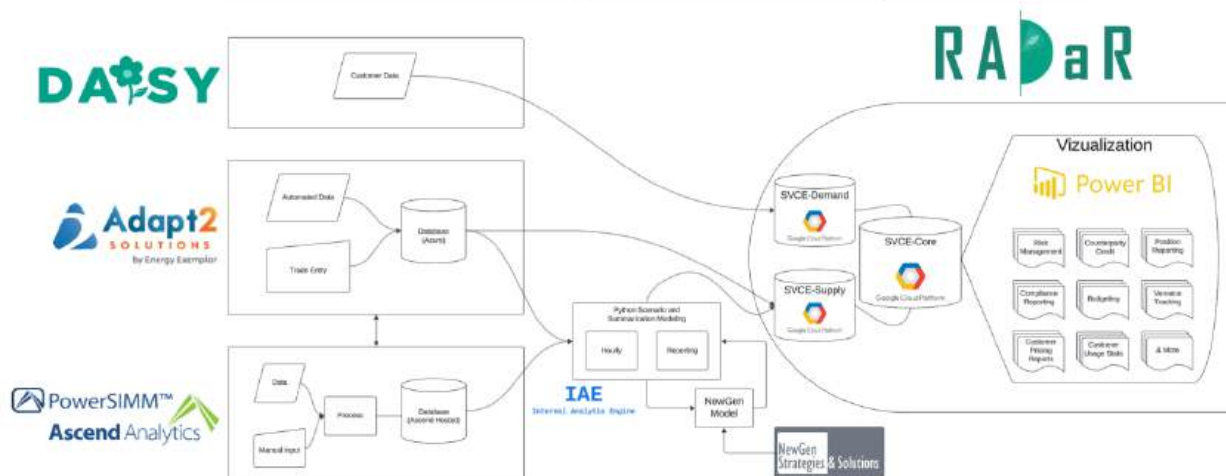
		Projected vs Actuals Clean Energy Position	Load Forecast	Load Forecasting	Box	Excel		
		Projected vs Actuals Clean Energy Position	Retail Sales	Demand Side DAISY Data	DAISY	Big Query Table		
		Projected vs Actuals Clean Energy Position	Clean Target	Board Approved Document	Box	Excel		
Compliance	Resource Adequacy Report	Resource Adequacy Report	RA Load Forecast Template	CPUC	Box	Excel	Excel	PS-23 Report
		Resource Adequacy Report	Historic Month Hour Peak Load	CAISO	Box	Excel		
		Resource Adequacy Report	RA Load Forecast	Itron	Box	Excel		
		Resource Adequacy Report	Historic Load	Demand Side DAISY Data	DAISY	Big Query Table		
	Historic Customer Data Report	Historic Customer Data Report	Historic Load	Demand Side DAISY Data	DAISY	Big Query Table	Excel	PS-21 Report
		Historic Customer Data Report	DA Data	Demand Side DAISY Data	DAISY	Big Query Table		
		Historic Customer Data Report	Customer Count Data	Demand Side DAISY Data	DAISY	Big Query Table		
	RA Obligation Report	RA Obligation Report	RA Contract Data	Adapt2	Adapt2	SQL Database	Excel	PS-24 Report CAISO
		RA Obligation Report	RA Year Ahead Template	CPUC	Box	Excel		PS-24 Report CPUC
		RA Obligation Report	RA Month Ahead Template	CPUC	Box	Excel		PS-25 Report CAISO
		RA Obligation Report	Counter Party Obligation Confirm	Email	Box	Excel		PS-25 Report CPUC
	RA Contract Report	RA Contract Report	RA Contract Data	Adapt2	Adapt2	SQL Database	Excel	PS-11 Report
		RA Contract Report	Non-RPS Deals	Adapt2	Adapt2	SQL Database		
	Renewable Contract Report	Renewable Contract Report	Load Forecast	Load Forecasting	Box	Excel	Excel	PS-17 Report
		Renewable Contract Report	Contract Data	Adapt2	Adapt2	SQL Database		
		Renewable Contract Report	REC + Term	WREGIS	Adapt2	SQL Database		
		Renewable Contract Report	Retail Sales	Demand Side DAISY Data	DAISY	Big Query Table		

	Retail Sales Report	Retail Sales Report	Retail Sales	Demand Side DAISY Data	DAISY	Big Query Table	Cal-EGGRT	PCL Report
	Climate Registry Information System	Climate Registry Information System	Retail Sales	Demand Side DAISY Data	DAISY	Big Query Table	Excel	PS-03 Report
		Climate Registry Information System	Contract Data	Adapt2	Adapt2	SQL Database		
		Climate Registry Information System	Supplier Invoices	Bilateral Settlements	Box	Excel		
		Climate Registry Information System	Green Prime/ Green Start	Internal Tracker	Box	Excel		
	Renewable Portfolio Standard Compliance	Renewable Portfolio Standard Compliance	Min Margin of Over Procurement	External Portfolio Modeling	Box	Excel File	Excel	IRP Remediation Plan Data
		Renewable Portfolio Standard Compliance	Load Forecast	Load Forecasting	Box	Excel		RPS Compliance Report
		Renewable Portfolio Standard Compliance	Retail Sales	Demand Side DAISY Data	DAISY	Big Query Table		RPS Portfolio %
		Renewable Portfolio Standard Compliance	WREGIS RECs	WREGIS	Adapt2	SQL Database		
		Renewable Portfolio Standard Compliance	Contract Data	Adapt2	Adapt2	SQL Database		

Other tools and applications: In addition to the data systems above, the Authority leverages box for file storage, Excel/Python/R for data analysis, ArcGIS Pro for mapping and spatial analysis, Github for version control, and is transitioning to PowerBI for reports and dashboards.

Future State – RADaR

FUTURE - SVCE Core Data System Architecture - Simplified Illustration



RADaR will consist of three GCP projects: svce-demand, svce-supply, and svce-core.

- svce-demand: Also known as DAISY, this is the Authority's **existing** GCP project containing primarily demand-side data. Includes Google Cloud Storage (GCS) buckets, BigQuery tables, ETL systems, pre-made queries and routines, and documentation.
- svce-supply: This will be a **new** GCP project containing data for the Authority's "supply-side" business functions such as deal capture, energy trading and risk management, portfolio management, compliance. Vendor will develop ETL systems to ingest data from various software into GCS and BigQuery.
- svce-core: This will be a **new** GCP project that brings together summarized data from svce-demand and svce-supply for reporting and analytics across the two sides of business. It will also house data that are utilized by both sides of the business (e.g. settlement-quality load data, weather data, rates data).

Goals

Broadly speaking, the Authority seeks to build RADaR to unify data, analytics, and reporting across the demand- and supply-sides of its business. This will ensure a single source of truth for common datasets such as electricity load, enhance the Authority's analytics capabilities, and set organization-wide standards for documentation, version control, user permissions, and data security.

The goal of this project is to develop a solution that the Authority can manage and develop internally with a lean maintenance effort. In order for the Authority to quickly transition to internal management and development, the Authority would like to be a passenger to the development carried out by the Consultant.

With these goals in mind, the Authority seeks an implementation partner that is flexible in order to adapt to existing and new data architecture standards, as well as communicative and transparent throughout the development process. The Authority will be given full ownership over the code developed during this project.

Minimum Functionality Requirements

Below are elements that the Authority considers to be essential to RADaR implementation:

Version Control. The combined architecture system should be considered a production-level operational system. As such, all production processes should be subject to version control using a tool or application such as Github. Every piece of code or logic that performs a production-level function should be protected through version control, and the various previous versions should be tracked. This will ensure a level of disaster recovery, along with the ability to debug and recover from failures quickly and efficiently.

Data Versioning. Given the nature of CCA operations and the variable nature of load data, tracking the version of various datasets and outputs is critical. The solution should support tracking of data versioning.

Logs and Tracking. Production processes should be coded to provide minimum logging of events and checkpoints to facilitate debugging. The logging can be in the form of log files stored in Compute Engines, logs stored in Big Query or even logs that use the native GCP logging function, or a combination of the above (depending on the complexity and level of logging required).

Access Control and Permissions. Ensure proper access control and permissions, particularly for access of Personally Identifiable Information (PII) stored in its systems.

The solutions should utilize the Authority's single sign-on authentication. A least privileged approach will be taken for direct database access with controls for each level of the architecture, such as:

- GCP projects to segregate data across business functions.
- GCP buckets to further segregate different data sets in GCS.
- Access control policies in BQ that support dataset, and even row and column level access policies, as necessary.

There should be user groups for specific business roles making it easy for the Authority to manage their access control internally.

Data Protection

- Security/Compliance:
 - The Authority must adhere to:
 - California Consumer Privacy Act (CCPA, <https://oag.ca.gov/privacy/ccpa>) for Customer Data.
 - North American Electric Reliability Corporation (NERC, <https://www.nerc.com/pa/Stand/Pages/default.aspx>) in dissemination and display of market information.
 - Publicly shared data must adhere to the CPUC 15 x15 privacy rule.
 - SOC2 compliance is required subject to the terms and conditions in the agreement.
- Encryption at rest and in-transit.
- Disaster Recovery
 - Recovery Point Objective (RPO): <1 day data loss, or other recommended option from the Authority's original Request for Proposal (RFP).
 - Recovery Time Objective (RTO): hours, or other recommended option from the Authority's original RFP.

Documentation. A key aspect of an easily maintainable system will be documentation. An intranet of information about the system, architecture diagrams, table structures, naming conventions, FAQs, in-built functions, etc. will help the Authority operate and understand the built solution. Similarly rich code documentation can be part of the co-development process to facilitate a stable understanding of the code base. Documentation should be considered an evolving process, with requirements documents leading to design specifications leading to user documentation. If the documentation is

developed in this manner, and not relegated to the end, or developed in silos, then it makes the documentation effort much more manageable.

Co-Development. A consistent schedule of code walkthroughs during development both before and after implementation will allow the Authority to be educated and familiar with the code base. The Authority will take responsibility on some development pipelines, adapting code developed by the Consultant. A high-fidelity understanding of and participation in development will allow for a smooth transition to internal management and development of the built solution.

Proposed high-level scope of work

The proposed work for RADaR is organized into the following two tasks:

Task 1: Implementation.

Task 2 (Optional): Ongoing Services.

Each of these tasks, their anticipated deliverables and services, and target schedule are described below. (Note that Exhibit B sets out timescales for Consultant delivery of Task 1).

Task 1: RADaR Implementation

1. Authority data systems review
 - a. Review existing systems, including:
 - i. svce-demand (DAISY) project in GCP
 - ii. Github repository
 - iii. PowerSIMM
 - iv. Adapt2
 - v. Internal Analytics Engine (IAE)¹
 - b. Meet with Authority staff to discuss questions
2. Implementation of svce-supply data architecture according to RADaR specifications (Attachments B and C)
 - a. GCP account/project setup
 - i. Establish tiered permissions
 - ii. Create documentation on tiered permissions
 - iii. Train Authority staff on GCP project management
 - b. GCS development
 - i. Set up file structure
 - ii. Develop pipelines from data systems (e.g. box, Adapt2, PowerSIMM), versioned in Github
 - iii. Code review and acceptance by Authority staff
 - iv. Pipe data into GCS
 - v. Create documentation on each pipeline and GCS bucket, folder, and subfolder
 - vi. Train Authority staff on GCS structure and pipelines
 - c. BigQuery development
 - i. Develop ETL pipelines from GCS to BigQuery, versioned in Github
 - ii. Code review and acceptance by Authority staff
 - iii. Load data into BigQuery tables
 - iv. Create documentation for each pipeline and BigQuery table, including sample queries
 - v. Train Authority staff on BigQuery pipelines and tables
 - d. Handoff to Authority
 - i. Provide all documentation produced in the tasks above
 - ii. Provide User Guide
 - iii. Provide live and recorded trainings

¹ Authority's internal Python model for post-processing, cash flow modeling, reporting

3. Implementation of svce-core data architecture according to RADaR specifications
 - a. GCP account/project setup
 - i. Establish tiered permissions
 - ii. Create documentation on tiered permissions
 - iii. Train Authority staff on GCP project management
 - b. BigQuery development
 - i. Support development of pipelines from svce-demand to svce-core, versioned in Github
 - ii. Develop pipelines from svce-supply to svce-core, versioned in Github
 - iii. Code review and acceptance by Authority staff
 - iv. Load data into BigQuery tables
 - v. Create documentation for each pipeline and BigQuery table, including sample queries
 - vi. Train Authority staff on BigQuery pipelines and tables
4. RADaR launch
 - a. Launch proof of concept report in PowerBI

Task 2 (Optional): Ongoing Services

Ongoing services (up to a 3-year contract term) for RADaR may include, but are not limited to, the following.

- *Provide collaborative system administration services to RADaR on GCP*
- *Develop and maintain ETL pipelines*
- *Enhance and/or create pipelines for new/updated sources of data from Authority, PG&E, Calpine, Adapt2, PowerSIMM, and other sources (e.g. weather data) on an ongoing basis. Data formats can change for existing data sources.*
- *Develop new integrated tools (e.g. manual data entry UI)*
- *Maintain and enhance existing integrated tools (e.g. IAE)*
- *Develop and manage core tables, dashboards, reports*
- *Provide ongoing support to Power Users², e.g. query troubleshooting, answering questions related to data, tools, and documentation*

Innovative Components

Authority has an organizational focus on leveraging innovative ideas and strategies to pursue our goals. Responses to this RFP are encouraged to include components beyond those mentioned in the RFP if the Bidder believes that they would serve Authority's goals. Innovative components could include applications and tools outside of what is scoped in the RFP, streamlining of Authority data processes, integration of other high-impact public or third-party datasets, or something else not yet considered by Authority.

Description of work to meet the Task 1 (RADaR Implementation) Requirement

Below is the Consultant's proposed work plan to meet the Authority's requirements.

The Consultant's proposed work plan for the RADaR project employs a phased approach with overlapping activities to maintain momentum while managing risk.

Phase 1. Project Kickoff and Planning; and

² Power Users are a subset of Authority staff who have access to directly querying and developing in GCP projects. There are currently 15 Power Users and this number is expected to remain stable once RADaR is implemented.

Phase 2. Requirements Gathering & Design

The Consultant will:

- Conduct workshops with the Authority's Risk, Analytics, and Data and IT teams to confirm data sources, analytics use cases, and privacy/security requirements.
- Perform an in-depth review of the Authority's current data landscape, examining the DAISY BigQuery project (demand-side warehouse) to understand its schema and pipelines, reviewing the Authority's existing codebase for DAISY, and analyzing the supply-side tools in use: Ascend PowerSIMM for risk modeling, Adapt2 for contract management, the Internal Analytics Engine (Python-based), and data feeds such as Itron load forecasts.
- Meet with Authority staff to discuss these systems and clarify any questions.
- Perform an in-depth review of the Authority's RADaR Requirements document, meet with Authority staff to discuss these requirements, and make best practice recommendations for topics which require Consultant input
- Use insights from this review to inform the RADaR design – ensuring appropriate integration or transition of these systems, and ensuring that tables are designed to 1) enable efficient querying by relevant Authority staff and 2) be reporting-ready.

Deliverables at the end of these Phases will be:

- 1a) Authority and Consultant sign-off following project kick-off meeting.
- 2a) Solution Design Document (data model, architecture diagram, integration plan).
- 2b) Project charter.
- 2c) Finalized project plan.
- 2d) Roles/responsibilities matrix.
- 2e) Finalized fixed cost for Task 1 (Implementation)

Phase 3. Environment Setup

For all 3 RADaR projects (svce-demand, svce-supply, svce-core), the Consultant will:

- Set up the GCP environments, configuring projects, networks, security controls, and enabling relevant APIs.
- Implement required VPC Service Controls or firewall rules to isolate the data environment.
- Implement a tiered permission model (e.g., separate roles for admins, power users, read-only users) as agreed upon by Authority and Consultant.
- Produce a brief Permission Architecture document.
- Conduct a training session for the Authority's Data and IT staff on managing the GCP project (such as how to add users, monitor IAM roles, etc.) to ensure the Authority can administer the cloud environment confidently.

Deliverables at the end of this Phase will be:

- 3a) Cloud infrastructure ready with necessary networks, permissions, and tools configured for all 3 GCP projects.
- 3b) Permission Architecture Document
- 3c) Recorded training session

Phase 4. Implementation – Data Pipeline Development

The Consultant will, in accordance with the RADaR Specifications and Solution Design Documents:

- Develop Python scripts and documentation to generate mock datasets for each dataset to be ingested into RADaR
- Engage Authority's Data staff to review and run the Python scripts, such that all work performed by Consultant leverages only mock data and does not require PII/confidential data. Consultant will not access PII or confidential data during this project.
- Develop ETL pipelines for each data source, building Dataflow jobs or Cloud Functions to periodically pull data (for example, daily smart meter data files, monthly billing data, program enrollment updates) and loading it into BigQuery.
- Address and design data validation steps and error handling for each pipeline.
- Create data models (tables, partitions, views) in BigQuery to organize the ingested data.
- Develop automated ETL pipelines for each major supply-side data source identified (e.g., Adapt2 contract data, Ascend PowerSIMM outputs, Box file exports of settlements, etc.).
- Run each pipeline on a schedule (daily, monthly, as needed) to pull data via the appropriate interface (API, SFTP, or file sync) into GCS.
- Store all pipeline code in GitHub.
- Engage the Authority's Data Engineering team to participate in code reviews for these pipelines to ensure transparency, knowledge transfer, and approval of code.
- Organize GCS buckets with a clear nomenclature (e.g., svce-supply/raw/adapt2/...)
- Document each pipeline's function and GCS directory structure.
- Set up automated monitors and alerts (using GCP's Cloud Monitoring suite) to track daily ETL job runs, data latency, and system errors.
- Train Authority staff on how data is ingested and where to find it in Cloud Storage. Assist Authority staff in running the ETL pipelines on real data, including debugging and iterating on code if needed.
- Train Authority staff on how monitors and alerts were set up and how to manage them.

Deliverables at the end of this Phase will be:

- 4a) ETL scripts/code, BigQuery tables and schemas created, approved by Authority
- 4b) Test mock data loaded for initial sources (to be jointly defined by Authority and Consultant).
- 4c) Code documentation
- 4d) Monitors and alerts set up, recorded trainings and documentation

Phase 5. Preliminary Analytics and Feedback

The Consultant will:

- Work with Authority to design a proof-of-concept PowerBI dashboard to demonstrate the repository's value early and ensure that the data is structured appropriately for end-use.
- Based on the above, create sample analyses and dashboards, as data becomes available in the warehouse such as a set of standard reports (e.g., load shape analysis, GHG inventory, program uptake metrics) in PowerBI.
- Support Authority staff in troubleshooting data queries and initial report creation
- Hold a mid-project review with the Authority to demonstrate interim results and gather feedback.

Deliverables at the end of this Phase will be:

- 5a) The Authority validating that the proof-of-concept report (e.g., sample load curve or program participation report) meets expectations.

Phase 6. System Integration Testing; and

Phase 7. User Acceptance Testing

The Consultant will:

- Perform thorough testing: unit tests for pipeline code, integration testing for end-to-end data flow, and user acceptance testing with Authority staff on sample reports.
- Work with Authority staff to validate data accuracy against source records.
- Ensure that all privacy controls (like aggregation thresholds or anonymity checks) function correctly.

Deliverables at the end of this Phase will be:

- 6a) Test report documenting test cases, results, and issue resolutions.

Phase 8. Deployment and Training; and

Phase 9. Project Closeout

The Consultant will:

- Deploy the pipelines to production schedules.
- Finalize documentation and engage Authority staff for review and acceptance
- Conduct live training sessions for the Authority's team, covering:
 - How to run and monitor the system.
 - How to use the analytics tools to extract insights.
- Provide recorded video tutorials for key tasks (so new Authority staff in the future can get up to speed).
- Deliver an Operations Manual and a Data Dictionary for the repository
- Support Authority users (data analysts, program managers) in their system testing.
- Facilitate UAT sessions for the dashboards and analytics queries, ensuring the system meets business needs.
- Promptly address UAT feedback.
- Hand over full ownership all deliverables, including code, to Authority

Deliverables at the end of this Phase will be:

- 8a) Formal UAT sign-off by the Authority, indicating the solution is ready for production.
- 9a) Final Authority sign-off that the solution can be deployed into production.

Description of work to meet the Task 2 (Ongoing Services) Requirement

Below is the Consultant's proposed work plan to meet the Authority's requirements.

The Consultant will provide comprehensive ongoing support for the RADaR platform to ensure it continues to operate smoothly and deliver value over time. The Consultant's support proposal covers maintenance of the data pipelines and infrastructure, regular updates and enhancements, user support, and performance optimization, all under a robust service framework.

The Consultant will establish or support processes to continuously monitor and maintain the RADaR system:

Pipeline Monitoring: The Consultant will set up automated monitors and alerts (using GCP's Cloud Monitoring suite) to track daily ETL job runs, data latency, and system errors. The Consultant's team will proactively address data pipeline failures or anomalies, ensuring data freshness and accuracy in the repository.

Bug Fixes and Updates: As data sources or requirements evolve, the Consultant will update pipeline code and configurations, adjusting to format changes in source data files, incorporating new data fields, or optimizing queries. Bug fixes will be addressed with defined SLAs (e.g., critical issues resolved within 1 business day).

Infrastructure Management: The Consultant will manage the GCP resources (e.g., scheduling Dataflow jobs, managing BigQuery storage and partitioning, cost monitoring). Regular maintenance tasks like upgrading pipeline runtime versions, rotating service account keys, and applying security patches will be performed to keep the environment secure and efficient.

On IAE: Upon request by Authority, the Consultant's team will maintain and enhance the Authority's Internal Analytics Engine (IAE), ensuring it continues to function smoothly with the new data repository. If new tools are needed (for example, a manual data entry interface for certain workflows), the Consultant can develop those as part of ongoing services.

The Consultant's team will be available as an ongoing resource to Authority staff who use the RADaR platform:

On-Demand Support: The Consultant will provide services during business hours to answer questions, assist with data pulls or analyses, and troubleshoot Authority user issues with accessing dashboards or data.

Power User Support: The Consultant will provide on-call support to the Authority's 'Power Users' (those staff who directly query or develop on the GCP data platform), answering data questions, assisting with complex query optimization, and ensuring they understand the documentation and tools available. The Consultant can set up a support channel (email or Slack) for quick Q&A, as well as periodic check-ins to address Authority user issues.

Quarterly Training and Onboarding: As the Authority hires new staff or as features are added, the Consultant will conduct periodic training sessions. This ensures Authority users remain proficient in using the data tools (e.g., constructing queries in BigQuery or building visualizations). The Consultant can also offer "office hours" style consultations for advanced analytics questions from the Authority's analysts.

Usage Reports and Reviews: The Consultant will provide the Authority with quarterly reports on system usage, data volumes, and performance metrics. In joint review meetings, the Consultant will discuss any observed issues, Authority user feedback, or potential improvements. This keeps communication open, and the system aligned with the Authority's evolving needs.

The Consultant recognizes that the Authority's needs will grow and change. Under Task 2, the Consultant highlights provision for continuous improvement:

Adding New Data Sources: If the Authority launches new programs or obtains new data streams (for example, EV charger data or customer survey data), the Consultant's team will integrate those into RADaR. The Consultant will design new pipelines and extend the data schema as needed, ensuring the repository remains comprehensive.

Feature Enhancements: The Consultant will iteratively enhance the analytics capabilities of RADaR. Potential enhancements include developing new dashboard features, implementing predictive analytics modules (e.g., load forecasting models or customer segmentation analysis), and refining data aggregation logic to support additional use cases.

Performance Tuning: Over time, as data volume grows, the Consultant will optimize system performance. This may involve partitioning or clustering BigQuery tables for faster queries, archiving or summarizing older data to control costs, and right-sizing compute resources for ETL jobs. The Consultant will ensure the platform remains cost-effective and responsive.

Under the ongoing support agreement, the Consultant will work as an extension of the Authority's team, proactively keeping the RADaR platform reliable, secure, and up to date. The Consultant's goal is to ensure the Authority realizes the full long-term benefits of the RADaR investment without needing to worry about the underlying technical upkeep.

Exhibit B

Schedule of Performance

This Schedule of Performance by and between EcoMetricx, LLC ("Consultant") and the Silicon Valley Clean Energy Authority ("Authority") shall be interpreted and construed in accordance with the terms and conditions of that certain Authority's Standard Consultant Agreement dated _____, 2025 by and between Consultant and Authority ("Agreement"). Any term that is not defined herein shall have the meaning set forth in the Agreement.

Task	Begin	Complete
Authority Board Approval	Aug 13, 2025	Aug 13, 2025
Task 1, Phase 1. Project Kickoff and Planning	Aug 18, 2025	Aug 22, 2025
Task 1, Phase 2. Requirements Gathering & Design	Aug 25, 2025	Sep 12, 2025
Task 1, Phase 3. Environment Setup	Sep 01, 2025	Sep 19, 2025
Task 1, Phase 4. Implementation – Data Pipeline Development	Sep 19, 2025	Dec 05, 2025
Task 1, Phase 5. Preliminary Analytics and Feedback	Oct 06, 2025	Dec 05, 2025
<THANKSGIVING WEEK>	Nov 24, 2025	Nov 28, 2025
Task 1, Phase 6. System Integration Testing Part 1	Dec 08, 2025	Dec 19, 2025
<CHRISTMAS/NEW YEAR WEEKS>	Dec 22, 2025	Jan 09, 2026
Task 1, Phase 6a. System Integration Testing Part 2	Jan 12, 2026	Jan 30, 2026
Task 1, Phase 7. User Acceptance Testing	Jan 19, 2026	Feb 06, 2026
Task 1, Phase 8. Deployment and Training	Feb 02, 2026	Feb 20, 2026
Task 1, Phase 9. Project Closeout 1 (w/o lag)	Feb 23, 2026	Feb 27, 2026
Task 1, Phase 9. Project Closeout 2 (with lag for minor delays, extended UAT)	Mar 20, 2026	Apr 03, 2026
Task 2, Year 1 Ongoing Services	Aug 18, 2025	Aug 17, 2026
Task 2, Year 2 Ongoing Services	Aug 18, 2026	Aug 17, 2027
Task 2, Year 3 Ongoing Services	Aug 18, 2027	Aug 17, 2028

Here is Consultant's estimate of Task 1 hours of support required of Authority staff:

RaDAR project - standard schedule					
Project phase	Start Date	Duration	End Date	Estimated SVCE Staff	Estimated SVCE Hours
<SVCE Board Approval>	Wed, Aug 13	N/A	Wed, Aug 13	N/A	N/A
1. Project Kickoff and Planning	Mon, Aug 18	Week 1	Fri, Aug 22	10	15
2. Requirements Gathering & Design	Mon, Aug 25	Weeks 2-4	Fri, Sep12	10	20
3. Environment Setup	Mon, Sep01	Weeks 3-5	Fri, Sep19	3	15
4. Implementation – Data Pipeline Development	Mon, Sep08	*Weeks 4-12	Fri, Dec05	3	15
5. Preliminary Analytics and Feedback	Mon, Oct06	*Weeks 8-12	Fri, Dec05	5	10
<THANKSGIVING WEEK>	Mon, Nov24	N/A	Fri, Nov28	N/A	N/A
6. System Integration Testing Part 1	Mon, Dec08	*Weeks 13-15	Fri, Dec19	3	15
<CHRISTMAS/NEW YEAR WEEKS>	Mon, Dec22	N/A	Fri, Jan09	N/A	N/A
6a. System Integration Testing Part 2	Mon, Jan12	*Weeks 13-15	Fri, Jan30	3	6
7. User Acceptance Testing	Mon, Jan19	*Weeks 14-16	Fri, Feb06	10	50
8. Deployment and Training	Mon, Feb02	*Weeks 16-18	Fri, Feb20	10	40
9. Project Closeout 1 (w/o lag)	Mon, Feb23	*Week 19	Fri, Feb27	N/A	N/A
9a. Project Closeout 2 (with lag for minor delays, extended UA	Mon, Mar30	*Week 24	Fri, Apr03	10	10
TOTAL					196
Year 1 Support (Aug'25)	Aug01	N/A	Aug31	3	0
Year 1 Support (Sep'25)	Sep01	N/A	Sep30	3	0
Year 1 Support (Oct'25)	Oct01	N/A	Oct31	3	0
Year 1 Support (Nov'25)	Nov01	N/A	Nov30	3	0
Year 1 Support (Dec'25)	Dec01	N/A	Dec31	3	0
Year 1 Support (Jan'26)	Jan01	N/A	Jan31	3	0
Year 1 Support (Feb'26)	Feb01	N/A	Feb28	3	0
Year 1 Support (Mar'26)	Mar01	N/A	Mar31	3	0
Year 1 Support (Apr'26)	Apr01	N/A	Apr30	10	25
Year 1 Support (May'26)	May01	N/A	May31	10	25
Year 1 Support (Jun'26)	Jun01	N/A	Jun30	10	25
Year 1 Support (Jul'26)	Jul01	N/A	Jul31	10	25
TOTAL					100
GRAND TOTAL					296

These schedules may be modified with the written approval and mutual agreement of the Authority and the Consultant.

Exhibit C

Schedule of Compensation

Authority shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit "A" and reimbursable expenses shall not exceed a total of eight hundred thousand dollars (USD 800,000), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

Task	Budget	Budget Total
Upfront Payment	\$80,000	
TOTAL UPFRONT PAYMENT		\$80,000
Task 1, Phase 1. Project Kickoff and Planning	\$30,000	
Task 1, Phase 2. Requirements Gathering & Design	\$30,000	
Task 1, Phase 3. Environment Setup	\$30,000	
Task 1, Phase 4. Implementation – Data Pipeline Development	\$30,000	
Task 1, Phase 5. Preliminary Analytics and Feedback	\$30,000	
Task 1, Phase 6. System Integration Testing Part 1	\$15,000	
Task 1, Phase 6a. System Integration Testing Part 2	\$15,000	
Task 1, Phase 7. User Acceptance Testing	\$30,000	
Task 1, Phase 8. Deployment and Training	\$30,000	
Task 1, Phase 9. Project Closeout	\$30,000	
TOTAL FOR TASK 1		\$270,000
Task 2, Year 1 Ongoing Services (For Authority-Specified Task 1 Requirements)	Included in Task 1 Budgets	
Task 2, Year 1 Ongoing Services (For New Authority Requirements, Not Specified at Agreement Execution Date)	\$500/Hour	
Task 2, Year 2 & Task 2, Year 3 Ongoing Services	\$400/Hour for up to 187.5 Hours, \$500/Hour above 187.5 Hours	

Note. The charges above represent a nearshore Consultant option selected by the Authority team because the Consultant's solution avoids access to PII information for the Authority's customers.

Invoices. Consultant shall date and submit invoice for the Upfront Payment on the date the Agreement between the Authority and the Consultant is fully executed. This invoice will be payable immediately.

Consultant shall submit invoices for the amounts set out in the table above for Task 1 and Task 2 activities.

- Task 1 invoices will confirm the description of the task per the table above, and Consultant completed deliverables for the task (per Exhibit A). The Authority will pay each Task 1 invoice within thirty (30) calendar days of the date of each Task 1 invoice.

- Task 2 invoices will reference the Contract Year, the applicable rate per hour according to the table above, and the applicable charges. Each invoice will also include a summary of the work performed and the Authority order or instruction for such work to be performed. The Authority will pay each Task 2 invoice within thirty (30) calendar days of the date of each Task 2 invoice.

Authority may dispute a Consultant invoice within thirty (30) days of the date of such invoice. Any invoice not disputed within this thirty (30) day period shall be considered final.

Invoices not paid within thirty (30) days of their due date shall be assessed a 1.5% late fee each month, or the maximum amount allowed by law each month, whichever is less, on the total amount past due.

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

Additional Services. Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from Authority Representative prior to commencement of any additional services. Consultant shall submit, at the Authority Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

Exhibit D

Insurance Requirements and Proof of Insurance

Consultant shall maintain the following minimum insurance coverage:

(1) Workers' Compensation:

Statutory coverage as required by the State of California.

(2) Liability:

Commercial general liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage.

ISO occurrence Form CG 0001 or equivalent is required.

(3) Professional Liability

Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.

(4) Privacy and Cybersecurity Liability

Privacy and cybersecurity liability (including costs arising from data destruction, hacking or intentional breaches, crisis management activity related to data breaches, and legal claims for security breach, privacy violations, and notification costs of at least \$5,000,000 US per occurrence.



Staff Report – Item 1d

Item 1d: Approve SVCE 2024 Annual Power Source Disclosure Report Attestation

From: Monica Padilla, CEO

Prepared by: Demarie Weber, Regulatory Compliance Manager
Zak Liske, Deputy Director of Power Resources

Date: 8/13/2025

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") approve the use of statistics reflected in SVCE's 2024 annual Power Source Disclosure reports for purposes of preparing SVCE's 2024 Power Content Label and attest to the veracity of information presented in SVCE's 2024 Power Source Disclosure report for GreenStart, GreenPrime and GreenPrime Direct service.

BACKGROUND

California Public Utilities Code requires all retail sellers of electric energy, including SVCE, to disclose "accurate, reliable, and simple-to-understand information on the sources of energy" that are delivered to their respective customers.¹ Applicable regulations direct retail sellers to provide such communications to customers following each year of operation. The format for requisite communications is highly prescriptive, offering little flexibility to retail sellers when presenting such information to customers. This format has been termed the "Power Content Label" (or PCL) by the California Energy Commission (CEC). Prior to distributing the PCL to its customers, SVCE annually submits a report regarding its specified power purchases to the CEC. This report is a required element of California's Power Source Disclosure Program (PSD Program) and was timely submitted to the CEC prior to the June 1st reporting deadline. Both the aforementioned annual report and the PCL are required elements of California's PSD Program, and information reflected in the annual report is contributory to the PCL (with the annual report's power supply breakout being inserted in the PCL).

Information presented in the PCL includes the proportionate share of total energy supply attributable to various resource types, including both renewable and conventional fuel sources. Starting with the 2024 reporting year, the CEC will be preparing Power Content Labels based on retail sellers' PSD submissions. Once prepared in mid-September, SVCE's Marketing and Communications team will post the PCL on SVCE's website by October 1st, 2025 and then design and distribute the 2024 PCL to customers by December 31st, 2025.

ANALYSIS & DISCUSSION

During the 2024 calendar year, SVCE successfully delivered a substantial portion of its electric energy supply from various Renewable Portfolio Standard (RPS) eligible energy sources, including wind, solar, geothermal, small hydroelectricity, biomass and biogas. For GreenStart customers, the percentage of supply attributable to RPS eligible sources approximated 43 percent.² Overall GreenStart was approximately 79% carbon-free with

1 California Public Utilities Code Section 398.1(b) Note: that Section (b)(1), as referenced in the excerpt from applicable PSD regulations, refers to the completion of annual independent audits.

2 Assembly Bill 1110, passed in 9/26/16, California Energy Commission "Modification of Regulations Governing the Power Source Disclosure Program" 5/15/20, modified the PCL reporting requirements starting with reporting year 2020 to include emissions associated with power supply and treatment of over procurement of resources.

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the inclusion of large hydroelectricity and 21% unspecified. For GreenPrime customers, RPS eligible energy comprised 100 percent of the supply portfolio met with RPS-eligible resources. For GreenPrime Direct customers, RPS eligible energy comprised 48 percent of the supply portfolio and overall, 80% carbon-free with 20% unspecified. A simplified version of the key information is depicted below in Attachment 1.

At the time of this report, SVCE has incorporated information from the annual PSD report in the annual Joint Rate Mailers (JRMs) available on its website. As mentioned, the CEC PSD staff will generate the PCLs internally using information from the retail sellers' submissions of the PSD annual report, and provide the 2024 PCLs to retail suppliers by mid-September 2025. PCL data includes the proportionate share of various resource types for the total energy supply.

A limited number of SVCE's supply reflect the delivery of unspecified/market power to satisfy a portion of SVCE's energy requirements – these purchases, as well as electric energy provided by the California Independent System Operator (CAISO) for purposes of grid balancing, have been appropriately identified as "Unspecified Power." CEC PSD staff calculates the GHG emissions intensity for annual unspecified power each year. The GHG emissions intensity of each electricity portfolio of total power content is expressed in pounds of carbon dioxide equivalent (CO₂e) per megawatt hour (MWh). SVCE's GreenStart product contained 21% of unspecified power, which results in 202 pounds of CO₂e per MWh.

Consistent with applicable regulations, SVCE will complete requisite customer communications following the Board's approval of pertinent information to be included in the 2024 PCL. Customers receiving PCL communications will include those enrolled in the SVCE program as of December 31, 2025 – the distribution list was derived based on prior discussions with designated CEC staff.

While preparing SVCE's 2024 annual PSD report, staff performed a detailed review of all power purchases completed for the 2024 calendar year. This review included an inventory of all renewable energy transfers within SVCE's Western Renewable Energy Generation Information System (WREGIS) accounts, pertinent transaction records.

To fulfill its obligations under the PSD Program, SVCE must also provide the CEC with an attestation of its Governing Board regarding the veracity of each annual PSD report. SVCE is proceeding with self-certification of its annual report for the GreenStart, GreenPrime, and GreenPrime Direct product offerings, consistent with PSDP regulations. Evidence of such attestation must be provided to the CEC by October 1st, 2025. Should the Board endorse staff's recommendation, a copy of this staff report, and related meeting minutes will be forwarded to the CEC, thereby completing SVCE's obligations under the PSD Program for the 2024 calendar year.

STRATEGIC PLAN

Approval of the 2024 Power Source Disclosure information for use in the Power Content Label is in support of Goal 5: Manage and optimize load and power resources to meet affordability, GHG reduction and reliability objectives.

ALTERNATIVE

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

FISCAL IMPACT

N/A

ATTACHMENT

1. Key information in 2024 SVCE Power Source Disclosure

2024 PSD / PCL Data	Green Start	Green Prime	Green Prime Direct
Biomass & Biogas	3%	0%	0%
Geothermal	11%	0%	0%
Eligible Hydroelectric	0%	0%	0%
Solar	21%	50%	0%
Wind	8%	50%	48%
Large Hydroelectric	36%	0%	32%
Nuclear	0%	0%	0%
Emerging Technologies	0%	0%	0%
Other	0%	0%	0%
Natural Gas	0%	0%	0%
Coal & Petroleum	0%	0%	0%
Unspecified Power - Total	21%	0%	20%
PCL GHG Intensity (lbs CO ₂ e/MWh)	202	0	189
Unbundled REC %	0%	0%	0%



Staff Report – Item 1e

Item 1e: Approve an Allocation of Program Fund Dollars of \$4.4 million to Expand the Home Rebates Program

From: Monica Padilla, CEO

Prepared by: Justin Zagunis, Director of Customer Success
Oswaldo Martinez, Senior Programs Specialist

Date: 8/13/2025

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (“Board”) approve an allocation of \$4.4 million out of the already-authorized programs funding included in the Fiscal Year 2024-2025 (FY25) budget to expand delivery of Home Rebates incentives (formerly called FutureFit Homes) for heat pumps and other technologies.

BACKGROUND

In November 2020, the Board approved the Building Decarbonization Joint Action Plan (BDJAP), which identified Home Rebates as a key initiative to help drive the decarbonization of existing buildings in support of SVCE’s mission. Launched in October 2022, Home Rebates has supported residential customers by providing rebates for heat pump water heaters, heat pump space heating and cooling systems, dryers, induction cooktops, and prewiring and electrical infrastructure upgrades. Background on and key impacts of this program are shown in Table 1 below.

The strong uptake of this program highlights a growing demand for rebates as more customers become aware of electrification and choose to make the transition in their homes. After the initial allocation, the Board subsequently approved the addition of \$3 million in March 2024 and another \$3 million in October 2024 to continue the program and expand its reach to serve more customers. With ongoing demand for rebates, this program needs additional funding to further expand and support more customers in electrifying their homes.

Table 1. Program Background and Impact

	Home Rebates
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
Current Budget	\$10,057,940 (~14% committed to admin costs; remaining for incentives)
Impact	• 2,041 customers served • \$6 million in rebates distributed • \$1.7 million in rebates currently reserved • 800 heat pump water heaters installed • 1,425 heat pump HVAC systems installed • 150 induction cooktops installed • 1,060 pre-wired circuits

Further, recent uncertainty in the availability of financial incentives from federal, state, and regional programs has made it harder for customers to plan for upgrades while minimizing costs. Under the final version of the One Big Beautiful Bill Act (OBBBA), heat pump tax credits are set to expire on December 31, 2025. These credits now also apply to certain high-efficiency gas appliances, broadening eligibility. The looming expiration date adds uncertainty for long-term planning. Additionally, although federal funding for the Home Electrification and Appliance Rebates (HEEHRA) program has not been withdrawn, there is currently no confirmed timeline for the next round of funding in California. As of July 15, 2025, the TECH Clean California program has officially relaunched incentives for both heat pump HVAC systems and heat pump water heaters in single-family homes. This marks a significant step in restoring state-level support for residential electrification. However, these funds are typically subscribed quickly, contributing to ongoing uncertainty for customers and contractors seeking consistent access to incentives. Customers looking to electrify have to navigate these uncertainties.

ANALYSIS & DISCUSSION

The Home Rebates program remains a foundational component of SVCE's residential decarbonization strategy, having successfully supported a growing number of home electrification projects.

Home Rebates are Consistent in a Changing Rebate Landscape

In light of ongoing uncertainty surrounding other incentive programs, Home Rebates continues to serve as a reliable and accessible option for customers. The ebb and flow of state rebates as well as the sunset of the federal tax credits have increased reliance on SVCE's Home Rebates to support electrification upgrades as SVCE rebates have been consistently available. Further, with the announcement of federal tax credits sunset at the end of 2025, staff anticipates that customers may rush to make electrification upgrades in 2025 to try to maximize their incentives and tax credits before that deadline. As such, having additional program funds will be key to supporting these customers.

Home Rebates is a Key Mechanism for Supporting Bay Area Air District Rules

The Home Rebates program has evolved over time in alignment with policy and technology changes in the market (Figure 1) and remains a core offering of SVCE's building electrification programs portfolio. Continued investment in Home Rebates is critical to supporting the local market for electric technologies ahead of the Bay Area Air District's rules, which will begin phasing out NOx-emitting natural gas appliances—starting with a prohibition on the sale of gas water heaters in 2027.

More recently, SVCE has launched additional residential building electrification programs, including: Full-Service Home Upgrades, Zero Interest Financing, and Assisted Home Upgrades. These programs also provide rebates, which mirror the Home Rebates program. In addition, these programs provide connections to trusted contractors, streamlined rebate application services, and direct installation services. As these programs scale, staff will evaluate the effectiveness of stand-alone rebates through Home Rebates relative to other approaches, such as direct installation, in accelerating the transition away from gas appliances. In the meantime, adding funds to Home Rebates ensures a consistent option for customers while these programs get established.

Staff will continue to monitor the performance of the Home Rebates program and return to the Board with recommendations, adjustments, and budget requests as needed.

Evolution of Home Rebates



Figure 1. Home Rebates Program Growth and Connection to Upcoming Programs

Home Rebates Support City-Level Rebates

In addition to SVCE's rebates, two member agencies have opted to provide local rebates to their residents to help accelerate decarbonization in their communities. This helps significantly lower out-of-pocket costs for residents. SVCE is administering these city rebates via the Home Rebates program on behalf of these respective jurisdictions:

- **City of Milpitas** – Milpitas secured a \$3 million grant from the U.S. Department of Energy's State and Community Energy Program (Award No. DE-SE0000736.0000). Of this, \$2.655 million has been allocated for rebates on electric heat pump water heaters, HVAC systems, induction cooktops, and service panels. Funds must be expended by September 2026.
- **City of Mountain View** – Mountain View allocated \$249,999 for residential water heater electrification rebates as part of its "Year of the Water Heater" campaign, with funds to be expended by December 2025.

The current mechanism of administering these rebates on behalf of our member agencies involves SVCE paying the value of the Home Rebate plus the city rebate to the customer, and subsequently receiving reimbursement from the member agencies within 30-60 days. For this reason, it is necessary for SVCE to have adequate funds available in the program budget to make these upfront payments to customers on behalf of the member agencies, while we await reimbursement.

Program Allocation Request

Staff recommends allocating **\$4.4 million** in additional funds to Home Rebates, as shown in Table 2. A portion of these funds (estimated at \$550,000) will be allocated towards the administrative costs of implementing the program, while the remaining amount will be used as incentives. The additional funding will ensure program continuity through the end of fiscal year 2025-2026 (FY26) at the current uptake level and will mean that SVCE is well positioned to address any uptick in applications that may occur prior to the federal tax credits closing. Staff will revisit the funding landscape and consider what additional funds or program changes are necessary as the program budget is drawn down further.

Table 2. Program Budget Allocations and Anticipated Impact

	Home Rebates
Current Budget	\$10,057,940
Budget Remaining (as of June 2025)	\$2,332,000
Additional Funding Allocation (requested in this report)	\$4,400,000 • \$3,850,000 for Incentives • \$550,000 for Administrative Costs
New Budget	\$14,457,940
Sample breakdown of program elements covered by additional funding (exact impacts will vary, depending on what customers request)	• 322 heat pump water heaters • 889 heat pump HVAC systems • 52 induction cooktops • 240 pre-wired circuits

Overall Budget Availability

The Board has authorized funding on an annual basis, or more frequently, to be used for programmatic efforts. The majority of authorized funds have since been allocated to specific programs and have been spent or made available to customers via an active program. This \$4.4 million allocation to Home Rebates will be drawn from the remaining funds, \$14.3 million, that have been authorized for programs but not yet allocated to a specific effort.

STRATEGIC PLAN

The Home Rebates program is aligned with SVCE's 2024-2025 Strategic Plan as follows:

- SFA4: Prepare Region for Electrification at Scale: Inform and prepare for upcoming requirements such as Bay Area Air District 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.

ALTERNATIVE

In the absence of additional funds, staff has considered the following options for Home Rebates:

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 Home Rebates program down at this point given its key role in supporting SVCE's aforementioned programs and in demonstrating scalability in advance of Bay Area Air District rules.

FISCAL IMPACT

This recommendation to allocate \$4.4 million to Home Rebates will have no incremental fiscal impact on SVCE's budget. The Board has already authorized these funds to be used on programs, this action merely assigns those funds to the Home Rebates program. The expenditure of the funds will be appropriately reflected in future budgets.



Staff Report – Item 1f

Item 1f: Adopt SVCE’s Revised Load Management Standards Compliance Plan

From: Monica Padilla, CEO

Prepared by: Justin Zagunis, Director of Customer Success
Citlalli Sandoval, Senior Regulatory Advisor

Date: 8/13/2025

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors (“Board”) adopt the SVCE Revised Load Management Standards (LMS) Compliance Plan (Attachment 1) and authorize staff to make future nonmaterial changes to the plan, as needed to maintain compliance with the LMS regulations.

BACKGROUND

On March 13, 2024, the Silicon Valley Clean Energy Board of Directors adopted SVCE’s first LMS Plan, which helps to inform and guide SVCE’s demand flexibility efforts. Subsequently, the California Energy Commission’s (CEC) Executive Director requested that all load serving entities (LSEs) subject to the CEC’s LMS regulation file revised versions of their plans. SVCE received its revision request letter on June 19, 2025.

The LMS regulations require load serving entities in California to develop a compliance plan every three years that describes how the load serving entity plans to meet the goals of the Load Management Standards. The goals of the Load Management Standards are to: 1) encourage the use of electrical energy during off-peak hours; 2) control daily and seasonal peak loads; 3) improve equity, efficiency, and reliability; 4) lessen/delay need for new electrical capacity; 5) reduce fossil fuel consumption and 6) reduce greenhouse gas emissions.

The CEC’s Executive Director can request additional information or recommend changes to a plan to make it consistent with the CEC’s interpretation of the LMS regulations.

ANALYSIS AND DISCUSSION

The SVCE LMS Compliance Plan described current and future programs and rates that accomplish the goals of the Load Management Standards, provided the results of an analysis on the impacts of moving to dynamic rates on SVCE’s load, described the resources needed to implement dynamic rates, described the status of SVCE’s progress towards meeting Load Management Standards requirements, and examined dynamic rates from an equity, technology, reliability, and customer-benefit perspective.

However, the CEC’s revision request letter (“Letter”) asks that SVCE “commit to participating in the IOU CalFUSE pilot rates and making them available to customers.”¹ The Letter also provides specific language regarding the Statewide Rate Identification Number (“RIN”) Tool for SVCE to insert into its Revised LMS Compliance Plan.

¹ Letter to Adam Selvin, former SVCE Director of Energy Services and Community Relations, dated June 19, 2025, p. 3. Accessible at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=264366&DocumentContentId=101136>.

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In its original LMS Compliance Plan, SVCE stated that it may participate in the CPUC's dynamic rate pilots (also known as the Hourly Flex Pricing pilots or the CalFUSE pilots) because at the time of the drafting and approval of the plan, the implementation specifics of the pilots were still being developed. Since the filing of the original LMS Compliance Plan in 2024, SVCE has received Board of Directors approval to participate in the Hourly Flex Pricing pilots and has already enrolled several customers in the pilot.² SVCE's Revised LMS Compliance Plan definitively states that SVCE will participate in the Hourly Flex Pricing pilots.

The Revised LMS Compliance Plan also includes language on the Statewide RIN Tool, as requested by the CEC's Executive Director, specifying that SVCE will continue to work with the other LSEs and the CEC to develop the statewide RIN tool.

The Letter requests that SVCE resubmit its plan, with the recommended revisions, by September 17, 2025. After the Board of Directors adopts SVCE's Revised LMS Compliance Plan, staff will resubmit its plan to the CEC.

STRATEGIC PLAN

The LMS Compliance Plan relates to SVCE's Strategic Plan Goal 5 to "Manage and optimize load and power resources to meet affordability, GHG reduction and reliability objectives".

ALTERNATIVE

Noncompliance with the Load Management Standards, which may result in the Executive Director of the California Energy Commission filing a formal complaint with the California Energy Commission or seeking injunctive relief.

FISCAL IMPACT

The SVCE Board of Directors adoption of SVCE's Revised Load Management Standards Compliance Plan will not result in any impact to the current fiscal year (FY 2025) budget.

ATTACHMENTS

1. Public version of SVCE's Revised Load Management Standards Compliance Plan, which contains redactions of market sensitive information.

² Approved at the November 13, 2024 Board of Directors meeting.

Silicon Valley Clean Energy

2024 Load Management Standards Compliance Plan

Revised August 13, 2025

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I. Executive Summary

In compliance with California Code of Regulations Title 20 § 1623.1, Silicon Valley Clean Energy (SVCE) has developed its 2024 Load Management Standards (LMS) Compliance Plan (Plan). In this Plan, SVCE considers opportunities to provide customers with access to hourly rates, either through enrollment in marginal cost-based rates or through enrollment in programs that access hourly rates to shape program incentives. While today there is not enough information to know which customers would benefit the most from hourly rates or the potential scale of load shift and its impacts on supply, SVCE expects dynamic rates and/or programs accessing dynamic rates signals to incentivize customers to use energy during off-peak hours. Ultimately, the widespread adoption of dynamic rates will vary and depends heavily on regulatory policies, technical infrastructure, and customer acceptance.

SVCE describes current and future programs and rates that accomplish the objectives of the LMS, provides the results of an analysis on the impacts of moving to dynamic rates on SVCE's energy costs, describes the resources needed to implement dynamic rates, describes the status of SVCE's progress towards meeting LMS requirements, and examines dynamic rates from an equity, technology, reliability, and customer-benefit perspective. The development of this Plan helps to inform and guide SVCE's demand flexibility efforts.

SVCE offers a full range of time-of-use (TOU) generation rates corresponding with Pacific Gas and Electric Company's (PG&E) TOU delivery rates. This includes a residential electrification rate with a greater price difference between off-peak and on-peak hours than the otherwise applicable TOU rate, resulting in more pronounced incentivization of electricity usage when grid conditions are most favorable. In terms of programs, SVCE offers its customers several programs that advance one or more of the LMS goals. These programs are described in this Plan.

In the Plan, SVCE evaluates the potential impacts of dynamic rates both quantitatively and qualitatively. However, the quantitative evaluation focuses on modeled impacts to only SVCE's energy costs due to the fact that there are many unknowns surrounding the implementation of dynamic rates in California and how customers might respond. The high-level model used to quantify the potential impacts of dynamic rates on SVCE's energy costs examined three different scenarios of hypothetical changes in demand due to real time pricing. The results indicate that dynamic rates will have a minor impact on

SVCE's load in the next couple of years. Additionally, the modeled evaluation did not produce a hypothetical outcome that resulted in operational net cost savings. Further analysis is needed that quantifies the benefits of load shifts to non-peak periods, the benefits by customer class and by appliance/electric vehicle applications, and the benefits of changes to the capacity needs of the grid. Intangible benefits, such as the opportunity to engage customers, and potential limitations, such as rate access and automation, are difficult to quantify but should be considered as well.

Furthermore, several California Public Utilities Commission (CPUC) dynamic rate pilots have been developed, in which SVCE will participate. The SVCE Board of Directors approved SVCE's participation in the CPUC dynamic rate pilots, also known as the Hourly Flex Pricing or CalFUSE pilots, on November 13, 2024.¹

In terms of continued compliance with the LMS regulations, SVCE has uploaded all its time-dependent generation rates into the CEC's Market Informed Demand Automation Server and is actively participating in the workshops to develop the statewide Rate Identification Number (RIN) tool.

The abovementioned activities have required and continue to require considerable resources. SVCE provides estimates of the additional resources needed to support the implementation of real time pricing pilots in this Plan and will continue to evaluate the systems and staffing that will be necessary as real-world implementation experience is gained through pilot participation.

II. Introduction

SVCE commenced customer service in April 2017 and is chartered to source clean, competitively priced electricity on behalf of residents and businesses in the participating jurisdictions of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale and unincorporated parts of Santa Clara County. Within these communities, SVCE serves approximately 270,000 residential and commercial electric accounts, which consume approximately 3,800 gigawatt hours per year. SVCE is governed by a board of 13 locally elected officials, who set SVCE's rates and policies and oversee its operations.

SVCE's mission is to reduce dependence on fossil fuels by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community. Consistent with this purpose, since inception, SVCE has offered its customers a variety of programs to help expedite electrification while providing clean electricity to its customers. From the outset, SVCE has acknowledged that while electrification is vital to decarbonization of the wider economy it must be done in a manner that also balances customer affordability. SVCE has developed and participated in numerous programs as well as the Business EV and E-ELEC rates which help ensure that electric load growth can be managed in a way that benefits the electrical grid's operations as well as customer affordability.

¹ SVCE Board of Directors Meeting Agenda Packet, p. 159. Accessible here: [2024-1113-SVCE-November-BOD-Agenda-Packet-scrubbed.pdf](#).

SVCE's efforts to date, and planned efforts going forward as outlined in this Plan, are aligned with the primary goals of the LMS regulations. The California Code of Regulations describes four primary goals associated with the LMS compliance plans²:

- Goal 1: Encouraging the use of energy at off-peak hours;
- Goal 2: Encouraging the control of daily and seasonal loads to improve system efficiency and reliability;
- Goal 3: Lessening/delaying the need for capacity additions; and
- Goal 4: Reducing fossil fuel consumption and greenhouse gas (GHG) emissions.

While each of these goals is unique, they are also all interrelated. Load management provides several value streams to the grid. First, when sufficiently dependable, it allows grid planners to build to a lower peak. Given that the grid infrastructure is built to meet peak demand, it generally follows that achieving Goal 1 dependably will support the achievement of Goal 4. In real time operations, dispatchable load management provides the grid operator tools to ensure they can maintain reliability. Additionally, because marginal energy prices have a strong positive correlation to grid emissions, price signals are an effective means to achieve lower emissions and more efficient use of the existing system.

SVCE's load management activities to date include both rate and program options. In the future, SVCE's innovative rates and programs are expected to consistently reduce peak demand and shift load to non-peak hours, providing value to the grid and aligning with LMS goals. New rates and programs are also under consideration to accelerate these impacts. These activities are funded through a cumulative \$116 million commitment from SVCE's Board of Directors (Board) to create new and extend existing customer offerings, rebates, and rate-specific incentives to expand the use of clean electricity in homes, transportation, and commercial buildings.

SVCE's existing rates and programs, and those under consideration, are discussed in the section below.

III. Rates and Programs to Support Load Management Goals

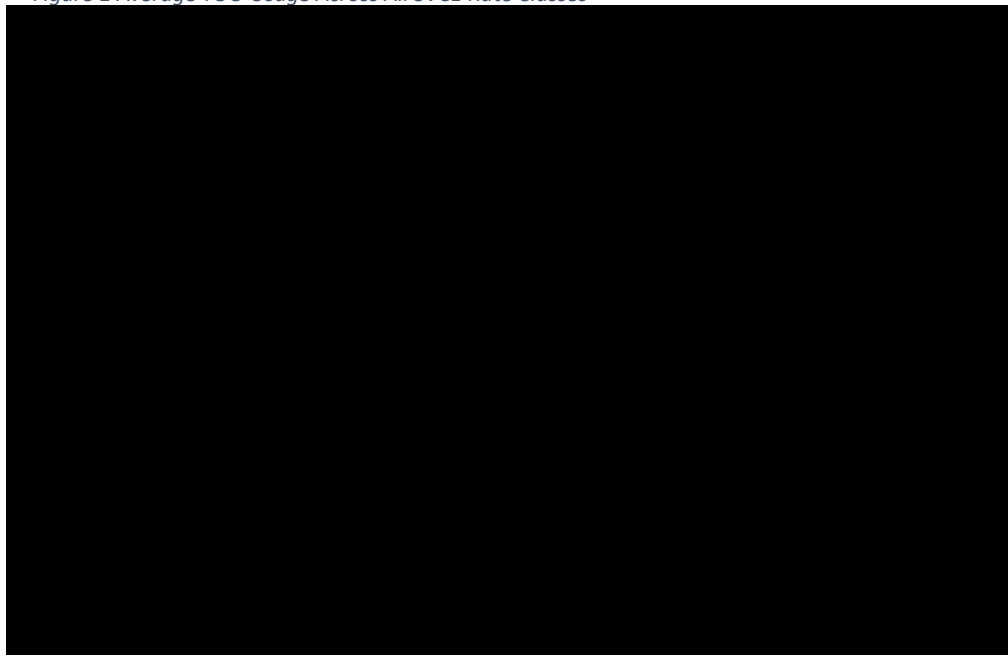
SVCE is deeply committed to meeting the LMS goals and expects to continue to use a combination of rates and program incentives to encourage customers to adjust their energy usage behaviors. While the expectation is that the dynamic rate pilots (real time pricing pilots) under development will be effective at encouraging customers to shift their energy usage and could result in long-term behavioral change with significant grid management benefits, initial enrollment is expected to be low due to the complexity and newness of the rates, lack of automation services, and existing levels of customers' comfort with and understanding of TOU rates. Therefore, SVCE is considering program incentives as well as rates to drive behavior change, and engagement and support to build customer awareness and interest in dynamic rate pilot enrollment. Additionally, SVCE is considering opportunities to amplify the impact of time-varying rates through off-peak use incentives that provide customer savings and help to improve grid reliability by lessening grid stress during peak times. SVCE will be evaluating the load impact of implemented rates and incentives, which will influence the development of future SVCE rates and programs.

² California Code of Regulations Title 20 § 1623.1(a)(1).

A. Existing Rates

SVCE provides generation service to its customers, while the host investor-owned utility (IOU), PG&E, provides distribution and transmission services. SVCE offers a full range of time-of-use (TOU) generation rates corresponding with PG&E's TOU delivery rates in order to incentivize daily shifting of load into hours when the grid is being supplied with cleaner energy and can be more efficiently utilized. This helps to lower peak demand and decrease grid infrastructure costs and emissions. Today, approximately 70% of SVCE customer accounts and 90% of SVCE load are enrolled in TOU rates. When considering SVCE's total average load across all TOU rate classes, approximately 80% is used during off-peak hours.

Figure 1 Average TOU Usage Across All SVCE Rate Classes



SVCE's novel Electric Home rate (E-ELEC) is a customer generation TOU rate specifically designed to support beneficial home electrification that was approved by the Board in December 2022 and launched in January 2023. The SVCE E-ELEC rate provides a discount to SVCE customers that are enrolled in PG&E's E-ELEC rate; however, rather than applying a fixed generation discount percentage (e.g., 4%) across all energy usage as with other SVCE rates, it increases the cost of energy consumed during peak periods by 10% relative to PG&E's generation charges, while providing a 30% discount to all energy consumed during off-peak periods. By designing SVCE's Electric Home rate discount around existing TOU periods, SVCE aimed to more strikingly promote behavioral and programmatic changes to participants' energy consumption. Participating customer generation discounts have ranged from 2% to 22% based on their energy usage and willingness or ability to shape their daily consumption in response to SVCE's more pronounced rate, with a median discount of 10% relative to PG&E's rates. SVCE currently has over 1,200 customers enrolled in the SVCE E-ELEC rate and has funding to support an increased E-ELEC discount for up to 5,000 customers enrolling in the rate through 2027.

With large commercial and industrial customers, SVCE has begun to offer variable pricing structures that utilize CAISO day-ahead hourly energy costs. In 2022, SVCE announced an innovative 24/7 Carbon-Free Energy Agreement with Google. Under a 10-year contract, SVCE will serve Google's Mountain View and Sunnyvale offices by matching carbon-free electricity (CFE) to Google's local demand at least 92% of all

hours of the year. Service costs are based on dynamic CAISO market prices. This 24/7 CFE service supports active demand management, providing for the integration of day-ahead price signals with Google's flexible all-electric building and transportation systems, including thermal and battery storage, Electric Vehicle (EV) charging networks, and smart Heating, Ventilation, and Air Conditioning (HVAC). Google is incented to flex demand based on the dynamic price signal to improve their cost savings and CFE performance. SVCE is evaluating opportunities to replicate and scale this offering to other commercial accounts.

B. Existing Programs

SVCE has launched several programs and initiatives to help shape customer demand. SVCE has historically and will continue to reinforce the importance of using electricity when it is cleanest and least expensive (non-peak hours) in its program design and marketing. Emissions from transportation comprise the largest source of GHG emissions in SVCE's territory and SVCE expects the shift to electric vehicles to be a significant driver of future load growth. Managing the timing of this load to ensure that the grid can accommodate it with minimal grid impact is of particular importance to SVCE because it will affect the cost of build out and operation of the grid.

SVCE contracted with ev.energy in May 2020 to launch GridShift, a mobile app-based program to manage EV charging, in order to shape customer charging demand and help customers reduce their ongoing EV charging costs. GridShift helps residential customers optimize EV charging by shifting charging to off-peak hours. As this program scales, it will help manage reliability risk associated with transportation electrification by reducing EV charging's impact on peak load. Ev.energy was recently awarded the California Energy Commission's (CEC) Responsive, Easy Charging Products with Dynamic Signals (REDWDS) grant, which will support grid signal integration for dynamic rate pilots and strengthen the existing customer charging management and customer interface. SVCE plans to partner with ev.energy to amplify the REDWDS grant impact to grow GridShift enrollment and, once dynamic rate pilots are available, encourage our customers to enroll in the pilot rates. Furthermore, once vehicle-to-grid functionality becomes more prevalent, SVCE's ability to use the program to benefit the grid reliability will increase. Today, the GridShift app is being used by more than 1,225 EV owners in SVCE's service area. It shifts charging daily to avoid the worst times of day to charge, when grid conditions result in the greatest emissions and largest costs. SVCE has also layered demand response programmatic features to the Grid Shift program to further minimize charging during Flex Alerts. SVCE continues to evaluate the load modifying impact that GridShift has on everyday charging, avoiding summer peak events, and increasing usage during times of plentiful renewable generation on the grid.³

Beyond EV charging, SVCE contracted with Sunrun for a Virtual Power Plan (VPP) to further support load shift to nonpeak hours. SVCE defines VPPs as aggregations of distributed energy resources (DERs) that can permit shifting of energy demand or injections of supply to the grid (i.e., can be used to increase or decrease load, as desired). Enrolling smart DERs into VPPs to provide value to the grid and return that value to customers is a critical part of SVCE's vision for spurring a widespread increase in demand

³ SVCE has released a third-party evaluation report analyzing impacts of the app at <https://www.svcleanenergy.org/research-analysis/#1639688703076-c88f0dce-ef3b>.

flexibility and DER adoption. The Sunrun contract is part of the Lights on Silicon Valley program, which has installed █ MW of distributed solar and battery storage systems at single family and multifamily residences in SVCE's territory. These systems are required to provide resiliency benefits to customers by being able to island from the grid in the event of a power outage, and the batteries will form a VPP to provide grid services to SVCE when not in use for back-up power. Sunrun dispatches these batteries for SVCE daily during the peak period to automatically offset consumption during peak hours. The Lights on Silicon Valley program aims to increase the deployment of behind-the-meter storage and will also help mitigate reliability impacts by reducing SVCE's demand during system peak periods.

Additionally, to support demand response impacts in SVCE's territory, SVCE launched an Emergency Load Reduction Program (ELRP) awareness initiative, which provided enrollment outreach to large commercial and industrial customers in its service territory – including customers with significant back-up generation capacity. SVCE led an effort coordinated with PG&E, Olivine, and other CCAs to convince more of these customers to enroll in ELRP. SVCE also chose to allow its eligible residential customers to be automatically enrolled in the A.6 residential ELRP program, leading to approximately 60,000 SVCE accounts being included in the program.

SVCE's location in the Silicon Valley gives it a unique opportunity to engage with top innovators, startups, and local agencies. SVCE has successfully worked with eight member agencies to commit to solar and/or storage installations by providing \$2.9 million through a community resiliency program, further supporting the reduction of load during peak hours and providing dispatchable storage.⁴ SVCE also created an Innovation Onramp program to attract novel pilots that demonstrate scalable solutions to overcoming decarbonization's major hurdles in cost effective ways. SVCE has funded 12 pilots over the last few years.⁵ While not all end up achieving their goals, these pilots can unlock paradigm-shifting approaches to intractable problems. This innovation lens also extends to technologies that can reduce need for grid infrastructure upgrades and help manage SVCE's load (e.g., home outlet splitters to allow EV charging to share an outlet with a dryer – preventing the appliances from being active at the same time and spiking demand). Some of SVCE's pilots have progressed into longer-term SVCE programs like the Data Hive for access to customer energy data to enable improved DER adoption or the GridShift EV Charging app. Some go on to attract significant outside funding (e.g., CEC grants for to install EV charging technology to serve multifamily residents in disadvantaged and low-income communities). SVCE will continue to fund innovation pilots to try to unearth advances in thinking that will accelerate the transition to deep decarbonization and help SVCE best manage its load to support grid resilience.

Finally, SVCE has other programs that expedite customer installations of smart appliances. The incorporation of more electric appliances with demand response capabilities can greatly aid in creating a more flexible, efficient, and sustainable energy grid and will be fundamental to the success of responsiveness to dynamic rates in California. Appliances can be programmed to respond to real-time price signals, reducing power consumption during peak hours and shifting energy use to off-peak hours, better aligning with the availability of renewable energy sources on the grid. SVCE's smart appliance programs are discussed in more detail in Section VII.B.

⁴ More information on this work can be found at <https://svcleanenergy.org/community-resilience/>.

⁵ More information on the 12 pilots can be found at <https://svcleanenergy.org/innovation-pilots/>.

C. Rates Under Consideration

SVCE sees further opportunity to shift customer electricity usage to nonpeak hours and reduce peak usage through participation in the CPUC's dynamic rate pilots, which will utilize marginal cost-based rates. SVCE received approval from its Board to participate in the CPUC's Demand Flexibility AgFit Expansion pilots, which are available to all customer classes and were adopted by the CPUC without an enrollment cap.⁶ While there is no enrollment cap to limit participation, there are limited incentives available for automation technology and software. These pilots become available to customers Q4 2024 and will continue to be available still in pilot form or in non-pilot iteration past July 1, 2027.

The result of the CPUC's pilot evaluation will inform SVCE's marginal cost-based rate development process. SVCE will utilize the IOU "out-of-the-box" pilot design because that is the only functionality that PG&E has enabled at this time. The focus for the next several years (2024-2028) will be to learn from these CPUC pilots and understand the potential load shift implications, customer benefits by rate class, and system and operational impacts of marginal cost-based rates. Based on these learnings, SVCE may choose to modify the design as appropriate and if the billing system functionality to support modifications exists. Further, SVCE will be evaluating opportunities to incorporate hourly rates into its demand flexibility and VPP programs, including GridShift and other future program offerings. Marketing, education, and outreach plans will be developed to build awareness and understanding as well as encourage customer enrollment where benefits exist.⁷ SVCE anticipates leveraging its engaged customer base to build awareness of dynamic rate pilots through direct and electronic communications.

SVCE will be identifying data streams available for measurement and establishing internal pilot rate goals once the pilot rate structures, program design and launch dates are finalized and SVCE's participation in the pilots has been authorized by its Board. In the meantime, SVCE is working with Evaluation, Measurement, and Verification (EMV) consultants to identify metrics to capture the value of the pilot rates for our customers and the entity as well as to gain insight into potential improvements. Key metrics under consideration include: load responsiveness, customer class bill impact relative to Other Applicable Tariff (OAT), GHG emissions impact, equity considerations, customer satisfaction/adoption rates/attrition, and SVCE cost recovery.

SVCE's unique ability to educate, build awareness and interact with its 270,000+ customers with ongoing outreach and engagement through both direct and electronic channels is expected to be very valuable as customers are introduced to dynamic rate pilots. Dynamic rate pilots and programs will be discussed at quarterly community partners meetings, which will be used to gain feedback on SVCE's energy services, pilot results, and upcoming plans.

D. Programs Under Consideration

As SVCE considers demand flexibility and VPP opportunities to further support load shift, demand response is one use case under consideration. SVCE is currently working with a demand-response aggregator (Autogrid) to engage member agencies in the development of a demand flexibility pilot program. This effort stems from part of a larger Distributed Energy Resources Management System

⁶ These pilots are also referred to as the Hourly Flex Pricing pilots or the CalFUSE pilots.

⁷ See, for example, [Hourly Flex Pricing Pilot - SVCE](#).

(DERMS) effort with multiple goals including (1) establishing DERMS at SVCE; (2) enrolling member agency facilities in DERMS; (3) supporting SVCE to use DERMS to dispatch connected DERs; and (4) successful DERMS implementation. The objective of the pilot is to increase supply and reduce load through DERs during times of peak stress.

Additionally, SVCE plans to build upon the Commercial and Decarbonization Pilot Program, launched in the Fall of 2023, by expanding the program in mid-2024. The program seeks to align the energy and sustainability goals of SVCE's key accounts with SVCE's own decarbonization and load management goals. In the near term, the program will focus on gas savings and electrification, but SVCE expects a long-term emphasis on energy management, and finding savings and load shifting opportunities in high cost, GHG-intensive hours.

SVCE is considering performance payments for both customers and vendors that encourage load management as well as GHG emissions. This would be accomplished by leveraging hourly incentive rates, or GHG-weighted incentive rates. Performance-based payments that are time-variable will encourage the program's contractors and customers to seek load-shaped savings opportunities.

Finally, to help reduce the upfront customer costs associated with retrofit building electrification and allow more customers to be able to participate in the benefits of decarbonization and shifting load, SVCE has been exploring financing options to augment its other programs. With support from the state's TECH Clean California initiative, SVCE submitted a proposal to the CPUC's Clean Energy Financing proceeding (Rulemaking 20-08-022) for a tariffed on-bill financing (TOB) pilot. To maximize bill savings, TOB programs will require that the equipment be controlled to follow TOU and future dynamic rates. This approach will inherently optimize these new loads to the benefit of the customer and, provided the dynamic rates are appropriately set based on system costs, SVCE's load shape. The draft scope includes heat pump water and space heating, along with efficiency improvements, and may ultimately include electrification of all devices in the home. Uniquely, TOB financing leverages the bill savings achieved through electrification and load shifting to offset the upfront costs of electrification upgrades. While deployment of TOB pilots in California is still pending regulatory approval, TOB is increasingly recognized as a powerful financing mechanism accessible to low and moderate-income households and renters, enabling accelerated scaling of electrification and load shifting.

E. Efforts to Reduce GHG Emissions and Fossil Fuel Consumption

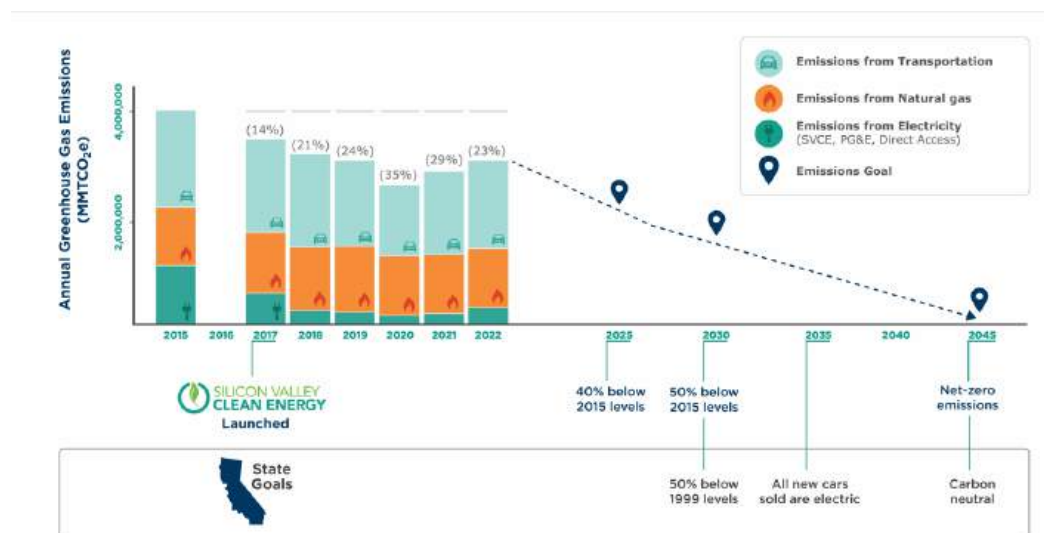
SVCE annually evaluates the overall progress made to reduce economy-wide GHG emissions within its service territory: 40% from the 2015 baseline by 2025, 50% by 2030, and the statewide target of net-zero emissions by 2045. SVCE strives to help its communities meet these goals through electrifying the buildings and transportation sectors while building new utility-scale renewable generation and battery storage resources to reduce electricity sector emissions. Implementation of innovative rates and programs support electrification while shaping load to help reduce demand at peak hours, thereby reducing dependency on fossil fuel usage.

California has set ambitious clean energy and emission goals – including a goal for all electricity to be generated by carbon-free and renewable sources by 2045. SVCE is ahead of the California targets, with

about half of SVCE's energy supply coming from renewable resources and the remainder historically coming from other carbon-free resources such as hydro power.

In 2022, energy and transportation-related emissions for the SVCE service territory were 3.08 million MT CO₂e (excluding fugitive emissions from natural gas usage), 23.4% lower than the 2015 baseline year emissions. In 2023, due to higher vehicle miles traveled compared to prior years, emissions from the transportation sector returned to pre-COVID-19 levels. Despite projected short-term increases in vehicle miles traveled due to continued recovery from COVID-19, SVCE projects that future GHG emissions will decrease. This is attributable both to regional and local electrification efforts and the continued build out of its clean portfolio, which includes long-term PPAs for renewable and battery storage resources amounting to over 1300 MW of capacity, of which all but 119 MW are new incremental capacity for the CAISO system.

Figure 2 SVCE Annual Greenhouse Gas Emissions



IV. Progress Towards Meeting LMS Requirements

A. Market Informed Demand Automation Server (MIDAS)

SVCE's Plan Attachment A shows the status of SVCE's compliance with the LMS MIDAS requirements. Attachment A lists all 163 current time-dependent rates and their associated RINs and demonstrates the availability of SVCE's rates in MIDAS.

SVCE is responsible for the generation component of a customer's bill. PG&E is responsible for the distribution and transmission rates charged to SVCE's customers. SVCE has uploaded and will continue to upload its TOU generation rates and will not calculate the composite rate outside of MIDAS because it

does not have access to the other rate components for which it is not responsible. At the moment, each service provider uploads its rates separately into MIDAS.

SVCE has been using its back-office data services provider, Calpine, to manually upload SVCE's TOU rates to MIDAS. To date, this has been an extremely time-consuming process that has been complicated by a range of technical issues. These technical issues have been documented and shared with CEC staff.⁸ For future uploads, because SVCE is using a third-party to connect to MIDAS, infrastructure upgrades will not occur at SVCE. Instead, Calpine will build out the infrastructure to automate the TOU upload process. SVCE plans to have Calpine continue to upload TOU rates following the launch of the CPUC's dynamic rate pilots.

To support the CPUC's dynamic rate pilots, SVCE will be offering customers the opportunity to enroll in the dynamic rate pilots that PG&E will be administering and that the SVCE Board has approved. The internal infrastructure needed to support the pilots is not yet completely known. However, SVCE has participated in a series of working sessions with PG&E to understand how the pilots will be administered and the IT systems that will be needed to support SVCE unbundled customer participation. At the time of the writing of this report, SVCE has been instructed by PG&E to email adjustments to the generation rate components of the pilot's composite dynamic rate (e.g., marginal generation capacity cost adjustment or revenue neutral adder adjustments) to PG&E. From there, PG&E will upload into PG&E's Pricing Engine, which will ultimately upload SVCE adjusted rates into MIDAS and Calpine.

SVCE has been working with Calpine to test this process. Calpine continues to work closely with PG&E to test Calpine's receipt of the file as well as the transfer to PG&E's billing system. IOU billing systems are extremely complex in nature and to date, Calpine has not received all files to verify that there will be no issues with data integration at the time of the planned pilot launches. Calpine will continue to work with PG&E on behalf of SVCE to resolve various outstanding questions about the technical processes that will need to occur to enable the submission of pilot rates into MIDAS.

Once the data integration has been completed, the transfer of data for all pilot rates between Calpine and SVCE will occur. Calpine cannot provide cost estimates to support this process until PG&E provides necessary documentation.

All costs associated with the Pricing Engine provided by GridX are covered by PG&E throughout the life of the pilots. SVCE plans to evaluate load, customer benefits, adoption rates, systems, and processes during the duration of the CPUC pilots to determine the infrastructure it will need post-pilots. At this time, SVCE has not determined if it will continue to use GridX following the pilots' completion or if they will consider other options to ensure SVCE's dynamic generation rates are accurately reflected and uploaded into MIDAS.

B. Rate Identification Number (RIN)

In order to provide RIN(s) on customer billing and online accounts using both text and QR code, SVCE will provide PG&E with customer generation, export compensation, and bill protection costs for bill presentment. However, PG&E's billing system must be updated to reflect the RIN(s) and QR code. PG&E

⁸ Technical issues have been shared with CEC staff through e-mail communications.

will be leading this development because it is the entity responsible for metering customer usage, and providing bill presentment to SVCE's customers. SVCE looks forward to working with PG&E and Calpine to agree on:

- bill presentment;
- implementation plan and timeline;
- billing system update plan and current progress; and
- proposed text design and QR code design and proposed placement.

At this time, SVCE has not begun to plan for a QR code-linked webpage on its website. MIDAS and related systems' structures and processes, including the RIN tool, must be finalized first before investing resources to design and implement modifications to the website. However, SVCE does plan on running a robust customer education and awareness campaign that details customer value and access to hourly rates.

In order to support the development of a Single Statewide RIN Access Tool, SVCE staff and third-party service providers (i.e., Calpine) participate in the Statewide RIN Access Tool working group meetings. SVCE has committed three employees to support the RIN Access Tool working group – a Data Analytics Manager, an Energy Services Specialist, and a Real Time Pricing (RTP) Specialist. SVCE's focus will be on customer ease of use and an accurate representation of customer rates. Beyond participating in the working group, it is still unclear what ongoing resource commitment will be necessary from SVCE to support the launch of the tool.

SVCE has been working with the other regulated load serving entities (LSEs) on creating the statewide RIN tool pursuant to 20 CCR Section 1623(c). A proposed plan for the tool was submitted to the CEC for review on October 1, 2024. SVCE will continue to work with the other LSEs and the CEC to implement and maintain the statewide RIN tool in a timely manner subject to the tool's approval by the CEC.

V. Background on Development of Marginal Cost-Based Rates, Programs and Rate Structures

In order to understand the process through which SVCE has considered developing marginal cost-based rates or public programs it is important to clarify SVCE's role as a generation-only service provider. SVCE service replaces the PG&E generation service on a customer's bill. All of SVCE's time-dependent rates are collected through generation rates. SVCE does not have any distribution or transmission rates, time-dependent or otherwise and SVCE's Board has the sole authority to approve SVCE generation rates.⁹

SVCE does not plan on developing marginal cost-based rates in the near-term but instead, if its Board approves, may largely adopt the IOU developed marginal cost-based rate, to be launched by July 1, 2025. Following Board approval, SVCE could plan to provide customers with access to the PG&E developed marginal cost-based rates by July 1, 2027. However, through the duration of the CPUC pilots, SVCE plans to explore opportunities to customize its hourly generation rates and provide customer

⁹ SVCE's current rates can be found at: <https://svcleanenergy.org/electricity-rates/>.

access to marginal cost-based rates through unique program design. SVCE also plans to build customer awareness and incent marginal cost-based rate enrollment.

Uploading time dependent rates into MIDAS has informed SVCE of the significant technical challenges that must be addressed in order to offer rate structures and programs that use a real-time pricing signal to incent behavioral change. Until SVCE has had the opportunity to learn from the hourly pilots launched in 2024, SVCE cannot comment on potential generation rate structures or existing systems and processes. However, it is critical that SVCE has the structures to be able to offer its customers generation rates that are different from PG&E generation rates.

VI. Description of Demand Flexibility Analysis Methodology

SVCE explored the potential impacts of real time pricing on SVCE's energy portfolio costs in order to begin to understand, with the information available at the time this plan was developed, how real time pricing might affect SVCE's energy costs. SVCE analyzed how potential changes in load would affect the energy cost of serving that load based on forecast market prices. SVCE does not know the exact rates its customers would be paying or know the manner in which its customers would respond to real time pricing. This is due to the fact that to date, none of the real time pricing pilots SVCE plans to participate in have begun enrollment due to pilot start date delays and consolidations with the creation of an entirely new pilot, which is yet to have its implementation details finalized.¹⁰

Because of the lack of information available on which to base assumptions for an analysis of the potential impacts of real time pricing, SVCE developed scenarios for load change based on existing studies of the potential for load shedding. Existing sources were used to develop values that were then used as a proxy for changes in customer energy usage by customer class. The analysis did not attempt to examine possible load shifting outcomes and instead solely examined the potential for load shedding. The decision was made to only analyze potential load shed, effectively functioning as a demand response resource, because actual load shed represents the most material impact to SVCE's energy purchase costs. Additionally, load shifting would add a level of complexity to the analysis not warranted given the uncertainty around the inputs to the analysis. Moving to real time pricing will very likely result in load shifting but the maximum potential for load shedding will reveal the maximum range of savings to SVCE's energy cost portfolio that could be realized.

Three scenarios (Table 1), in addition to a Base Case, were developed to understand how energy portfolio costs could change based on varying levels of customer participation and addressable load. The Base Case represents SVCE's load forecast based on the average of actual usage by customer class for the past three years (2020-2022). SVCE examined the potential impacts of real time pricing for 2024-2027, the years during which real time pricing pilots are expected to launch and operate.

¹⁰ CPUC Decision 24-01-032, which approved the pilots, requires the IOUs to file Advice Letters containing the implementation plans at the end of March 2024. These will then go through the CPUC's Advice Letter disposition process.

Table 1 Scenarios Analyzed

Scenario	Description
Low	- Based on assessment of SVCE customer class behavior and end uses - Best estimate of realistic load shed potential - Conservative customer participation
Medium	Less conservative assessment of participation and load shed potential
High	- Based on very robust customer participation and generous load shed potential assumptions - Extreme bookend of potential; unlikely to be realized

First, in order to estimate customer participation and addressable load, SVCE staff leveraged internal knowledge of SVCE's unique customer class behavior, the results of the 2006 California Commercial End-Use Survey (CEUS), and the 2015 Lawrence Berkeley National Laboratory Demand Response Potential Study.

These sources informed the assumptions developed for market segment participation by customer class and incrementally addressable load by customer class. The percentages of assumed impact for each of the three scenarios are listed in Table 2 and Table 3.

Table 2 Market Segment Participation Assumptions

Customer Class	Scenario		
	Low	Medium	High
Agricultural	5.0%	10.0%	30.0%
Large Commercial	1.0%	2.5%	5.0%
Lighting and Traffic Control	0.0%	0.0%	0.0%
Residential	0.0%	0.4%	2.1%
Small Medium Commercial	0.5%	1.0%	3.0%

Table 3 Incrementally Addressable Load Assumptions

Customer Class	Scenario		
	Low	Medium	High
Agricultural	5.0%	10.0%	10.0%
Large Commercial	1.0%	8.0%	17.0%
Lighting and Traffic Control	0.0%	0.0%	0.0%
Residential	0.5%	4.0%	8.0%
Small Medium Commercial	5.0%	10.0%	15.0%

Second, SVCE staff extrapolated the 8,760 hours of load in each year for 2024-2027 using SVCE's existing hourly load forecast. The Base Case was then adjusted to create load profiles for each scenario based on the relevant customer participation and addressable load assumptions.

Finally, SVCE uses Ascend Analytics' PowerSIMM™ platform for portfolio management and utilized the modeled hourly CAISO NP-15 prices provided by Ascend Analytics to calculate the energy costs for each scenario. The energy costs were then calculated by multiplying the changes in load across scenarios by the forward curves. As described in Section VII.D. below, due to on-going uncertainty in the Resource Adequacy (RA) market and regulatory structure, SVCE excluded any quantification of capacity value in the cost analysis.

VII. Results

A. Cost Effectiveness

SVCE examined the cost effectiveness of moving to real time pricing through the lens of the demand flexibility analysis described in Section VI. Although portfolio energy costs are a narrow lens through which to evaluate cost effectiveness, SVCE staff determined that with the current assumptions available and plethora of unknowns, a narrow evaluation of cost effectiveness could be completed for SVCE's first LMS Plan. When developing future Plans, SVCE will have the results from the various CPUC demand flexibility pilots and plans to use those actual results to inform a more robust evaluation of real time pricing.

For the purposes of this Plan, cost-effectiveness was evaluated as the ratio of dollars saved to dollars spent. SVCE plans to broaden the way it evaluates cost-effectiveness in future LMS Plans by using a cost-effectiveness evaluation metric that is more inclusive of the entire sphere of benefits that could result from dynamic rates (e.g., by using the Total System Benefit test.)

The cost impact of the Low, Medium, and High Scenarios were compared to the Base Case costs. As illustrated in Table 4, cost savings across scenarios and years are negligible when compared to the energy

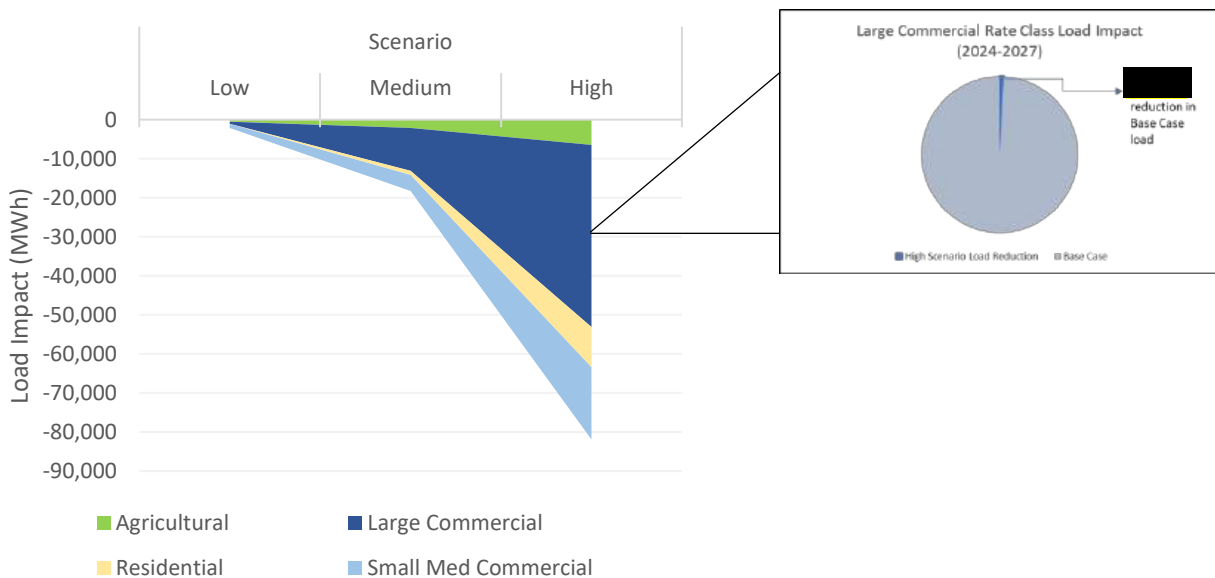
portfolio costs of the Base Case. This is due to the fact that even in the High Scenario, load does not shed in significant enough quantities to make a meaningful impact (see Figure 3).

Table 4 Scenario Cost Savings as a Percentage of Base Case Costs

	Scenario		
Year	Low	Medium	High
2024	0.013%	0.110%	0.495%
2025	0.013%	0.109%	0.495%
2026	0.013%	0.110%	0.495%
2027	0.013%	0.110%	0.497%

As would be expected, across all four years, the Low Scenario has the least effect on load (2,121 MWh), the Medium Scenario results in increased load reductions (18,273 MWh), and the High Scenario results in the largest amount of total load reductions (81,904 MWh). When viewing the load impact results by customer class, the greatest load impact occurs in the large commercial class segment. The residential class has the smallest impact on load in both the Low and Medium scenarios. However, under the High Scenario, the agricultural customer class has the smallest impact on load. These results indicate that it may be more beneficial for SVCE to focus its demand flexibility efforts on its large commercial customers. However, even under the High Scenario, large commercial yields a reduction in Base Case load of only

Figure 3 Total Load Impact Across Scenarios by Customer Class (2024-2027) with Large Commercial High Scenario Load Impact Callout



SVCE staff estimates that implementing real time pricing from 2024-2027 would cost [REDACTED] in total (see Table 8). This cost estimate is based on SVCE staff's evaluation of the staffing, systems, and

marketing costs that would be incurred and is described in further detail in Section VIII. Cost savings for each scenario do not vary significantly year over year. These results indicate that under the most realistic assumptions for market segment participation and addressable load (Low Scenario) SVCE would save [REDACTED] in energy costs. The High Scenario would result in slightly over [REDACTED] dollars of energy cost savings. These savings represent only 0.5% of total forecast Base Case energy costs across 2024 through 2027. However, many of the costs included in the cost estimate represent one-time upfront costs. If SVCE had examined offering dynamic rates over a time horizon beyond 2027 and accounted for benefits beyond modeled energy costs, then the cost-effectiveness indications would differ. As mentioned above, SVCE is evaluating the use of more inclusive cost effectiveness metrics such as the Total System Benefit test to widen the scope through which the benefits of dynamic rates can be examined.

Table 5 Energy Cost Impact (Savings) 2024-2027

Year	Scenario		
	Low	Medium	High
2024	[REDACTED]		
2025			
2026			
2027			
All			

B. Equity Evaluation

SVCE defines underserved communities, broadly, as those that have historically been excluded from participating in the benefits of electrification and/or have low energy security. SVCE's underserved communities face multiple barriers that could prevent them from benefiting from the dynamic rate pilots. These households may lack the flexibility to shift their energy use to off-peak times due to rigid schedules and lack of access to smart appliances and technology, or may receive communications about how to shift their energy usage in a language they do not speak. Participation often requires smart meters yet some customers in mobile home parks and multiunit dwellings do not have smart meters. As a result, communities without access to these appliances and technologies cannot participate in dynamic pilots and may face higher overall energy costs. In addition, households that are already struggling with energy insecurity may find it challenging to adapt to the fluctuating prices in the RTP pilots. RTP rate structures must include price protection (e.g., shadow billing) to eliminate financial risk for these customers, which is especially crucial to encourage pilot rate adoption in underserved communities. SVCE knows that other barriers will arise in helping all of its customers benefit from future dynamic rates and plans to learn more about necessary solutions during the upcoming dynamic rate pilots.

SVCE is taking specific steps to address underserved communities and will look for opportunities to address barriers that keep customers from accessing and benefiting from dynamic rate pilots. Today, SVCE provides lower rates for income-qualified customers, has developed a Programs Equity Framework to help incorporate key considerations into its decarbonization program work, and uses the CPUC's Socioeconomic Vulnerability Index (SEVI) metric to guide program planning and design, rate evaluation,

and ongoing community engagement and outreach efforts. These tools and how they will be used to support equitable demand flexibility efforts are described below.

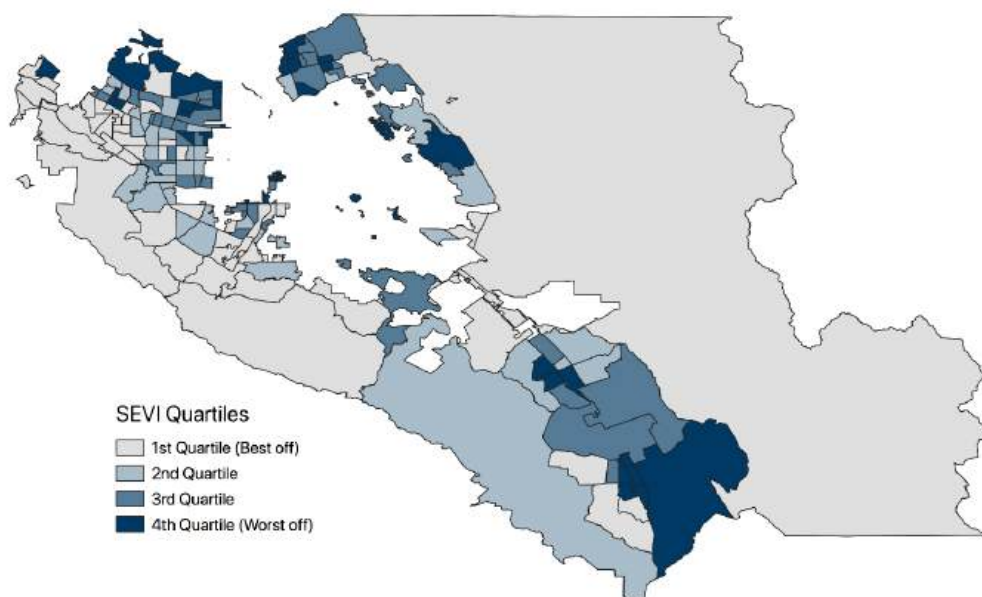
1. Program Equity Framework

SVCE's decarbonization programs and community outreach are customer-focused and designed to be inclusive of the needs of underserved communities. SVCE utilizes an internally developed Programs Equity Framework to guide a process for learning and considering needs of underserved communities, defining these groups, understanding their current state of DER adoption and barriers, designing programs that serve these groups, and tracking ongoing impacts of SVCE programs. Learnings from the Programs Equity Framework, combined with program evaluation, monitoring, and verification data will be used to guide future program design, including for dynamic rate pilots.

2. Socioeconomic Vulnerability Index (SEVI)

SVCE has identified the SEVI, originally developed as part of the CPUC's Affordability Report, as the primary equity indicator to be used to identify underserved communities and develop programs and rate evaluations. SEVI captures education attainment, housing burden, linguistic isolation, poverty, and unemployment at the census tract level to paint a picture of energy security and decarbonization participation. SVCE has calculated the SEVI metric for all census tracts in our service territory and grouped the tracts into four quartiles, as shown in Figure 4, below. DACs within SVCE's service territory, as defined by CalEPA, are exclusively in the SEVI 4 quartile.

Figure 4 SEVI Quartiles in SVCE's Territory



SVCE has performed an analysis to understand the different demographics in these SEVI quartiles using utility and tax assessor data. Table 6 shows a high-level overview of some example statistics by SEVI quartile that SVCE uses to inform program design.

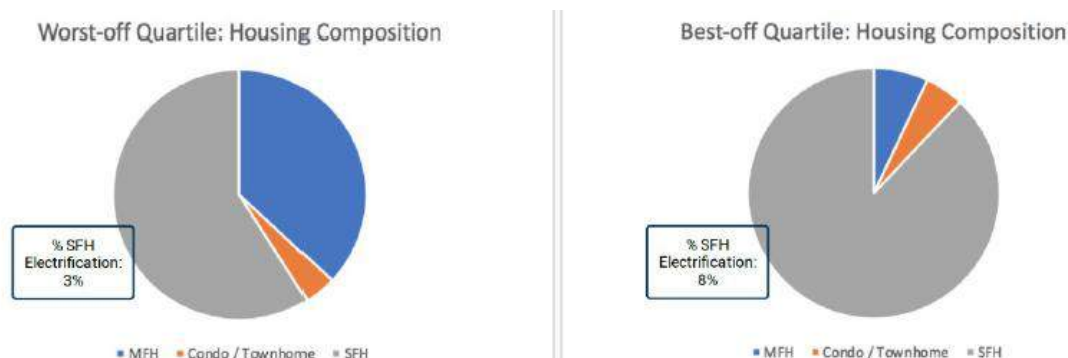
Table 6 SEVI Quartiles and Key Demographic Information

	SEVI 1	SEVI 2	SEVI 3	SEVI 4
Residential Accounts	53k (23%)	62k (27%)	64k (28%)	44k (19%)
Population	177k (19%)	251k (27%)	245k (26%)	242k (26%)
CARE/FERA Accounts	2.8k (10%)	4.6k (17%)	8.2k (30%)	10.5k (39%)
Median Income	\$166,000	\$145,000	\$117,000	\$79,000

The goal of using SEVI as a primary indicator is to provide a first pass at identifying varying community and customer demographics, associated decarbonization needs, and to support and track how those needs are being met. SEVI quartiles help SVCE staff think about program design, outreach, and rate evaluation, and to analyze program participation data to better understand how different groups engage with SVCE's programs.

Figure 6 demonstrates one example of the value of using SEVI as the primary equity indicator. Housing composition varies among SVCE customers in SEVI 1 (best-off) and SEVI 4 (worst-off) quartiles. Considering that the population in SEVI 4 tends to have lower electrification rates overall is important but understanding the differences in housing composition is critical to decide how best to formulate offerings for this underserved community.

Figure 5 Housing Type Comparison of SEVI 4 (Worst-off) and SEVI 1 (Best-off) Quartiles



3. SVCE Equity Programs

Summarized in Table 7 are a sampling of programs that were designed, launched and/or evaluated using the Programs Equity Framework and SEVI metrics. These programs strive to provide underserved communities with electrification opportunities and tools to flex their demand, reduce their electricity bill, and address the LMS goals.

Table 7 Programs Designed, Launched, and/or Evaluated Using the Programs Equity Framework and SEVI Metrics

Transportation Electrification Programs	Description	LMS Goal	Status
Charging Installation Incentives Program (CHIIP)	Incentives for L1 and L2 EV charger installations at existing multifamily properties. Deeper incentives provided for affordable housing properties.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing
Priority Zone DC Fast Charging Program	Incentivizes EVSE vendors to install DC fast chargers within specific priority areas in proximity to older multifamily housing that would be harder to add chargers at.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing
California Electric Vehicle Infrastructure Project (CALeVIP)	Incentives for DCFC and L2 EV charger installations at multifamily properties, public parking lots, or retail locations. Deeper incentives for installations in disadvantaged and low-income communities.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing
CEC REACH Grant EV Infrastructure Direct Install	Match funding provided to Ecology Action to install EV charging technology to serve multifamily residents in disadvantaged and low-income communities.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing

Building Electrification Programs	Description	LMS Goal	Status
FutureFit Homes	Up to \$8K incentives for residents to install heat pump water heaters, heat pump space conditioning, panel upgrades and pre-wiring. Additional rebates of \$5K for income-qualified and CARE/FERA customers.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing
FutureFit Homes	Up to \$20K in incentives for small and medium businesses to replace gas appliances with electric. Additional rebates of \$5K for non-profit organizations.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing
Clean and Healthy Affordable Multifamily Properties Program (CHAMP)	Electrify 300 to 1,000 units + install 125 EVSE ports at existing deed-restricted affordable multifamily properties at no cost to property owners or tenants. Buildings will be enrolled in SVCE's E-ELEC rate.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Design underway
Accessible Financing Pilot	Direct installation of electrification upgrades to selected low-moderate income customers, with the goal of achieving customer bill savings and load shifting to offset upfront costs of electrification upgrades.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Design underway
Single-Family Turnkey and Direct Installation Services	Direct installation of electrification upgrades for low-income customers at no-cost and market-rate customers with transparent costs using SVCE contractors. Also includes emergency water heater replacement services.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Planning stage

Resilience/Other	Description	LMS Goal	Status
Medical Baseline Battery	Partnered with a local non-profit to give away (free) portable batteries to customers on medical baseline rates living in tier 2 or 3 PPS area to sustain life-supporting equipment during power outages.	Goal 2: Encouraging the control of daily and seasonal loads to improve system efficiency and reliability	Ongoing
Community Resilience	Provided grants to member jurisdictions to improve resilience to climate change at their critical facilities. Included solar and/or battery storage installations, cool pavement, and other measures. Battery installations have potential to be enrolled in grid resilience through DR platforms.	Goal 3: Lessening/ delaying the need for capacity additions	Ongoing
Territory-specific heat wave assessment	Map and track heating trends across service territory to develop more accurate predictions for space-cooling technology adoption with special considerations for load growth and GHG emissions impacts. Conclusions will be used to consider incentives for HPHVAC systems for heat-vulnerable customers.	Goal 1: Encouraging the use of energy at off-peak hours	Complete

C. Technological Feasibility Evaluation

SVCE has evaluated technological feasibility through a near-term perspective: operation of the CPUC pilots to offer real time rates temporarily; and through a long-term perspective: permanent operation of a real time rate offering. In order to support the implementation of the CPUC's dynamic rate pilots, SVCE will be working through its back-office provider, Calpine, and PG&E to operationally support the dynamic rate pilots and plans to use existing systems that are already available.

All costs associated with the Pricing Engine will be recovered by PG&E through CPUC-jurisdictional ratepayer funding throughout the life of the pilots. During the period the pilots are operating, SVCE will evaluate the effectiveness of existing processes to determine whether ongoing use of PG&E's Price Machine, which will cost approximately [REDACTED] per year makes operational sense or whether switching to another provider would be more beneficial. However, the systems that will need to be in place to support long-term implementation of real-time rates will be costly and load entities should be able to recover shared categories of costs for the development of systems and processes through a statewide ratepayer mechanism.

Various issues have already arisen that indicate that the technological feasibility of offering permanent long-term dynamic rates depends on numerous changes to the near-term pilot implementation systems. First, CCAs require the ability to provide customers with unique rates that are different from PG&E's bundled generation rate – today this will be accomplished through a manual process of submitting emails with adjustments to PG&E; PG&E will then update the Pricing Engine. This cumbersome process is required because the Pricing Engine is a closed system that cannot be accessed by any entity other than PG&E. The lack of automation and long-term systems approach for SVCE to reflect discounted and unique hourly rates in billing systems and in MIDAS must be coordinated amongst the three entities involved with billing: PG&E, Calpine and SVCE. Second, the MIDAS upload is unnecessarily labor-intensive, time consuming and must be automated once the MIDAS systems are more stable. Due to the number of LSEs uploading to MIDAS at approximately the same time, Calpine has experienced the following technological challenges during MIDAS uploads:

1. MIDAS Server Fragility: when MIDAS access is high, the server cuts off rates haphazardly. If Calpine attempts any methods for uploading more than one rate at a time, MIDAS drops about a third of the rates.
2. MIDAS Server Latency: MIDAS receives rates very slowly - about 30 seconds per rate. Now that modifiers are included in the upload requirements, each CCA upload can take many hours or the better part of a day. Because Calpine is responsible for multiple rate uploads, completing the MIDAS upload requirement can take 3 days or more. This is an additional three days beyond the ten days needed for Calpine to incorporate new/revised rates into their systems.
3. MIDAS Server Congestion: MIDAS can freeze and stop responding when many LSE's are uploading at the same time. To-date, the only solution suggested has been for users to attempt manual uploads after 8PM or on weekends to avoid peak upload times.

Calpine is working closely with PG&E to test file transfers to PG&E's billing system but as of the drafting of this Plan, Calpine has not received all files to ensure smooth data integration.

Additionally, although SVCE's time-dependent generation rates are accurately uploaded to MIDAS, SVCE staff does not control transmission and distribution rate uploads and so cannot validate the compiled customer rates.

Finally, the LMS require SVCE to upload rates into MIDAS prior to their effective rate date. Given today's TOU billing system processes, and the MIDAS Server challenges described above, it is not possible to provide all customers rates into MIDAS prior to the effective rate date.

Through Calpine, SVCE provides PG&E with customer generation and export compensation and bill protection for pilot bill presentment. However, PG&E's billing system must be updated to reflect the applicable RIN(s) and QR code. PG&E will be leading this development and SVCE looks forward to working with PG&E and Calpine to agree on:

- bill presentment
- implementation plan and timeline
- billing system update plan and current progress
- proposed text design and QR code design and proposed placement on the bill

Finally, broader issues related to CCAs being able to successfully implement hourly rates and or programs that access hourly rates to encourage flexible load shifts post-CPUC pilots were documented in the CPUC's Demand Flexibility proceeding (Rulemaking 22-07-005). In order to support compliance with the LMS, certain processes regulated by the CPUC that intersect with the LMS must be resolved. It is critical that CCAs have the opportunity to learn from pilots and that there is flexibility to revise pilots as needed improvements arise. The CPUC should continue to facilitate data sharing and data collection between PG&E & SVCE. More specifically, the CPUC should require PG&E to provide billing quality usage data to CCAs at hourly or sub-hourly intervals and require all IOUs to provide non-billing quality hourly customer interval usage data for CCA load forecasting and offering dynamic pricing to unbundled customers.

For the long-term dynamic rate system, the CPUC should require the use of MIDAS as a price portal, with necessary upgrades as determined by the CPUC and CEC. The CPUC should require IOUs to provide CCAs access to customer usage data and if dual enrollment between demand response programs and demand flexible rates is prohibited, the CPUC should require IOUs to provide customer enrollment data in demand response programs. Additionally, the CPUC should ensure equivalent bill presentation between bundled and unbundled customers.

D. Grid Benefits Evaluation

Any reductions to the capacity needs of a portfolio due to real time pricing are indicative of the potential grid benefits of real time pricing. The electrical grid is built to have enough capacity to meet the peak load on the system and if customer demand can be shifted to times when grid conditions are more favorable, or altogether shed, then the grid stands to become more reliable. As described in Section VI, SVCE examined the potential changes to load under three different scenarios representing a low, medium, and high level of real time pricing responsiveness. These load scenarios were also examined for their potential peak savings in order to understand the potential contributions of SVCE's portfolio to reducing peak demand on the grid.

When compared to the Base Case, the High Scenario resulted in the greatest peak reductions across all months, reducing SVCE's peak load on average by 3.2 MW. The Medium Scenario reduced the peak load

by an average of 0.88 MW, while the Low Scenario reduced the peak by an average of 0.11 MW. In terms of inter-month variability, the greatest peak savings occurred in September.

As a CPUC-jurisdictional load serving entity, SVCE is required to procure RA product to meet the CPUC's RA program obligations. The RA program ensures that load serving entities have sufficient capacity to meet their peak load along with a reserve margin. SVCE staff considered associating the peak savings across scenarios with the potential dollar value of RA product savings that SVCE could realize. However, given the current RA market volatility in California, SVCE staff determined that any savings amount calculated using today's pricing would likely not produce results that would be indicative of future outcomes. In addition to general RA market volatility, the RA program in California is currently transitioning to a Slice of Day framework and it is not yet clear how the market will respond and what RA pricing will be under the Slide of Day structure.

Furthermore, load serving entities need clarification from the CEC regarding whether reductions to load resulting from real time pricing would be processed by the CEC and applied to their calculation of a load serving entity's load, which is used to set CPUC RA obligations. Whether the load impacts of real time pricing will be considered load modification to the forecast or be considered supply-side RA, remains an open question. For the abovementioned reasons, SVCE staff focused only on calculating peak savings, which indicated that the scenario most indicative of realistic real time pricing uptake (Low Scenario) has a very minor impact on SVCE's Base Case peak load.

E. Customer Class Benefits Evaluation

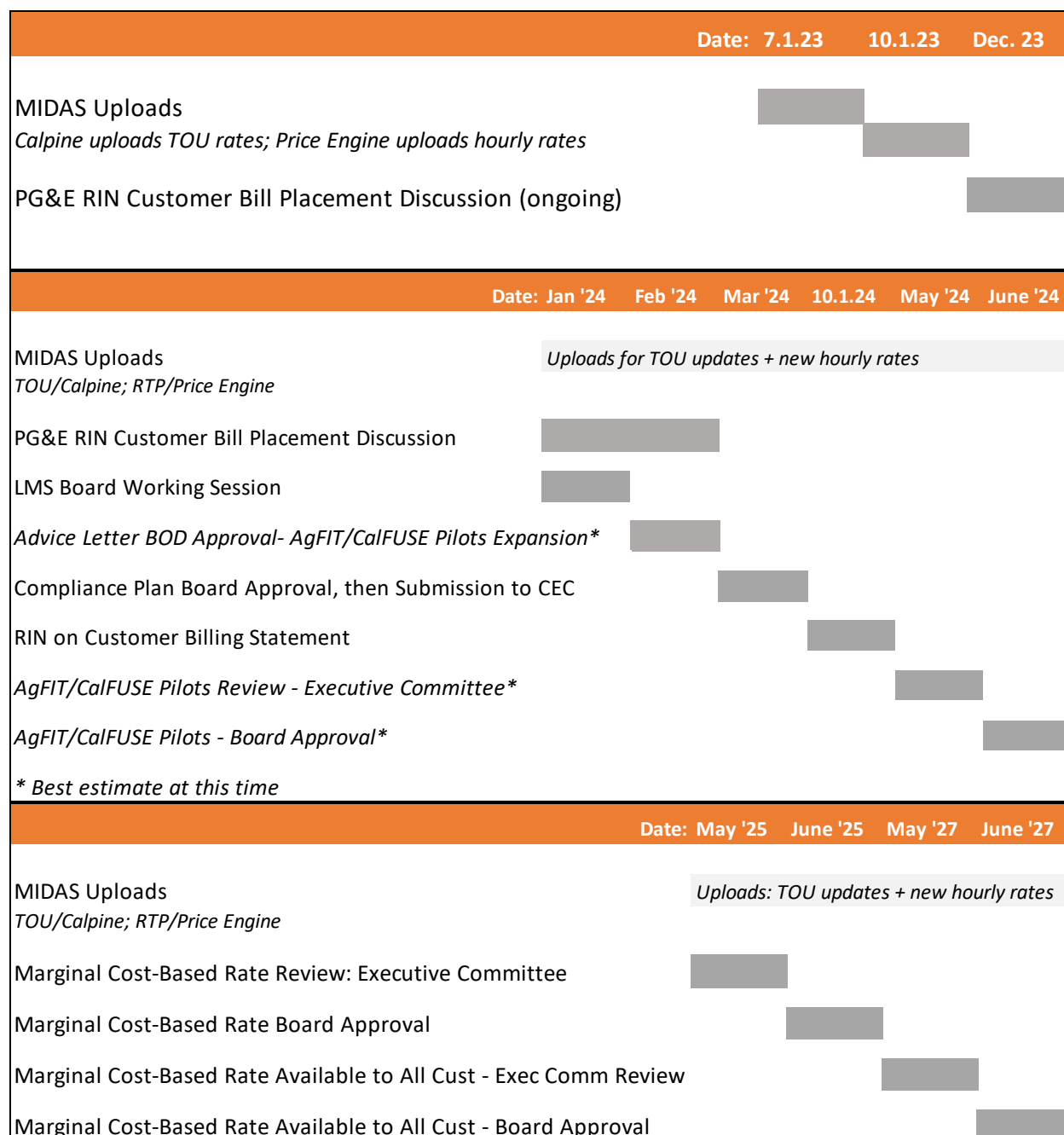
Today, SVCE has no hourly generation rates available for general customer enrollment. Therefore, it is not possible to quantitatively evaluate customer benefits by customer class. However, there are several unknowns that will directly impact customer adoption rates. First, the final PG&E pilot rate structures and associated pilot implementation details for the CPUC's real time pricing pilots are not yet known. Second, customers have limited customer access to behind-the-meter automation technology. Third, the level of customer acceptance of risk to market rates and new, complex rate structures is not known. Finally, the ease of access to rates prior to, and following the operability of the statewide RIN tool for access to MIDAS is currently still under development.

Following the launch of the CPUC pilot rates, SVCE will evaluate its resulting customer data to better understand potential flexible load shifts and associated savings. Marketing, education and outreach plans to build awareness and understanding based on these results will be used to encourage customer enrollment if clear customer benefits result.

VIII. Marginal Cost Rates Implementation

SVCE is closely tracking the timelines for the implementation of marginal cost-based rates and has developed Figure 6 to illustrate its implementation plan. The figure includes the process for receiving SVCE Board approval of rates.

Figure 6 Near-term Marginal Cost Based Rate Implementation and MIDAS Compliance Timelines



SVCE has mapped the resources needed to support marginal cost-based rates in the near term (Table 8). SVCE estimates that it will spend \$2.3 million to support pilot implementation of marginal cost-based rates in the near term. These costs are made up of two categories: labor and staffing, including both the start-up costs in Year 2024 and ongoing annual implementation costs through 2027. Other costs include (i) marketing, education, and outreach; (ii) IT and systems; (iii) customer support; (iv) annual bill settlements support; and incentive costs.

Table 8 Total Costs to Implement Real Time Pricing Across the Four Years Analyzed

Cost Summary				
Year	2024	2025	2026	2027
Labor/Staffing				
Other Costs				
Total Annual Costs				

In order to build out internal infrastructure within SVCE that works to support marginal cost rates adoption, SVCE will review its current billing system's compatibility with permanent dynamic rate offerings and develop an improvement plan before amending any of SVCE's existing systems. SVCE will learn from existing pilot rate system processes and plan accordingly.

IX. Conclusion

SVCE's evaluation of its current and future rate and program offerings in order to support the goals of the LMS indicates that SVCE has already contributed to meeting the LMS goals and is on track to continue encouraging the use of energy at off-peak hours to improve grid system efficiency and reliability and reduce California's GHG emissions. SVCE's future plans for offering dynamic rates or programs that respond to dynamic rate signals are tied to the outcomes of the CPUC's various dynamic rate pilots. SVCE has committed resources to support dynamic rates and plans to continue working with California's agencies and relevant stakeholders to resolve the technological challenges that could prevent successful long-term implementation and customer uptake of real time rates or slow down the near-term implementation of the pilots.

SVCE acknowledges that real-life results from the CPUC pilots will be more indicative of future outcomes than the assumptions-based modeled energy cost benefit analysis included in this LMS Plan. The results of the CPUC pilots will allow SVCE to expand the lens through which cost effectiveness can be examined. SVCE hopes to gain information about realized customer and grid benefits and expand the cost-effectiveness perspective it uses to evaluate those benefits in future LMS Plans.

SVCE is excited to partner with the CEC, CPUC, and PG&E to help develop the rates and programs that will move customers to a dynamic-signal incentivized world and help make a meaningful impact to the operations of California's grid and energy emissions profile. Although the task is not easy, as illustrated by the numerous challenges that have already arisen, with a persistent and collaborate approach, SVCE believes that the LMS goals can continue to be met. SVCE also believes that dynamic rates will be a key tool for optimizing the grid of the future and that they will allow load serving entities to align customer incentives for consumption with their procurement costs more granularly than is possible today. With much of the expected growth in new load over the next 10-20 years coming from building and transportation electrification, SVCE is confident that electricity end users will have more opportunities to shift their usage based on a dynamic price signal.

Attachment A

[Data will be transmitted to the CEC in a .xlsx file format]



Staff Report – Item 1g

Item 1g: Receive June 2025 Decarbonization Strategy and Programs Quarterly Report

From: Monica Padilla, CEO

Prepared by: Justin Zagunis, Director of Customer Success
Douglas Bernard, Decarbonization Management Analyst

Date: 8/13/2025

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") accept the current update of the Decarbonization Strategy and Programs quarterly report, reflecting project statuses as of the end of June 2025.

BACKGROUND

To achieve its mission to reduce dependence on fossil fuels by providing carbon-free, affordable and reliable electricity and innovative programs for the community, SVCE established a decarbonization strategy and programs roadmap ("Roadmap"), which can be found on SVCE's website: [SVCE Decarbonization Strategy and Programs Roadmap](#). In December 2018, the Board approved the Roadmap, and since that time, staff have been working on implementation of this Roadmap - as well as subsequent joint action plans and other additions to the programs portfolio as approved by the Board. The quarterly report included here presents a summary of all approved program activity to date.

ANALYSIS & DISCUSSION

Attachment 1 is an update of the Decarbonization Strategy and Programs quarterly report. The quarterly update includes a table with a summary of updates from last quarter and the target for next quarter.

STRATEGIC PLAN

This item supports SVCE's 2024-2025 Strategic Plan Goals 7 and 8, to support "SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions" and to "engage customers and community stakeholders to build trust of SVCE and advance decarbonization."

FISCAL IMPACT

Accepting the June 2025 Update of the Decarbonization Strategy and Programs quarterly report has no fiscal impact.

ATTACHMENTS

1. Decarbonization Strategy & Programs Quarterly Report – June 2025 Update

Quarterly Report
June 2025 Milestones



\$141 million
in lifetime bill savings



\$130 million
in lifetime program
funding allocation

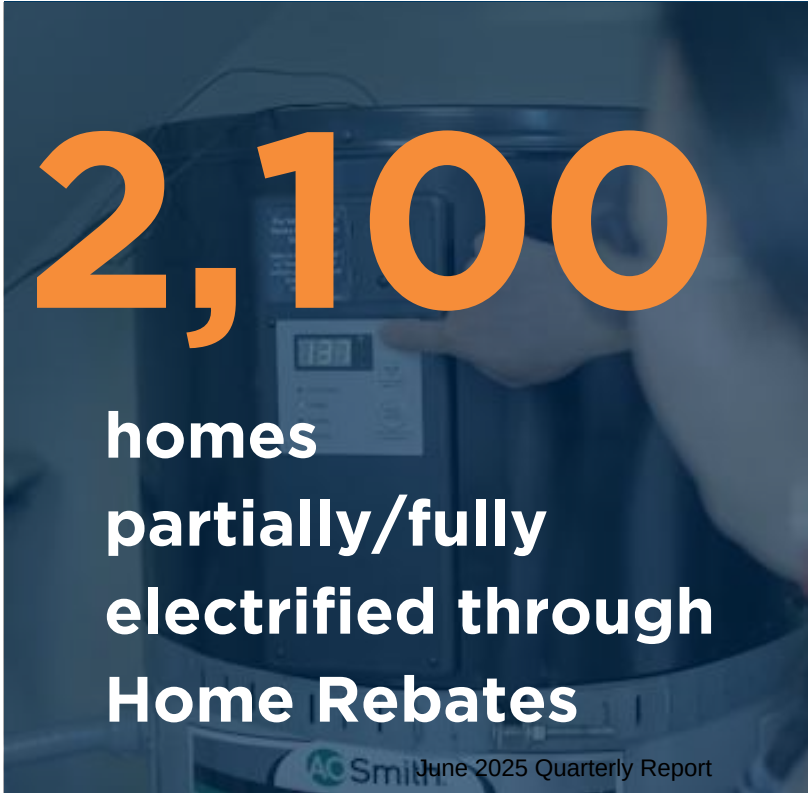
Quarterly Report June 2025 Milestones



7.5x
increase in eHub website
traffic from Power Squad
campaign



1,698
customers engage
with Go Electric
Advisor service



2,100
homes
partially/fully
electrified through
Home Rebates

PROGRAMS PORTFOLIO

JUNE 25

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	3 multifamily sites enrolled (250 units)	Selected and executed Master Services Agreement with General Contractor.	Start construction at 2 sites.
EV Charging Incentives	\$11.4M	80 MUDs with EVI (720 ports) 4,000 L1/L2 chargers at affordable housing	21 sites completed (182 L1/L2 ports) 32 MUD active reservations (362 ports)	Saw increase in applications, bringing total active reservations to \$1.99M. Held property manager lunch and learn for over 60 local MUD owners.	Process 27 total claims. Hold additional property manager lunch and learn event.
Full-Service Home Upgrades	\$11.4M	600 single-family homes electrified	Completed installations in 4 homes	Began enrolling customers and scoping projects. Adjusted program process for smoother delivery based on feedback from soft launch phase.	Complete 10 installations. Start planning for hard-launch.
Home Rebates	\$10.05M	2,800 homes fully/partially electrified	2,100 homes fully/partially electrified	Implemented additional rebates from the Cities of Milpitas and Mountain View.	Hit 2,400 claims and upload all historic data into Salesforce.
Electrification Rate Discount	\$9.5M	5,000 customers enrolled	5,500 enrolled in pilot, before SVCE closed v1 in July 2025 (v2 coming in 2026)	E-ELEC 2.0 approved by Board. E-ELEC 1.0 pilot program phased out.	Finalize rate sheet for E-ELEC 2.0. Design implementation and launch strategy.
Member Agency Grants	\$6.5M	13-18 member agency projects focused on community engagement and capital decarb projects	Selected 8 projects for competitive grant	Executed 2 grant agreements for competitive grant, executed 1 noncompetitive grant agreement, received 2 applications for noncompetitive grant.	Propose changes to the noncompetitive grant in August Executive Committee meeting and finalize in September BOD.
Zero Interest Financing Pilot	\$5.2M	200 customers finance electrification	Launched pilot	Launched pilot, initial set of 1400 customers emailed (targeted based on fit with pilot design/goals).	Contact all target customers (15k), complete 30 installs.
Community Energy Resilience	\$5.15M	13 agencies complete projects	7 completed agency projects	7 projects still in progress.	Closeout 1-2 projects.
C&I Decarbonization Program	\$5M	8,000 metric tons of CO2e removed through carbon saving measures	11 customers enrolled in the program, 4 treasure hunts completed - actively working on project ideas with participants	Enrolled 1 additional large customer and 4 small. Held second workshop.	Enroll 3 new high profile customers and schedule workshop #3.

PROGRAMS PORTFOLIO

JUNE 25

Active Programs

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
Decarbonization Demonstration Grants	\$3.2M	8 local public facing electric projects	2 projects complete	Held ribbon cutting for Morgan Hill fire station project.	Support 4 grantee community engagement efforts.
Permit Modernization	\$3.2M	13 member agencies improve electrification permitting	Permitting agencies have action plans in place. All agencies have reduced barriers for heat pump water heaters and many offer expedited permitting.	All 13 agency action plans in place. Work underway in many agencies: expediting permitting, training staff, and educating customers on prewiring.	Continue deploying resources in all member agencies.
Emergency Water Heater Replacement	\$2.6M	700 emergency water heaters upgraded	2 emergency water heater installations completed	Program relaunched in June 2025 after making adjustments based on feedback from soft launch.	Complete installations for 5 projects. Start planning for hard-launch.
CALeVIP 1.0	\$2.5M	85 DCFC installed 1,100 L2 installed	10 DCFC installed 319 L2 installed	Closed/cancelled applications that are not moving forward.	Continue making payments for remaining 3 projects as they are completed.
Customer Resource Center (eHub)	\$2.1M	800K email opens 100K unique web visits	743K email opens (52% open rate) 301K web visits	274K Unique Visits, 364K Unique Opens, Go Electric Campaign Ended.	50K Unique Visits, 60K Unique Opens, Launch Appliance Marketplace Promotion.
Fast Charger Incentives	\$1.875M	10 DCFC installations near MUD hotspots	10 of 10 ports are constructed; 2 are not energized currently	Continued to explore ways to support one site through ownership transition.	Complete ownership transition for one site and close program.
Existing Building Policy Experiment	\$1.9M	Spur action on building electrification and reduce building gas combustion	Existing building policies are now understood and momentum is building for incorporation into 2025 building code adoption process.	Held workshop for elected officials. Continued educating and supporting agency staff on model approaches.	Support many agencies in customizing ordinances for adoption.
Contractor Training	\$1.7M	300 contractors trained 500 graduate incentives	312 contractors completed training 243 approved graduate incentive claims	Integrated program with Salesforce.	Try new marketing approaches such as NextDoor to grow enrollment to 300.
EV Rebates	\$1.5M	600 EV purchase incentives for income qualified customers	108 claims paid	Conducted additional email campaigns. Enrolled 3 new participating dealerships.	Increase marketing and education about stacking federal tax credits while available.
Programs Marketing Fund	\$1M	4,500 new program participants	Marketing for 10 programs. Nearly 3,000 program participants added. Analytics configured.	First School of Thought campaign completed, \$130k spent.	Multilingual Home Upgrades campaign.

PROGRAMS PORTFOLIO

JUNE 25

Active Programs

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
GridShift EV Charging and Rebates	\$973K	Bill/emissions savings and load shifting capacity	1,584 EVs enrolled (incl. ChargeWise) 71 charger rebates	Iterated on EM&V scope for GridShift/ChargeWise. Evaluated ChargeWise results to date and updated price signal adders.	Finalize EM&V scope for GridShift/ChargeWise and begin work. Monitor ChargeWise results.
Go Electric Advisor	\$892K	3,600 customers use hotline, 1,200 use tech assistance, 350 use electrification plans	1,698 customers use service	560 contacts incl 47 nonprogram inquiries, implemented program plan opportunities.	600 contacts incl 60 non-program inquiries.
Business Rebates	\$750K	20-30 SMBs electrified	9 SMBs fully/partially electrified	Soft-launched the Site Assessment Pilot Program and completed first Site Assessment.	Complete 15-20 site assessments and award 2-4 new rebates.
EV Charging Planning	\$725K	60 assessments, 36 projects done, 250 ports installed	126 applications (112 reports completed)	Completed Site Solution Reports for all 22 remaining applications. Program closed on 6/30.	Program ended.
EM&V	\$640K	Evaluate 80% of SVCE programs within 2 years of launch	11 reports completed	Set up new Task Order for residential programs. Continued scoping for additional programs.	Define EM&V scope for 4 additional programs.
SV Building Electrification Stronger Together	\$600K	Educate stakeholders about building electrification	40 new stakeholders engaged to date	Hosted second contractor focus group. Selected CBOs for program design bench.	Host third contractor focus group. Host first CBO Program Design bench meeting.
Decarbonization Engagement Grants	\$442K	5 communities engage residents on climate action topics	2 projects complete	Held ribbon cutting for Morgan Hill fire station project which included new children's educational sign.	Monitor and reimburse agencies as projects move to completion.
Natural Gas Phaseout Feasibility	\$300K	Complete 2 whitepapers to inform local, regional, and statewide policies	1 whitepaper (funding requirements) completed	Finalized recommendations and summary presentation.	Present findings to Air District to inform rule updates.
Fleet Electrification	\$300K	Complete fleet electrification and charger install planning for 15 fleets	14 fleets in progress	4 agencies have completed the planning program. Remaining 10 agencies are actively proceeding.	Finalize 2 new agency engineered plans. Recruit one new fleet into program.
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.
Assisted Home Upgrades (Rock Rabbit)	\$190K	Pilot web app to help homeowners/contractors to apply for multiple incentives simultaneously	61 incentive reports, 22 projects created	Hard Launch complete. 61 incentive reports and 22 projects created.	Receive 50 incentive applications, and integrate system into Salesforce.

PROGRAMS PORTFOLIO

JUNE 25

Planning

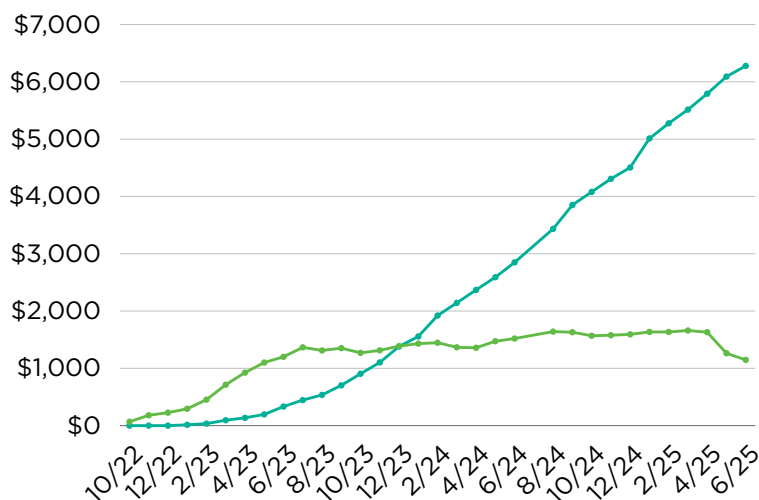
Name	Budget	Potential Impact	Last Quarter (Update)	Next Quarter (Target)
Community Grants	\$3.5M	Fund resiliency, engagement, and decarbonization projects for schools, community groups, and non-profits	Will split schools and community groups into two separate programs to provide specialized support.	Onboard fellow to lead program.
Neighborhood Electrification	\$1.5M	Test model to electrify buildings within a community. Electrify 15 homes and set plans for 24 homes	Program design ongoing.	Complete program design and release RFP for contractor.
Workforce Development Partnerships	\$1.3M	Increase capacity to coordinate and train skilled workforce for residential electrification jobs	Began scoping program with relevant stakeholders.	Refine program to fit with CCA needs across Bay Area (focused on contractor support and training).
Demand Flexibility and Virtual Power Plant programs	\$1M	Connectivity to flexible, customer-sided loads to enable bill savings, avoided generation and capacity costs, reliability and carbon benefits	Selected vendor. Presented contract to Board for approval.	Kickoff contract with selected vendor.
Innovation Onramp (EV Charging Pilot)	\$1M	Demonstrate innovative and scalable solutions to reduce the cost of EV charging for MF residents.	Finalized contracts for 3 pilots (2 for submetering solutions and 1 for direct wiring). Work commenced in June, 2025.	Ensure all three vendors have identified sites to implement their pilot. Establish contact with PG&E to initiate the MDMA registration process.
E-Bike Rebates	\$500K	450 e-bikes	Program to be designed; progress paused due to other projects.	Determine new timeline and next steps for program launch.

PROGRAMS HIGHLIGHTS

JUNE 25

Home Rebates

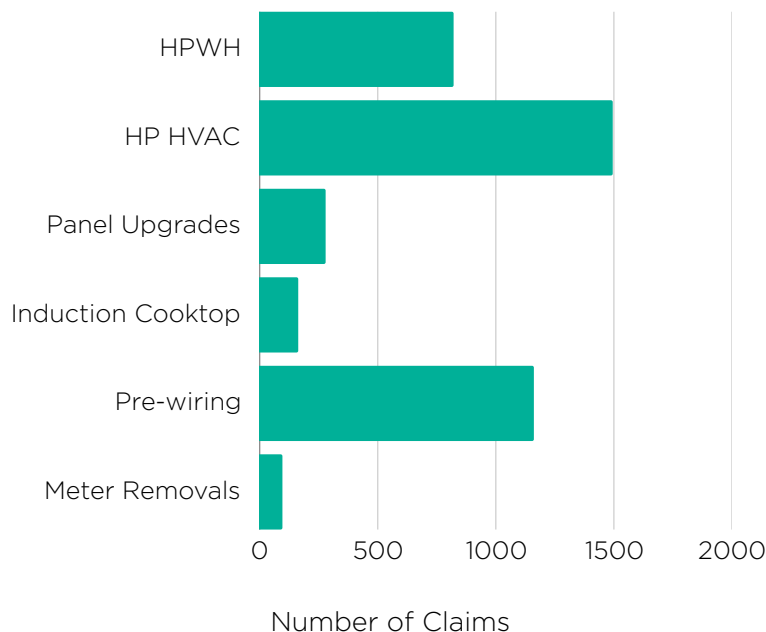
Provide incentives to residents for heat pump water heaters (HPWH), heat pump HVAC systems, service panel upgrades, induction cooktops, and pre-wiring to replace gas appliances.



- Current Level of \$ Funds Reserved (in 000s)
- Cumulative \$ Funds Claimed to Date (in 000s)

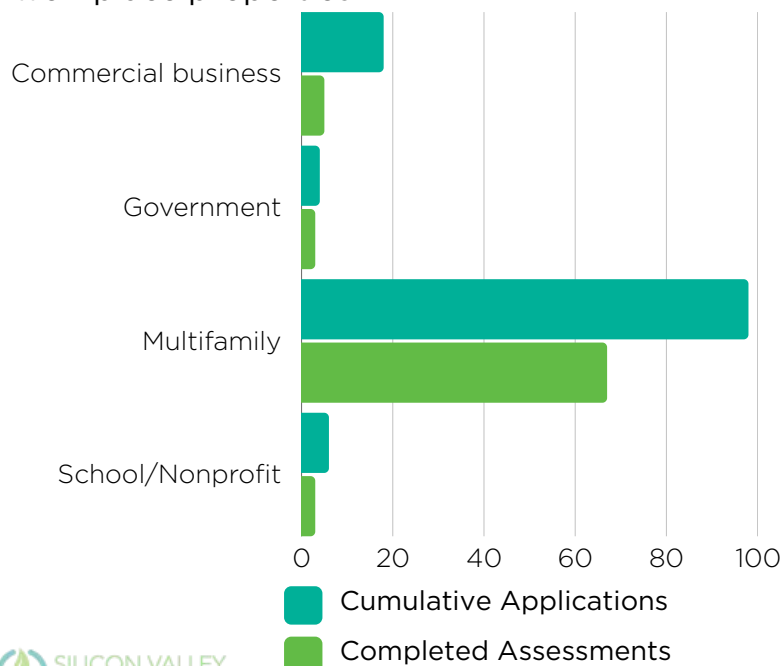
Rebates claimed: \$6.3M

Rebates reserved: \$1.1M



EV Charging Planning

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



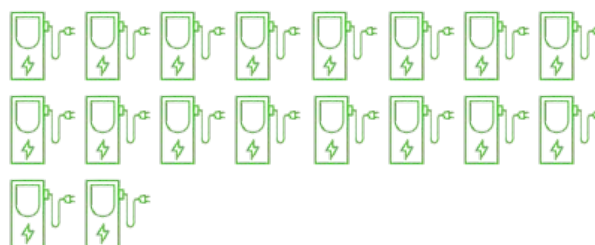
EV Charging Incentives

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

Funds Reserved: \$1.99M

Funds Claimed: \$732k

Ports Installed: 182 L1/L2



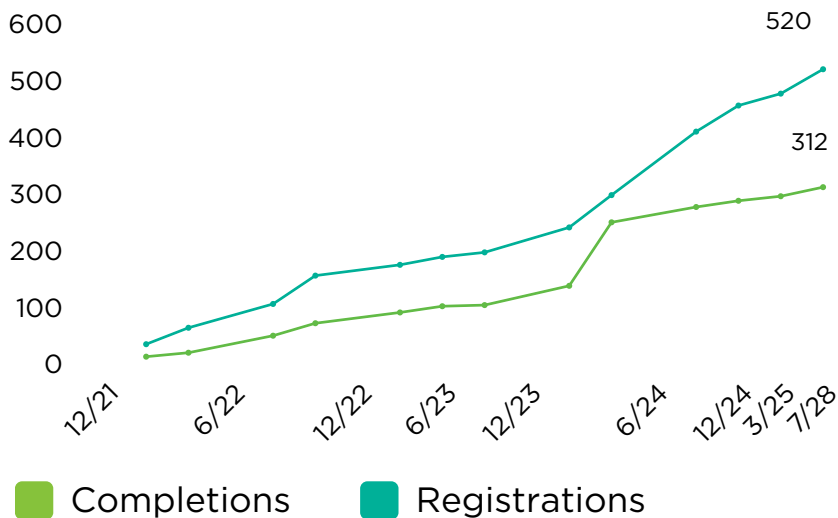
 = 10 Installed EVSE Ports

PROGRAMS HIGHLIGHTS

JUNE 25

Contractor Training

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



Funding: \$1.5M

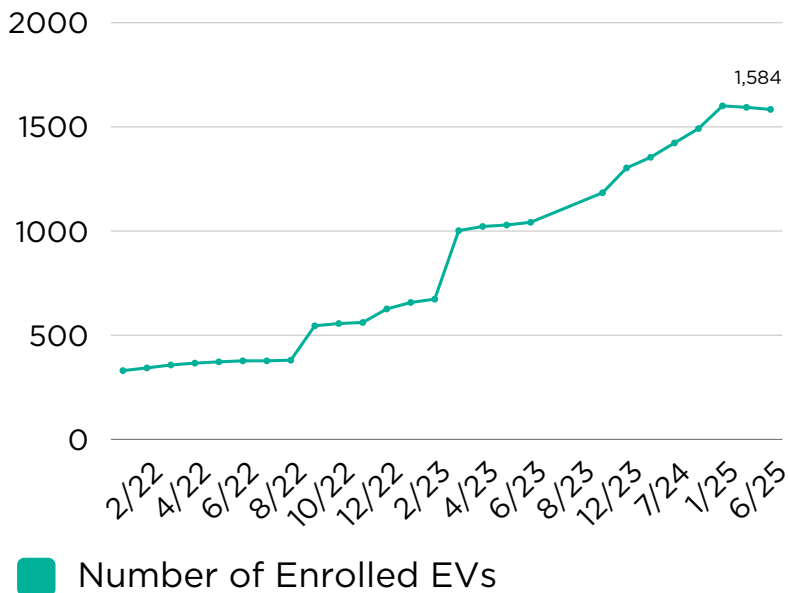
Goal: 300 Participants Complete the Course (Phase 2)



🎓 = 10 Participants Complete Course

GridShift EV Charging

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



Rebate Goal: \$30K

Goal: 120 EV Chargers added to fleet



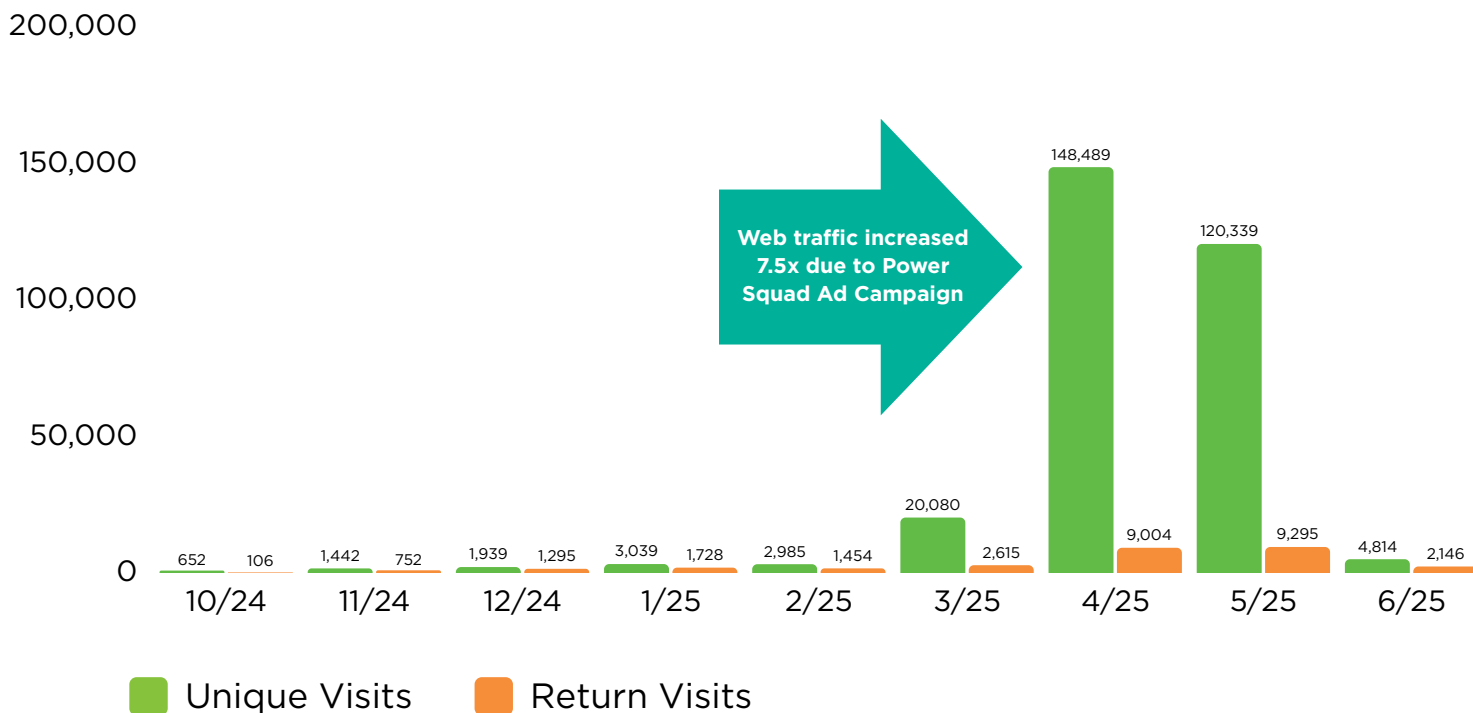
Charger Rebates Issued: 71

PROGRAMS HIGHLIGHTS

JUNE 25

eHub 2.0 Report

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



MARKETING HIGHLIGHTS

JUNE 25

Power Squad Ad Campaign Recap

Goal: Boost [eHub](#) website visits from March 24 to June 1 through an engaging ad campaign promoting [Power Squad](#), a team dedicated to helping customers go electric.

Results: The campaign resulted in 540,000 visits to the eHub landing page, with Google PMAX being the top traffic driver. Over 50% of visitors to the Incentives Finder clicked on a SVCE incentive webpage



SVCE's First Ever All-Residential Programs Webinar



Goal: Promote residential programs

Results:

- 265 attendees (Over 180 stayed for the full webinar)
- 690 registered
- 4.6/5 avg rating
- 60% said the webinar made them more likely to go electric

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.

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

Go Electric Advisor: 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.

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

Business Rebates: Incentives for projects at a handful of small and medium business properties.

Multifamily Retrofits (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

JUNE 25

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

EV Charging Incentives: 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.

EV Charging Planning: Technical assistance for preliminary site design and pertinent rebates for charging at multifamily housing and small and medium workplace properties.

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

Fast Charger Incentives: Competitive grant application for DCFC installations in "priority zones" that support designated multifamily housing clusters.

SVTEC: 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.



Staff Report – Item 1h

Item 1h: Adopt Resolution Amending the Location for Regular Silicon Valley Clean Energy Board of Directors Regular Meetings

From: Monica Padilla, CEO

Prepared by: Michael Callahan, General Counsel
 Nik Zamoto, Director of Operations
 Andrea Pizano, Board Clerk/Sr. Executive Assistant

Date: 8/13/2025

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy Authority (SVCE) Board of Directors ("Board") adopt Resolution 2025-14 amending the ongoing place for regular meetings of the Board to the Sunnyvale Civic Center Council Chambers, located at 456 W. Olive Avenue in Sunnyvale.

BACKGROUND

Pursuant to Section 4.10 of the SVCE Joint Powers Agreement, the Board of Directors of SVCE may fix, by resolution, the date upon which, and the hour and place at which, each regular meeting of the SVCE Board is to be held. SVCE has held its regular meetings at Cupertino Community Hall since 2017, which was approved and adopted by Resolution 2016-14.

Staff was informed Cupertino Community Hall would be undergoing renovations for an audio-visual control room upgrade and meetings would not be supported beginning in August 2025.

ANALYSIS & DISCUSSION

Given the renovations at Cupertino Community Hall, staff researched availability for an alternative meeting space. The City of Sunnyvale's new Civic Center Council Chambers was selected as the best option given the centralized location to other member agencies, its close proximity to SVCE's existing and future office, and the ability to accommodate the size of SVCE's Board.

Staff is proposing to remain at the Sunnyvale Civic Center location until SVCE's boardroom has been built; anticipated in late 2026. The date and hour of the meetings will remain the same as the current schedule of the second Wednesday of each month at 7:00 p.m.

STRATEGIC PLAN

Identifying a regular meeting location supports SVCE's overall Strategic Plan.

ALTERNATIVE

Staff can research alternative locations if the Board would like to explore other meeting location options.

FISCAL IMPACT

The cost of using Sunnyvale's Council Chambers is an increase of approximately \$550 per meeting from the rental at Cupertino Community Hall. This includes the space rental and City of Sunnyvale staff time to support

Agenda Item: 1h**Agenda Date: 8/13/2025**

the meetings. An additional cost for audio visual support through KMVT15, Mountain View Community Television, will remain comparable to the meetings held at Cupertino Community Hall.

There are sufficient funds in the existing FY 24/25 budget to cover the difference in cost, and staff has accounted for the increase in the proposed FY 25/26 operating budget.

ATTACHMENT

1. Resolution 2025-14 Amending the Place of Regular Meetings of the Authority Board

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2025-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY AMENDING THE PLACE OF REGULAR MEETINGS OF THE AUTHORITY BOARD

RECITALS

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

WHEREAS, pursuant to Section 4.10 of the Silicon Valley Clean Energy Authority Joint Powers Agreement, the Board of Directors of the Authority may fix, by resolution, the date upon which, and the hour and place at which, each regular meeting of the Authority Board is to be held;

WHEREAS, the Authority established a regular meeting schedule and identified a regular meeting location by Resolution 2016-14; and

WHEREAS, the Authority wishes to amend the regular meeting location;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY RESCINDS RESOLUTION 2016-14 AND HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The regular meetings of the Board of Directors of Authority shall be held on the second Wednesday of each month at the hour of 7 p.m. at the Sunnyvale Civic Center, located at 456 W. Olive Avenue, in Sunnyvale, California.

ADOPTED AND APPROVED this 13th day of August, 2025, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola				
City of Cupertino	Director Fruen				
City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Barbadillo				
City of Monte Sereno	Director Mekechuk				
City of Morgan Hill	Director Martinez Beltran				

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Mountain View	Director Showalter				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

Chair

ATTEST:

Clerk

Staff Report – Item 1i

Item 1i: Authorize the Chief Executive Officer to Execute a Three-Year Agreement with Maher Accountancy for a Not to Exceed Amount of \$1,125,100.00 for Accounting and Audit Support Services

From: Monica Padilla, CEO

Prepared by: Amrit Singh, CFO
Nik Zannotto, Director of Operations

Date: 8/13/2025

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") authorize the Chief Executive Officer (CEO) to execute a three-year agreement with Maher Accountancy for \$1,125,100.00 through September 30, 2028.

BACKGROUND

SVCE's current accounting services contract ends on September 30, 2025. Staff released a Request for Proposal (RFP) for Accounting and Audit Assistance Services ([RFP here](#)) on May 27th, 2025. Through the RFP process, staff selected Maher Accountancy for the Accounting and Audit Assistance Services. Maher Accountancy has strong institutional knowledge based on years of experience with SVCE and other Community Choice Aggregators. They provide critical accounting services, including accounts payable, accounts receivable, reporting, and auditing support. Based on their RFP proposal, staff believes Maher Accountancy will continue to provide valuable industry expertise and experience to SVCE and strengthen SVCE's accounting, audit process, and controls. The RFP was for a 3-year term, which Maher Accountancy has included in the proposal. Maher Accountancy has been the accounting services provider for SVCE since 2017, and staff has been renewing the contract on an annual basis¹.

ANALYSIS & DISCUSSION

The proposed contract includes a 3-year term with options to extend annually thereafter for up to two additional years. Maher Accountancy shall provide accounting services, financial operational assistance, and audit assistance to SVCE. The total 3-year contract has a not-to-exceed amount of \$1,125,100.00. See Exhibit C of Attachment 1 for details.

The responsibilities include:

- 1) Assist in the development of the operating budget in collaboration with management and technical consultants.
- 2) Maintain the general ledger by:
 - a. Posting billings, accrued revenue, cash receipts, accounts payable, cash disbursements, payroll, accrued expenses, etc.
 - b. Prepare or maintain monthly analysis regarding general ledger account balances.
- 3) Manage accounts payable
- 4) Assist with managing compliance with the fiscal provisions of vendor contracts.
- 5) Monitor expenditure budget compliance. The consultant monitors the budget and will make timely

¹ Current accounting services contract, expiring 9/30/2025, has an annual fee of \$298,000.

suggestions for any necessary budget amendments.

- 6) Provide periodic and year-to-date accrual basis financial statements.
- 7) Provide modified accrual basis financial statements with comparison to the budget.
- 8) Filing annual information returns such as 1099/1096s.
- 9) File various compliance reports for state and local agencies, such as user taxes, energy surcharges, and state controller reports.
- 10) Provide an electronic record of the Authority's accounting files after the close of each month.
- 11) Present financial information to the Board of Directors, as needed.
- 12) Provide services to meet the requirements of applicable laws and regulations relating to the provisions of accounting services for the Authority.
- 13) Provide hosting and portal management for the contracts management portal.
- 14) Prepare annual financial statements and coordinate with the independent auditor.

STRATEGIC PLAN

The recommendation supports the financial goals of the Strategic Plan, specifically Goal 6 to "Maintain healthy financial position; avoid failures in management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks."

ALTERNATIVE

The Board may direct the CEO not to execute the agreement with Maher Accountancy. The alternative is to renew the current accounting contract for an additional year to ensure continuity of service, which will be an amendment to the current accounting services contract with Maher Accountancy. Staff would also need to undertake another solicitation process. As such, staff does not recommend other alternatives.

FISCAL IMPACT

This contract includes a \$357,000 fee during the first year, which has been accounted for in the upcoming proposed FY25-26 Operating Budget.

ATTACHMENT

1. Agreement with Maher Accountancy

**AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY
AND
Maher Accountancy
FOR
Accounting and Audit Support Services**

THIS AGREEMENT ("Agreement"), is entered into this **Click here to enter DAY.** day of **ENTER MONTH., 2025**, by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency, ("Authority"), and Maher Accountancy, a **California Corporation** (hereinafter referred to as "Consultant") (collectively referred to as the "Parties" and individually as a "Party").

RECITALS:

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

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

C. Authority and Consultant desire to enter into an agreement for Accounting and Audit Support Services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**

The term of this Agreement shall commence on October 1, 2025, and shall terminate on **September 30, 2028**, unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED**

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

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed one million one hundred twenty five thousand one hundred dollars (\$1,125,100.00), based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**

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

5. **STANDARD OF CARE**

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

6. **INDEPENDENT PARTIES**

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

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

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

8. **NON-DISCRIMINATION**

In the performance of this Agreement, Consultant, and any subconsultant under the Consultant, shall not discriminate against any employee, subcontractor or applicant for

employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Consultant shall have responsibility for compliance with this Section.

9. **HOLD HARMLESS AND INDEMNIFICATION**

A. General Indemnification. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify Authority and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those Authority agents serving as independent contractors in the role of Authority officials (collectively “Indemnitees”), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively “Liabilities”), in law or equity, whether actual, alleged or threatened, which arise out of, pertain to, or relate to the acts or omissions, limited to liabilities arising out of Consultant’s sole negligence or willful misconduct as determined by court decision or by the agreement of the Parties, of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees’ active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees’ choice, and shall pay all costs and expenses, including all attorneys’ fees and experts’ costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

B. Intellectual Property Indemnification. Consultant hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as “IP Rights”), except as otherwise expressly provided by this Agreement. Consultant warrants that the services to be provided pursuant to this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Consultant shall indemnify, defend, and hold Indemnitees, harmless from and against any Liabilities by a third party that the services to be provided pursuant to this Agreement infringe or violate any third-party’s IP Rights, provided any such right is enforceable in the United States. Such costs and expenses shall include reasonable attorneys’ fees of counsel of Authority’s choice, expert fees and all other costs and fees of litigation.

C. The acceptance of the services by Authority shall not operate as a waiver of these rights of indemnification. The hold harmless and indemnification provisions of this Section shall

apply regardless of whether or not any insurance policies are determined to be applicable to the Liability.

D. Consultant's indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

10. **INSURANCE**

A. **General Requirements.** On or before the commencement of the term of this Agreement, Consultant shall furnish Authority with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the Authority by certified mail, Attention: Chief Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to Authority and licensed to do insurance business in the State of California. Endorsements naming the Authority as additional insured shall be submitted with the insurance certificates.

B. **Subrogation Waiver.** Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Authority with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against Authority by virtue of the payment of any loss under such insurance.

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

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

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

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

requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

11. **CONFLICT OF INTEREST**

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

12. **PROHIBITION AGAINST TRANSFERS**

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

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

13. **SUBCONTRACTOR APPROVAL**

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

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in substantial conformity to the insurance carried

by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

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

14. **REPORTS**

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

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

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

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

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

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

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by Authority that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. All such records shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of Authority or its designees at all proper times, and gives Authority the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related

to this Agreement. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from Authority for all services required under this agreement

16. **PARTY REPRESENTATIVES**

The Chief Executive Officer (“Authority Representative”) shall represent the Authority in all matters pertaining to the services to be performed under this Agreement. Maher Accountancy (Consultant Representative”) shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **CONFIDENTIAL INFORMATION AND DOCUMENTS**

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

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

C. It is understood that Authority is subject to the California Public Records Act (Gov. Code § 7920.000 *et seq.*). If a request under the California Public Records Act is made to view any documents Consultant provided to Authority, Authority shall notify Consultant of the request and the date that such records will be released to the requester unless Consultant obtains a court order enjoining that disclosure. If Consultant fails to obtain a court order enjoining that disclosure, Authority will release the requested information on the date specified.

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

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

F. Consultant’s covenants under this section shall survive the expiration or termination of this Agreement.

18. **NOTICES**

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

NOTICES TO AUTHORITY:

333 W. El Camino Real
Suite 330
Sunnyvale CA 94087
Attention: Chief Executive Officer

INVOICES TO AUTHORITY:

invoices@svcleanenergy.org

TO CONSULTANT:

Michael Maher, CPA
Maher Accountancy
1101 Fifth Ave, Ste 200
San Rafael, CA 94901

19. **TERMINATION**

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

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

20. **COMPLIANCE WITH LAWS**

Consultant shall keep itself informed of all applicable federal, state and local laws,

ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Consultant shall, at all times, observe and comply with all such laws and regulations, including, but not limited to the Americans with Disabilities Act, the Stored Communications Act, 18 U.S.C. Section 2701, et seq., California Civil Code Sections 1798.80 through 1798.84, and the California Consumer Privacy Act, Civil Code Section 1798.100 *et seq.* Authority, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

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

21. **CONFLICT OF LAW**

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

22. **ADVERTISEMENT**

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

23. **WAIVER**

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

24. **INTEGRATED CONTRACT**

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

25. **AUTHORITY**

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

26. **INSERTED PROVISIONS**

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

27. **CAPTIONS AND TERMS**

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

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

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

29. **EXHIBITS**

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

30. **FORCE MAJEURE**

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

31. **FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE**

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

32. **ATTORNEY FEES**

In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts'

fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

33. **SEVERABILITY**

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

34. **SUCCESSORS AND ASSIGNS**

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

35. **NO THIRD PARTY BENEFICIARIES INTENDED**

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

36. **COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE**

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

37. **DRAFTING PARTY**

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

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

RECOMMENDED FOR APPROVAL

Michael Maher, Vice President

CONSULTANT NAME
Maher Accountancy

By: _____
Name: _____
Title: _____
Date: _____

SILICON VALLEY CLEAN ENERGY
AUTHORITY
A Joint Powers Authority

By: _____
Name: Monica Padilla
Title: Chief Executive Officer
Date: _____

APPROVED AS TO FORM:

Counsel for Authority

ATTEST:

Authority Clerk

Exhibit A
Scope of Services

Monthly Accounting Services

- 1) Assist in development of operating budget in collaboration with management and technical consultants.
- 2) Maintain the general ledger by:
 - a. Posting billings, accrued revenue, cash receipts, accounts payable, cash disbursements, payroll, accrued expenses, etc.
 - b. Prepare or maintain the following monthly analysis regarding general ledger account balances:
 - i. Reconciliation to statements from Authority's financial institution for cash activity and balances;
 - ii. Reconcile customer data manager reports of customer activity and accounts receivable;
 - iii. Estimated user fees earned but not billed as of the end of the reporting period;
 - iv. Schedule of depreciation of capital assets;
 - v. Aged schedule of accounts payable;
 - vi. Schedules of details regarding all remaining balance sheet accounts.
- 3) Manage accounts payable: Consultant utilizes a cloud-based accounts payable document management system to provide for documentation of management review, proper segregation of duties, and access to source data. Consultant ensures that required authorization is documented, and that account coding is correct. SVCEA staff then authorizes the release of payment by an independent payment service in order to provide an additional safeguard.
- 4) Assist with managing compliance with fiscal provisions of vendor contracts: Before submitting vendor invoices for management approval, Consultant matches a vendor invoice with contract provisions regarding time periods, rates, and financial limits.
- 5) Monitor expenditure budget compliance. Consultant monitors budget available and will make timely suggestions for any necessary budget amendment.
- 6) Provide periodic and year-to-date accrual basis financial statements.
- 7) Provide modified accrual basis financial statement with comparison to budget.
- 8) Filing annual information returns such as form 1099/1096's.
- 9) File various compliance reports for state and local agencies, such as user taxes, energy surcharges, and state controller reports.
- 10) Provide an electronic record of Authority's accounting files after the close of each month.

- 11) Present financial information to Board of Directors, as needed.
- 12) Provide services to meet the requirements of applicable laws and regulations relating to the provisions of accounting services for Authority.

Contract Portal Management

- 1) Provide hosting and portal management for the contracts management portal.

Annual Accounting Services

- 1) Prepare annual financial statements and coordination with independent auditor.
 - a. Prepare note disclosures and management discussion and analysis section
 - b. Host independent auditors at Maher offices during audit fieldwork testing period
 - c. Act as a liaison between auditors and SVCE.

Contingency for out of scope items

- 1) From time to time, SVCE may request services that are not included in the previously defined scope of services. SVCE approval for such services is required prior to any compensation to Consultant.

Exhibit B **Schedule of Performance**

This schedule may be modified with the written approval of the Authority.

Task	Begin	Complete
1. Accounting Services Monthly	October 2025	September 2028
2. Contract Portal Management Tool (Annual)	October 2025	September 2028
3. Prepare annual financial statements and coordinate with external auditor (Annual)	October 2025	September 2028
4.		
5.		

Exhibit C
Compensation

Authority shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit “A” and reimbursable expenses shall not exceed a total of one million one hundred twenty-five thousand and one hundred dollars (\$1,125,100), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

Task	Estimated Budget (YEAR 1)
1. Accounting Services (\$25,000 per month)	\$ 300,000
2. Contract Portal Management Tool (Annual)	\$ 15,000
3. Prepare annual financial statements and coordinate with external auditor (Annual)	\$ 17,000
4. Contingency for out of scope items (As Needed)	\$25,000
Total	\$357,000

Task	Estimated Budget (YEAR 2)
5. Accounting Services (\$26,250 per month)	\$ 315,000
6. Contract Portal Management Tool (Annual)	\$ 15,750
7. Prepare annual financial statements and coordinate with external auditor (Annual)	\$ 17,850
8. Contingency for out of scope items (As Needed)	\$26,250
Total	\$374,850

Task	Estimated Budget (YEAR 3)
9. Accounting Services (\$27,500 per month)	\$ 330,000
10. Contract Portal Management Tool (Annual)	\$ 16,500
11. Prepare annual financial statements and coordinate with external auditor (Annual)	\$ 18,750
12. Contingency for out of scope items (As Needed)	\$28,000
Total	\$393,250

Invoices

Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to the Authority describing the services performed and the applicable charges (including a summary of the work performed during that period. Authority shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein. Authority does not pay interest on past due amounts.

Reimbursable Expenses

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

SVCE will reimburse Consultant for bill processing and related fees charged by Bill, the cloud based accounts payables platform.

Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from Authority Representative prior to commencement of any additional services. Consultant shall submit, at the Authority Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

[Review insurance coverage and amounts to confirm they are appropriate for each scope of service]

Exhibit D
Insurance Requirements and Proof of Insurance

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

- (1) **Workers' Compensation:**
Statutory coverage as required by the State of California.
- (2) **Liability:**
Commercial general liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required.
- (3) **Automotive:**
Comprehensive automotive liability coverage with minimum limits of \$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.
- (4) **Professional Liability**
Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.
- (5) **Privacy and Cybersecurity Liability** **[May be reduced or eliminated based on scope of services]**
Privacy and cybersecurity liability (including costs arising from data destruction, hacking or intentional breaches, crisis management activity related to data breaches, and legal claims for security breach, privacy violations, and notification costs of at least \$3,000,000 US per occurrence.

Exhibit E
Confidentiality and Data Security Requirements

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

1. The Confidential Information disclosed to Consultant in connection herewith may include, without limitation, the following information about Authority Customers: (a) names; (b) addresses; (c) telephone numbers and email addresses; (d) service agreement numbers and account numbers; (e) meter and other identification numbers; (f) Authority-designated account numbers; (g) electricity and gas usage (including monthly usage, monthly maximum demand, electrical or gas consumption, HP load, and other data detailing electricity or gas needs and patterns of usage); (h) billing information (including rate schedule, baseline zone, CARE participation, end use code (heat source) service voltage, medical baseline, meter cycle, bill cycle, balanced payment plan and other plans); (i) payment / deposit status; (j) number of units; and (k) other similar information specific to Authority Customers individually or in the aggregate. Confidential Information shall also include specifically any copies, drafts, revisions, analyses, summaries, extracts, memoranda, reports and other materials prepared by Consultant or its representatives that are derived from or based on Confidential Information disclosed by Authority, regardless of the form of media in which it is prepared, recorded or retained.
2. Except for electric and gas usage information provided to Consultant pursuant to this Agreement, Confidential Information does not include information that Consultant proves (a) was properly in the possession of Consultant at the time of disclosure; (b) is or becomes publicly known through no fault of Consultant, its employees or representatives; or (c) was independently developed by Consultant, its employees or representatives without access to any Confidential Information.
3. From the Effective Date, no portion of the Confidential Information may be disclosed, disseminated or appropriated by Consultant, or used for any purpose other than the purposes set forth in the Agreement.
4. Consultant shall, at all times and in perpetuity, keep the Confidential Information in the strictest confidence and shall take all reasonable measures to prevent unauthorized or improper disclosure or use of Confidential Information. Consultant shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure and prohibits the use of the data for purposes not set forth in the Agreement. Specifically, Consultant shall restrict access to Confidential Information, and to materials prepared in connection therewith, to those employees or representatives of Consultant who have a “need to know” such Confidential Information in the course of

their duties with respect to the Consultant program and who agree to be bound by the nondisclosure and confidentiality obligations of this Agreement. Prior to disclosing any Confidential Information to its employees or representatives, Consultant shall require such employees or representatives to whom Confidential Information is to be disclosed to review this Agreement and to agree to be bound by the terms of this Agreement. Consultant shall not disclose Confidential Information or otherwise make it available, in any form or manner, to any other person or entity that is not Consultant's employee or representative (a "Third Party"), except where that Third Party has separately entered into a nondisclosure agreement with Authority. Without limiting Consultant's obligation of confidentiality as further described herein, Consultant shall be responsible for establishing, maintaining, and providing a written description to Authority of, a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that comply with or are substantial similar to the security controls identified in the current version of NIST SP800-53, and that is designed to: (a) ensure the security and confidentiality of the Authority's Data; (b) protect against any anticipated threats or hazards to the security or integrity of the Data; (c) protect against unauthorized disclosure, access to, or use of the Data; (d) ensure the proper disposal of Data; and, (e) ensure that all employees, agents, and subcontractors of Consultant, if any, comply with all of the foregoing. In no case shall the safeguards of Consultant's data privacy and information security program used to protect Data be less stringent than the safeguards used by Consultant for its own data. If the services include handling credit card information, then the Consultant shall comply at all times with all applicable Payment Card Industry Data Security Standards (PCI-DSS). Consultant agrees and warrants that it is responsible for the security of "cardholder data" that Consultant possesses, stores, processes or transmits on behalf of the Authority, and for any impact on the security of Authority's cardholder data environment adversely affected by any failure of Company to maintain compliance with provisions of the PCI-DSS applicable to the services.

5. Notwithstanding the above, Consultant may disclose Confidential Information to the extent required by an order, subpoena, or lawful process requiring the disclosure of such Confidential Information issued by a court or other governmental authority of competent jurisdiction, provided that Consultant notifies Authority immediately upon receipt thereof to allow Authority to seek protective treatment for such Confidential Information.
6. In the event of any act, error or omission, negligence, misconduct, or breach that permits any unauthorized access to, or that compromises or is suspected to compromise the security, confidentiality, or integrity of the Authority's Data or the physical, technical, administrative, or organizational safeguards put in place by Consultant that relate to the protection of the security, confidentiality, or integrity of the Data, Consultant shall, as applicable: (a) notify Authority as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with Authority in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by Authority; (c) in the case of Confidential Information, at Authority's sole election, (i) notify the affected individuals who comprise the Confidential Information as soon as practicable but no later than is required to comply with applicable law including, but not limited to, the provisions of California Civil Code Section 1798.82, or, in the

absence of any legally required notification period, within five (5) calendar days of becoming aware of the occurrence; or, (ii) reimburse Authority for any costs in notifying the affected individuals; (d) in the case of Confidential Information, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the Confidential Information for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twelve (12) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Consultant's obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless Authority for any and all Claims (as defined herein), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from Authority in connection with the occurrence; (g) be responsible for recreating lost Data in the manner and on the schedule set by Authority without charge to Authority; (h) provide to Authority a detailed plan within ten (10) calendar days of the occurrence describing the measures Consultant will undertake to prevent a future occurrence and (i) upon conclusion of the occurrence, or at Authority's request, provide to Authority a comprehensive summary of the occurrence, including reason for occurrence, details of occurrence, how occurrence was addressed and any other information required by Authority, which shall be executed by Consultant and may be relied upon by Authority as a true and accurate account of the occurrence. Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Consultant's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Consultant has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Consultant. This Section shall survive the termination of this Agreement.

7. It shall be considered a material breach of this Agreement if Consultant engages in a pattern or practice of accessing, storing, using, or disclosing the Confidential Information in violation of the contractual obligations described herein. Consultant understands that if Authority finds that Consultant is engaged in a pattern or practice of accessing, storing, using, or disclosing Confidential Information in violation of this Agreement Authority shall promptly cease all disclosures of Confidential Information to Consultant. Consultant further understands that if Authority receives a customer complaint about Consultant's misuse of data or other violation of the Disclosure Provisions, Authority shall promptly cease disclosing that customer's information to Consultant and shall notify the California Public Utilities Commission of the complaint.
8. Consultant shall be liable for the actions of, or any disclosure or use by, its employees or representatives contrary to this Agreement; however, such liability shall not limit or prevent any actions by Authority directly against such employees or representatives for improper disclosure and/or use. In no event shall Consultant or its employees or representatives take any actions related to Confidential Information that are inconsistent

with holding Confidential Information in strict confidence. Consultant shall immediately notify Authority in writing if it becomes aware of the possibility of any misuse or misappropriation of the Confidential Information by Consultant or any of its employees or representatives. However, nothing in this Agreement shall obligate the Authority to monitor or enforce the Consultant's compliance with the terms of this Agreement.

9. Consultant shall comply with the consumer protections concerning subsequent disclosure and use set forth in Attachment B to California Public Utilities Commission (CPUC) Decision No. 12-08-045.
10. In addition to any other requirements set forth in the Agreement, within ten (10) business days of receipt of Authority's written request, and at Authority's option, Consultant will either return to Authority all tangible Confidential Information, including but not limited to all electronic files, documentation, notes, plans, drawings, and copies thereof, or will provide Authority with written certification that all such tangible Confidential Information of Authority has been destroyed.
11. Consultant acknowledges that disclosure or misappropriation of any Confidential Information could cause irreparable harm to Authority and/or Authority Customers, the amount of which may be difficult to assess. Accordingly, Consultant hereby confirms that the Authority shall be entitled to apply to a court of competent jurisdiction or the California Public Utilities Commission for an injunction, specific performance or such other relief (without posting bond) as may be appropriate in the event of improper disclosure or misuse of its Confidential Information by Consultant or its employees or representatives. Such right shall, however, be construed to be in addition to any other remedies available to the Authority, in law or equity.
12. In addition to all other remedies, Consultant shall indemnify and hold harmless Authority, its officers, employees, or agents from and against claims, actions, suits, liabilities, damages, losses, expenses and costs (including reasonable attorneys' fees, costs and disbursements) attributable to actions or non-actions of Consultant and/or its employees and/or its representatives in connection with the use or disclosure of Confidential Information.
13. When Consultant fully performs the purposes set forth in the Agreement, or if at any time Consultant ceases performance or Authority requires Consultant cease performance of the purposes set forth in the Agreement, Consultant shall promptly return or destroy (with written notice to Authority itemizing the materials destroyed) all Confidential Information then in its possession at the direction of Authority. Notwithstanding the foregoing, the nondisclosure obligations of this Agreement shall survive any termination of this Agreement.



Staff Report – Item 1j

Item 1j: Adopt Resolution Authorizing the Chief Executive Officer to Finalize Negotiations and Execute Master Agreement with J. Aron & Company LLC to Enable the Execution of Energy Transactions

From: Monica Padilla, CEO

Prepared by: Zakary Liske, Deputy Director of Power Resources

Date: 8/13/2025

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (“Board”) adopt Resolution 2025-15 (Attachment 1) delegating authority to the Chief Executive Officer (CEO) to finalize negotiations and execute a Master Agreement (as defined below) with J. Aron & Company LLC (“J. Aron”).

Specifically, the CEO requests authority to execute the Master Agreement as provided for in Attachment 2, which contains the proposed terms under the Cover Sheet and Collateral Annex Paragraph 10.

BACKGROUND

SVCE bases its power supply agreements on the industry-standard Edison Electric Institute (EEI) master power purchase and sale agreement (“Master Agreement”). The Master Agreement is a widely used standard form agreement containing general terms and conditions for electric power transactions. The SVCE Board via resolution and/or minute action, has authorized the CEO to execute Master Agreements with multiple counterparties and has delegated authority to transact under the Master Agreements contingent on limits related to term, price and/or products such as renewable energy and resource adequacy capacity. To-date, SVCE has executed EEI agreements with 20 counterparties, most recently with Dynasty Power Inc. in April 2024.

The Board-approved Energy Risk Management Policy (“ERM Policy”) establishes limits for the types of transactions the CEO, or her designee, may execute along with limits on authority related to term, volume and dollars and necessary oversight. The Board most recently approved a revised ERM Policy in May 2025. The Master Agreements are intended to work within the parameters of the ERM Policy.

Over the course of several months in 2025, J. Aron and SVCE negotiated an EEI Master Agreement. The two parties have agreed to certain terms and provisions as defined in the attached EEI Cover and Collateral Annex, which have been reviewed and approved by SVCE’s counsel and are consistent with the terms approved by the Board under existing Master Agreements. Over the past several years, J. Aron, an affiliate of Goldman Sachs, has entered into EEI Master Agreements with several other community choice aggregators (CCAs) as the investment bank has taken a more active presence in the California market.

ANALYSIS & DISCUSSION

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

Agenda Item: 1j**Agenda Date: 8/13/2025**

and memorialized via written "Confirmations" setting forth the specifics of the purchase such as term, product, volume, and price.

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

J. Aron Master Agreement

J. Aron is a New York limited liability corporation under the Goldman Sachs Group, Inc. The proposed Master Agreement would enable SVCE to enter transactions with J. Aron which will add a new counterparty when SVCE makes wholesale purchases, providing additional depth to SVCE's power procurement activities.

J. Aron is not a publicly rated entity but it receives credit support from its guarantor, the Goldman Sachs Group, Inc., which has a BBB+ rating from S&P Global and an A2 rating from Moody's.

ALTERNATIVE

SVCE could choose to not execute the Master Agreement with J. Aron, and only transact with existing counterparties enabled under Master Agreements, thus limiting counterparties and increasing the potential for counterparty concentration and credit risk.

STRATEGIC PLAN

SVCE's Strategic Plan, Goal 4, directs staff to acquire power supply resources in a cost-effective manner to meet legislative and regulatory obligations, Board directives and customer specific products.

FISCAL IMPACT

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

ATTACHMENTS

1. Resolution No. 2025-15 Delegating Authority to the Chief Executive Officer to Finalize Negotiations and Execute a Master Agreement with J. Aron & Company LLC
2. Master Power Purchase and Sale Agreement with J. Aron & Company LLC – Cover Sheet and Collateral Annex Paragraph 10

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2025-15

RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO FINALIZE NEGOTIATIONS AND EXECUTE A MASTER AGREEMENT WITH J. ARON & COMPANY LLC

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

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

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

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

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

WHEREAS, the following Suppliers are currently parties to an Approved Master Agreement:

3 Phases Renewables Inc.

BP Energy Company

Boston Energy Trading and Marketing LLC

Calpine Energy Services, L.P.

Citadel Energy Marketing LLC

City of Palo Alto

Constellation Energy Generation, LLC

DTE Energy Trading, Inc.

Dynasty Power Inc.

Mariposa Energy, LLC

Morgan Stanley Capital Group, Inc.
NextEra Energy Marketing, LLC
NRG Business Marketing LLC
Pacific Gas and Electric Company
Powerex Corp.
Shell Energy North America (US), L.P.
Southern California Edison Company
TransAlta Energy Marketing (US) Inc.
Wellhead Power Exchange, LLC

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

WHEREAS, Board Resolution 2019-03 provides authority to the Chief Executive Officer to execute confirmations and amendments thereto, from time to time consistent with and subject to the limits, requirements, oversight and authority under ERM Policy, with suppliers that are parties to an Approved Master Agreement;

WHEREAS, Silicon Valley Clean Energy desires to enter into a Master Agreement with J. Aron & Company LLC to transact Product and has agreed to terms and conditions consistent with Approved Master Agreements.

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

1. Finalize negotiations and execute a Master Agreement with J. Aron & Company LLC with terms consistent with the form of agreement presented to the Board of Directors, with any non-material changes, additions, variations or deletions (“Changes”) which following such execution by both parties, shall become an Approved Master Agreement.

ADOPTED AND APPROVED this 13th day of August 2025, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola				
City of Cupertino	Director Fruen				
City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Barbadillo				

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
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:

Secretary

Master Power Purchase & Sale Agreement



CONFIDENTIAL

MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* (“Master Agreement”) is made as of the following date: _____, 2023 (“Effective Date”). The Master Agreement, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions shall be referred to as the “Agreement.” The Parties to this Master Agreement are the following:

Name: J. Aron & Company LLC (“**Aron**” or “**Party A**”)

Name: Silicon Valley Clean Energy Authority, a California joint powers authority (“**SVCE**” or “**Party B**”)

All Notices:

200 West Street
New York, NY 10282-2198
Attn: Commodity Operations
Phone: [REDACTED]
Facsimile: [REDACTED]
Email: [REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

All Notices:

333 W. El Camino Real, Suite 330
Sunnyvale, California 94087
Attn: Monica Padilla, CEO and Kris VanVactor ,
Director of Power Resources
Phone: [REDACTED]
Email [REDACTED]
[REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

Invoices:

Attn: Contract Execution Dept.
Phone: [REDACTED]
Facsimile: [REDACTED]

Invoices:

Attn: Power Supply Group
Phone: [REDACTED]
Email: [REDACTED]

Scheduling:

Attn: Power Scheduling
Phone: [REDACTED]
Facsimile: [REDACTED]

Scheduling:

Attn: Tenaska
Team Email: [REDACTED]
Attn: 24x7 Operations Desk
Phone: [REDACTED]
Email: [REDACTED]
Attn: Adam Cochran, Manager, Operations
Phone: [REDACTED]
[REDACTED]
Email: [REDACTED]
Attn: Paul Messmann, Senior System Operator
Phone: [REDACTED]
[REDACTED]
Email: [REDACTED]
Outage information: [REDACTED]
Resource testing information: [REDACTED]

Attn: _____
Phone: _____
Email: _____

Attn: Contract Execution Dept.
Phone: (212) 357-6450
Facsimile: (212) 428-4536

1. **Introduction**
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 3. **Methodology**
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Attn: Credit & Risk Management
Phone: [REDACTED]
Facsimile: [REDACTED]
Email: [REDACTED]

Attn: _____
Phone: _____
Email: _____

Attn: _____
Phone: _____
Email: _____

Attn: Kris VanVactor _____
Phone: [REDACTED] _____
Email: [REDACTED] _____

Attn: Finance Group
Phone: [REDACTED]
Email: [REDACTED]

T

Attn: Finance Group
Phone: [REDACTED]
Email: [REDACTED]

Attn: Michael Callahan, General Counsel
Email: [REDACTED]

Kris VanVactor, Director of Power Resources
Email: [REDACTED]

Amrit Singh, CFO and Director of Administrative
Services
Email: [REDACTED]

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The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff: Rate Schedule FERC No. 1 Dated: December 31, 2001 Docket Number: ER02-237-000

Party B Tariff N/A

Article Two

Transaction Terms and Conditions ☒ Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive ☒ Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies ☒ Cross Default for Party A:

☐ Party A: Cross Default Amount \$ _____

☒ Other Entity: The Cross Default Amount \$ [REDACTED]
Goldman Sachs Group Inc.

☒ Cross Default for Party B:

☒ Party B: SVCE Cross Default Amount \$ [REDACTED]

☐ Other Entity: Cross Default Amount \$ _____

5.6 Closeout Setoff:

- ☒ Option A (Applicable if no other selection is made.)
- ☐ Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: _____
- ☐ Option C (No Setoff)

Article Eight

8.1 Party A Credit Protection:

Credit and Collateral Requirements

(a) Financial Information:

- ☐ Option A
- ☐ Option B Specify: _____
- ☒ Option C Specify: _____

(1) The annual report containing audited consolidated financial statements for such fiscal year of Party B prepared in accordance with generally accepted accounting principles as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such

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request will be deemed to have been filled if such financial statements are available at <https://www.svcleanenergy.org>, and (2) quarterly unaudited financial statements for Party B for the first three quarters of its fiscal year as soon as practicable upon demand, but in no event later than 90 days after the applicable quarter. Should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements. The first quarterly unaudited statement will be provided within 90 days after the fiscal quarter during which Party A begins deliveries under a Transaction.

(b) Credit Assurances:

- ☒ Not Applicable
☐ Applicable

(c) Collateral Threshold:

- ☐ Not Applicable
☒ Applicable

If applicable, the provisions of Section 8.1(c) of the Agreement shall be replaced by the provisions of the Collateral Annex attached hereto.

(d) Downgrade Event:

- ☒ Not Applicable
☐ Applicable

If applicable, complete the following:

- ☐ It shall be a Downgrade Event for Party B if Party B's Credit Rating falls below BBB- from S&P or Baa3 from Moody's or if Party B is not rated by either S&P or Moody's.
- ☐ Other - Specify:

(e) Guarantor for Party B: N/A

Guarantee Amount: N/A

8.2 Party B Credit Protection:

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(a) Financial Information:

- ☐ Option A
☐ Option B Specify: _____
☒ Option C Specify: The Goldman Sachs Group, Inc.

Most recent financial statements of GS Group as available, which shall be available via the following link-
<http://www2.goldmansachs.com/our-firm/investors/financials/current/annual-reports/index.html>.

(b) Credit Assurances:

- ☒ Not Applicable
☐ Applicable

(c) Collateral Threshold:

- ☐ Not Applicable
☒ Applicable

If applicable, the provisions of Section 8.2 (c) of the Agreement shall be replaced by the provisions of the Collateral Annex attached hereto.

(d) Downgrade Event:

- ☒ Not Applicable
☐ Applicable

If applicable, complete the following:

- ☐ It shall be a Downgrade Event for Party A if Party A's Credit Rating falls below BBB- from S&P or Baa3 from Moody's or if Party A is not rated by either S&P or Moody's.
☐ Other - Specify: It shall be a Downgrade Event for Party A if Party A's Guarantor's Credit Rating falls below BBB- from S&P or Baa3 from Moody's or if Party A's Guarantor is not rated by either S&P or Moody's.

(e) Guarantor for Party A: The Goldman Sachs Group, Inc.

Guarantee Amount: [REDACTED]

Article Ten

Confidentiality

☒ Confidentiality Applicable If not checked, inapplicable.

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Schedule M

- ☐ Party A is a Governmental Entity or Public Power System
- ☒ Party B is a Governmental Entity or Public Power System
- ☐ Add Section 3.6. If not checked, inapplicable
- ☐ Add Section 8.4. If not checked, inapplicable

Other Changes

This Master Power Purchase and Sale Agreement incorporates, by reference, the changes published in the EEI Errata, Version 1.1, dated July 18, 2007.

ARTICLE ONE: GENERAL DEFINITIONS.

1. “**Affiliate**”: Section 1.1 is amended by adding the following sentence at the end of the definition:

“Notwithstanding the foregoing, the Parties hereby agree and acknowledge that with respect to Party B, the public entities designated as members or participants under the Joint Powers Agreement creating Party B shall not constitute or otherwise be deemed an “Affiliate” for the purposes of this Master Agreement or any Confirmation executed in connection therewith.”

2. “**Business Day**”: Section 1.4 is amended by deleting the first sentence and replacing it to read as follows: “Business Day” means any day except a Saturday, Sunday, the Friday immediately following the Thanksgiving holiday or a Federal Reserve Holiday.
3. “**Credit Rating**”: Section 1.12 is amended by deleting the word “issues” and replacing it with the word “issuer”.
4. “**Force Majeure**”: Section 1.23 is amended by (i) deleting from the second and third lines the phrase “which event or circumstance was not anticipated as of the date the Transaction was agreed to,” and (ii) inserting in the thirteenth line thereof before the phrase “foregoing factors” the word “two.”

“**Gains**”: Section 1.24 is amended by adding before the period at the end thereof the following:

[REDACTED]

6. A new Section 1.26A is added as follows:

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“**Joint Powers Agreement**” means the Joint Powers Agreement, effective as of March 31, 2016, as amended, providing for the formation of Party B, as such agreement may be further amended or amended and restated.”

7. “**Letters of Credit**”: Section 1.27 is amended by deleting the phrase “or a foreign bank with a U.S. branch” and replacing it with the phrase “or a U.S. branch of a foreign bank.”

“**Losses**”: Section 1.28 is amended by adding to the end thereof:

9. “**Potential Event of Default**”: Section 1.46 is deleted in its entirety.

10. “**Recording**”: Section 1.50 is amended by changing “Section 2.4” to “Section 2.5”.

11. “**Replacement Price**”: Section 1.51 is amended by adding “for delivery” immediately before “at the Delivery Point” in the second line, and replacing “at Buyer’s option” with “absent a purchase” in the fifth line.

12. “**S&P**”: Section 1.52 is amended by (i) deleting the words “Rating” and “Group” from the first line and replacing with “Financial Services LLC” and (ii) by replacing the words in the parenthetical with “a subsidiary of McGraw-Hill Companies, Inc.”

13. “**Sales Price**” Section 1.53 is amended by:

- (i) deleting the phrase “at the Delivery Point” from the second line;
- (ii) deleting the phrase in line 5 “at the Seller’s option” and replacing it with “absent a sale”; and

inserting after the word “liability” in the ninth line the following:

14. “**Settlement Amount**”: Section 1.56 is amended by deleting the words “pursuant to Section 5.2” and by adding before the period at the end thereof the following: “, as determined in accordance with Section 5.2.”

15. “**Transaction**”: Section 1.60 is amended by inserting the words “in writing” immediately following the words “agreed to.”

ARTICLE TWO: TRANSACTION TERMS AND CONDITIONS.

1. Section 2.1 is deleted in its entirety and replaced with the following:

“A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties. Each Party agrees not to contest, or assert any defense to, the validity or

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enforceability of the Transaction entered into in accordance with this Master Agreement based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction.”

2. Section 2.3 is deleted in its entirety and replaced with the following:

“Confirmation. A Transaction shall be entered into only by a written confirmation in a form mutually agreeable to both Parties and signed by both Parties (“Confirmation”). Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Confirmations may not be amended or modified except by an instrument in writing signed by both of the Parties.”

3. Section 2.4 is amended by deleting the words “either orally or” in the sixth and seventh lines and adding “a” before the word “writing”.
4. Section 2.5 is deleted in its entirety and replaced with the following:

“2.5 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording (“Recording”) of all telephone conversations between the Parties to this Master Agreement, and that any such Recordings will be retained in confidence and secured from improper access, and to the retention, monitoring or transfer to or from Affiliates and/or regulatory bodies (as applicable) of such recordings (in any jurisdiction), for the purposes of compliance with applicable law or regulation, quality assurance or record-keeping, provided however that it shall be the responsibility of each party to satisfy any notice and/or consent requirements (as applicable) imposed by applicable law or regulation with respect to the recording that it conducts; provided, however, that both Parties acknowledge and agree that any such Recording may not be submitted as evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees.”

ARTICLE THREE: OBLIGATIONS AND DELIVERIES.

1. Section 3.2 is amended by adding the following text to the end of the Section: “Product deliveries shall be scheduled in accordance with the then-current applicable tariffs, protocols, operating procedures and scheduling practices for the relevant region.”

ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES.

2. In Section 5.1(g), delete the phrase “or becoming capable at such time of being declared,” on the eighth line of the Section, and add the following at the end of the Section:

“provided, however, that no default or event of default shall be deemed to have occurred under this Section 5.1(g) to the extent that any applicable cure period or grace period is available;”
3. In Section 5.1(h)(v), add “made in connection with this Agreement” after “any guaranty”.

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4. Section 5.1 is further amended by replacing the period at the end of subsection (h) with a semicolon, adding the conjunction “or”, and adding new subsections that read as follows:

“(i) Party A’s authorization to make sales at market-based rates in CAISO is revoked or suspended by the Federal Energy Regulatory Commission unless FERC accepts for filing a tariff or rate schedule that authorizes Party A to make wholesale sales under this Agreement and has an effective date that is no more than 180 days after the revocation or suspension of Party’s A authorization to make sales at market-based rates.

(j) A Party, its Guarantor or any Specified Entity (as defined below) of such Party:

- (i) defaults under a Specified Transaction (as defined below) and, after giving effect to any applicable notice requirement or grace period, which results in a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction,
- (ii) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment date or delivery date of a Specified Transaction; or
- (iii) disaffirms, disclaims or repudiates any Specified Transaction.

‘Specified Transaction’ means any transaction (other than a Transaction) now existing or hereafter entered into between one Party to this Agreement (or any Guarantor or any applicable Specified Entity of such Party) and the other Party to this Agreement (or any Guarantor or any applicable Specified Entity of such Party) that is a spot, forward, option or swap transaction in or with respect to one or more currencies, commodities, securities, rates, indices or other measures of financial or economic risk or any other similar transaction (or any combination thereof).

‘Specified Entity’ shall mean with respect to Party A: Goldman Sachs & Co. LLC, Goldman Sachs Bank USA, Goldman Sachs International, Goldman Sachs Japan Co., Ltd., Goldman Sachs International Bank, Goldman Sachs (Asia) Finance, Goldman Sachs Financial Markets, L.P., Goldman Sachs Paris Inc. et Cie, Goldman Sachs Mitsui Marine Derivative Products, L.P., Goldman Sachs Bank Europe SE and J. Aron & Company (Singapore) Pte.

‘Specified Entity’ shall mean with respect to Party B: N/A.”

5. Section 5.2 is amended by:

- (i) deleting the following phrase from the last line: “as soon thereafter as is reasonably practicable”; and
- (ii) adding the following to the end of that provision

[REDACTED]

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6. Section 5.3 is amended by adding the phrase “plus, at the option of the Non-Defaulting Party, any cash or other form of liquid security then in the possession of the Defaulting Party or its agent pursuant to Article 8,” after the first use of the phrase “due to the Non-Defaulting Party” in the sixth line.

ARTICLE SIX: PAYMENT AND NETTING.

1. In Section 6.3, lines 3, 16 & 17, change “twelve (12) months” to “twenty-four (24) months”.

ARTICLE SEVEN: LIMITATIONS.

1. Section 7.1 is amended by:
 - (i) adding “SET FORTH IN THIS AGREEMENT” after “INDEMNITY PROVISION” and before “OR OTHERWISE,” in the fifth sentence;
 - (ii) adding at the end of the last sentence the words “AND ARE NOT PENALTIES.”

ARTICLE TEN: MISCELLANEOUS.

1. In Section 10.2, delete the phrase “(including any Confirmation accepted in accordance with Section 2.3)” from Sections 10.2(ii), (iii), (iv), (vi), (vii), (viii), (x) and (xi).
2. Section 10.2(ix) is deleted in its entirety and replaced with the following:

“such Party intends that it is a “forward contract merchant” within the meaning of the Title 11 of the United States Code, as amended (the “Bankruptcy Code”), all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute a “settlement payment” within the meaning of the Bankruptcy Code, all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute a “margin payment” within the meaning of the Bankruptcy Code, each Party shall have the “contractual right” to terminate, liquidate, accelerate, or offset the transaction as a “master netting agreement participant” within the meaning of the Bankruptcy Code, electricity delivered hereunder constitutes a “good” under Section 503(b)(9) of the Bankruptcy Code, and the Parties are entities entitled

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to the rights under, and protections afforded by, Sections 362, 546, 553, 556, 560, 561 and 562 of the Bankruptcy Code.”

3. After Section 10.2(xii) add the following:

“(xiii) each Transaction that is not executed or traded on a trading facility, as defined in the Commodity Exchange Act, is subject to individual negotiation by the Parties;

(xiv) it intends that all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments”;

(xv) it intends that all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments”;

(xvi) it intends that each Party’s rights under Section 5.2, Declaration of an Early Termination Date and Calculation of Settlement Amounts, and Section 5.3, Net Out of Settlement Amounts constitute a “contractual right to liquidate” Transactions;

(xvii) it is an “eligible commercial entity” within the meaning of Section 1a (17) of the Commodity Exchange Act, as amended (the “Commodity Exchange Act”); and

(xviii) it is an “Eligible Contract Participant” as defined in Section 1a(18) of the Commodity Exchange Act, as amended, 7 U.S.C. § 1a(18).”

4. Section 10.5 is amended as follows:

“(i) in the second and third lines, delete the words “may be withheld in the exercise of its sole discretion” and replace them with the following: “will not be arbitrarily withheld or delayed”;

(ii) in the fourth line, delete “(and without relieving itself from liability hereunder)”;

[(iii) in clause (iii) insert “or pursuant to any consolidation or amalgamation with, or merger with or into another entity or the reorganization, incorporation, reincorporation or reconstitution into or as another entity” after “such Party”.]

5. Section 10.6 is amended by deleting the sentence “EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.”

and adding the following after the last line: “(a) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HEREBY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION,

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SEEK TO ENFORCE THE FOREGOING WAIVER, AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. (b) EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN SAN FRANCISCO, CALIFORNIA, FOR ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY TRANSACTION, AND EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM.

The Parties intend for the waiver in clause (a) above to be enforced to the fullest extent permitted under applicable law as in effect from time to time. To the extent that the waiver in clause (a) above is not enforceable at the time that any action or proceeding is filed in a court of the State of California by or against any Party in connection with any of the transactions contemplated by this Agreement, then (i) the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, provided that at the option of any Party, any such issues pertaining to a “provisional remedy” as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court, and (ii) the Parties shall share equally all fees and expenses of any referee appointed in such action or proceeding.”

6. Section 10.6 is amended by changing “NEW YORK” to “CALIFORNIA”.
7. Section 10.7 is deleted in its entirety and replaced with the following:

“10.7 Notices. All notices, requests, statements or payments shall be made as specified in the Cover Sheet. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service or email. Notice given by email or hand delivery shall be effective upon actual receipt if received during the recipient’s normal business hours, or at the beginning of the recipient’s next business day after receipt if not received during the recipient’s normal business hours. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith; provided, however, that changes to invoice, payment, wire transfer and other banking information on the Cover Sheet must be made in writing and delivered via certified mail and shall include contact information for an authorized person who is available by telephone to verify the authenticity of such requested changes to the Cover Sheet.”

8. Section 10.8 is amended by:

(i) changing the words “parties” and “party” to “Parties” and “Party” in the third sentence;

(ii) deleting the second to last sentence and replacing it with the following: “The indemnity provisions of this Agreement shall survive the termination of this Agreement for the period of the applicable statute of limitations, the audit provisions of this Agreement shall survive the termination of this Agreement for a period of twelve (12) months, and any applicable provisions of this Agreement shall continue in effect

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after termination to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination”; and

(iii) adding the following to the end thereof: “This Master Agreement may be signed in any number of counterparts with the same effect as if the signatures to the counterparts were upon a single instrument. Delivery of an executed signature page of this Master Agreement and any Confirmation by electronic mail transmission shall be effective as delivery of a manually executed signature page.”

9. Section 10.9 is amended by inserting the words “copies of” after the word “examine” in line 2.

10. Section 10.10 is amended by adding the following after the last sentence of Section 10.10:

“Each Party further agrees that, for purposes of this Agreement, the other Party is not a “utility” as such term is used in 11 U.S.C. Section 366, and each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort.”

11. Section 10.11 is deleted in its entirety and replaced with the following:

“Confidentiality. Neither Party shall disclose the terms or conditions of a Transaction under this Agreement for a period of the longer of (a) the maturity or, if terminated or settled early, the date of such termination or early settlement of such Transaction and (b) two years after a Transaction is entered into, to a third party (other than to a “Representative”, which means, as to any person, such person's Affiliates and its and their employees, officers, directors, lenders, counsel, accountants, investment committee, sponsor, and agents of the Party who are under a general duty to maintain information related to the recipient Party confidential or have otherwise agreed to keep such terms or conditions confidential) except (i) in order to comply with any applicable law, order, regulation or exchange rule; (ii) in connection with any court, regulatory or self-regulatory request, inquiry, proceeding or pursuant to routine supervisory oversight; (iii) to the extent necessary for the enforcement of this Agreement; (iv) to the extent necessary to implement any Transaction, including without limitation, to any swap execution facilities, clearing houses, middleware platforms and similar service providers in connection with the execution, clearing and processing of any Transactions; (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index; or (vi) to the extent required by Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules, regulations, interpretations and orders published or issued thereunder or otherwise to comply with regulatory required trade reporting obligations, including, without limitation, reporting of transactions and similar information, and disclosure of trade information including the Party’s identity (by name, identifier or otherwise) to a “swap data repository” as defined in Section 1a(48) of the U.S. Commodity Exchange Act and the rules, regulations, interpretations and orders published or issued by the Commodity Futures Trading Commission thereunder. Each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure of the terms or conditions of any Transaction (other than as permitted hereunder). Additionally, nothing contained herein is intended to limit disclosure of information that is in or becomes available to the public other than as a result of an unauthorized disclosure in violation of the terms of this provision. The Parties shall be entitled to all remedies at law or in equity to enforce, or seek relief in connection with, this confidentiality provision except that neither Party shall be liable (in contract, tort, equity or otherwise) for any special, incidental or consequential damages of any nature howsoever arising in respect of any breach of this confidentiality provision. Notwithstanding the above, each Party (and each

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employee, representative, or other agent of a Party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transactions and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure.

Party A and Party B acknowledge and agree that the Master Agreement and any Transactions entered into in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 7920 et seq.). In order to designate information as confidential, the disclosing party must clearly stamp and identify the specific portion of the material designated with the word “Confidential.”

Upon request or demand of any third person or entity not a Party hereto to Party B pursuant to the California Public Records Act for production, inspection and/or copying of Confidential Information (“Requested Confidential Information”), Party B will as soon as practical notify Party A in writing via email that such request has been made and will not disclose the Requested Confidential Information until Party A has been afforded an adequate opportunity to seek protection of the Requested Confidential Information from disclosure. Party A will be solely responsible for taking at its sole expense whatever legal steps are necessary to prevent release of the Requested Confidential Information to the third party by Party B. If Party A takes no such action within sixty (60) days after receiving the foregoing notice from Party B, Party B shall, at its discretion, be permitted to comply with the third party’s request to the extent required by the California Public Records Act and is not required to defend against it. If Party A does take or attempt to take such action, Party B shall provide timely and reasonable cooperation to Party A, if requested by Party A.”

12. The following Mobile-Sierra clause is added as a new Section 10.12:

“Standard of Review/Modifications.

(a) Absent the prior mutual written agreement of all parties to the contrary, the standard of review for any proposed changes to the rates, terms and/or conditions of service of this Agreement or any Transaction entered into thereunder, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall solely be the *Mobile-Sierra* “public interest” application of the “just and reasonable” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 (2008) and further refined in *NRG Power Marketing v. Maine Public Utilities Commission*, 558 U.S. 165 (2010) (the “Mobile-Sierra” doctrine).

(b) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement,

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notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (b) shall not apply, provided that, consistent with the foregoing subsection (a), neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in the foregoing section (a).”

13. The following is added as a new Section 10.13:

“Physical Transactions. The Parties understand and agree that the Transactions under this Agreement are physical transactions for deferred delivery, and that the Parties contemplate making or taking physical delivery of electric energy or capacity attributes. Party B is a commercial entity engaged in the business of delivering electric energy to its retail load and routinely makes or takes delivery of electric energy in order to provide service to its retail electric customers.”

14. The following is added as a new Section 10.14:

“Imaged Agreement. Any original executed Agreement, Confirmation or other related document may be imaged and stored electronically (the “Imaged Agreement”). The Imaged Agreement, if introduced as evidenced on paper, the Confirmation, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Confirmation or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.”

15. The following is added as a new Section 10.15:

“Generally Accepted Accounting Principles. Any reference to “generally accepted accounting principles” shall mean, with respect to an entity and its financial statements, generally accepted accounting principles, consistently applied, adopted or used in the jurisdiction of the entity whose financial statements are being considered for the purposes of this Agreement.”

16. The following is added as a new Section 10.16:

“No Recourse Against Constituent Members of Party B. Party B is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Party B will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Party A will have no rights and will not make any claims, take any actions or assert any remedies against any of Party B’s constituent members, or the officers, directors, advisors, contractors, consultants or employees of Party B or Party B’s constituent members, in connection with this Agreement.”

17. The following is added as a new Section 10.18:

“Index Transactions. If the Contract Price for a Transaction is determined by reference to a third-party information source, then the following provisions shall be applicable to such Transaction.

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- (a) Market Disruption. If a Market Disruption Event occurs on any one or more days during a Determination Period (each day, a “Disrupted Day”), then:
- (i) The fallback Floating Price, if any, specified by the Parties in the relevant Confirmation shall be the Floating Price for each Disrupted Day.
 - (ii) If the Parties have not specified a fallback Floating Price, then the Parties will endeavor, in good faith and using commercially reasonable efforts, to agree on a substitute Floating Price, taking into consideration, without limitation, guidance, protocols or other recommendations or conventions issued or employed by trade organizations or industry groups in response to the Market Disruption Event and other prices published by the Price Source or alternative price sources with respect to the Delivery Point or comparable Delivery Points that may permit the Parties to derive the Floating Price based on historical differentials.
 - (iii) If the Price Source retrospectively issues a Floating Price in respect of a Disrupted Day (a “Delayed Floating Price”) before the parties agree on a substitute Floating Price for such day, then the Delayed Floating Price shall be the Floating Price for such Disrupted Day. If a Delayed Price is issued by the Price Source in respect of a Disrupted Day after the Parties agree on a substitute Floating Price for such day, the substitute Floating Price agreed upon by the Parties will remain the Floating Price without adjustment unless the Parties expressly agree otherwise.
 - (iv) If the Parties cannot agree on a substitute Floating Price and the Price Source does not retrospectively publish or announce a Floating Price, in each case, on or before the fifth Business Day following the first Trading Day on which the Market Disruption Event first occurred or existed, then the Floating Price for each Disrupted Day shall be determined by taking the arithmetic mean of quotations requested from four leading dealers in the relevant market that are unaffiliated with either Party and mutually agreed upon by the Parties (“Specified Dealers”), without regard to the quotations with the highest and lowest values, subject to the following qualifications:
 - (A) If exactly three quotations are obtained, the Floating Price for each such Disrupted Day will be the quotation that remains after disregarding the quotations having the highest and lowest values.
 - (B) If fewer than three quotations are obtained, the Floating Price for each such Disrupted Day will be the average of the quotations obtained.
 - (C) If the Parties cannot agree upon four Specified Dealers, then each of the Parties will, acting in good faith and in a commercially reasonable manner, select up to two Specified Dealers separately, and those selected dealers shall be the Specified Dealers.
 - (D) Unless otherwise agreed, if at any time the Parties agree on a substitute Floating Price for any Disrupted Day, then such substitute Floating Price shall be the Floating Price for such Disrupted Day, notwithstanding the subsequent publication or announcement of a Delayed Floating Price by the relevant Price Source or any quotations obtained from Specified Dealers.

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

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“Exchange” means, in respect of a Transaction, the exchange or principal trading market specified in the relevant Transaction.

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

“Market Disruption Event” means, with respect to any Price Source, any of the following events: (a) the failure of the Price Source to announce, publish or make available the specified Floating Price or information necessary for determining the Floating Price for a particular day; (b) the failure of trading to commence on a particular day or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange, RTO or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source; (d) the temporary or permanent closing of any Exchange or RTO specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price by the Price Source or a material change in the composition of the Product.

“Price Source” means, in respect of a Transaction, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the specified price (or prices from which the specified price is calculated) specified in the relevant Transaction.

“RTO” means any regional transmission operator or independent system operator.

“RTO Transaction” means a Transaction in which the Price Source is an RTO.

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

- (b) Corrections to Published Prices. For purposes of determining the relevant prices for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.
- (c) Calculation of Floating Price. For the purposes of the calculation of a Floating Price, all numbers shall be rounded to four (4) decimal places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.”

18. The following shall be added as a new Section 10.19:

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“10.19 U.S. Resolution Stay Provisions

(1) Recognition of the U.S. Special Resolution Regimes

- (a) In the event that Party A becomes subject to a proceeding under (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a “U.S. Special Resolution Regime”) the transfer from Party A of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.
- (b) In the event that Party A or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable (“Default Right”)) under this Agreement that may be exercised against Party A are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(2) Limitation on Exercise of Certain Default Rights Related to an Affiliate’s Entry Into Insolvency Proceedings

Notwithstanding anything to the contrary in this Agreement, the Parties expressly acknowledge and agree that:

- (d) Party B shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of the Party A becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an “Insolvency Proceeding”), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and
- (e) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of Party A becoming subject to an Insolvency Proceeding, unless the transfer would result in the Party B being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to the Party B.

(3) U.S. Protocol

If Party B adheres to the ISDA 2018 U.S. Resolution Stay Protocol, as published by the International Swaps and Derivatives Association, Inc. as of July 31, 2018 (the “ISDA U.S. Protocol”), after the date of this Agreement, the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Part 5 (k).

For purposes of this Section 10.19:

“Affiliate” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

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“**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of Party A under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.”

19. The following shall be added as a new Section 10.20:

“**Scope of Agreement.** Notwithstanding anything contained in this Agreement to the contrary, any transaction for the purchase and sale of electric capacity, energy or other products related thereto which has been or will be entered into between Party A and Party B shall constitute a “Transaction” which is subject to, governed by, and construed in accordance with the terms of this Agreement.”

SCHEDULE M: GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEM.

Schedule M is hereby deleted in its entirety and replaced with the following:

1. The Parties agree to add the following definition to Article One:

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

2. The following sentence shall be added to the end of the definition of “**Force Majeure**” in Article One:

“If the Claiming Party is a Governmental Entity or Public Power System, Force Majeure does not include any action taken by the Governmental Entity or Public Power System in its governmental capacity.”

3. The Parties agree to add the following sections to Article Three:

“**Section 3.4 Party B’s Deliveries.** Upon request by Party A, Party B shall provide Party A (a) certified copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Party B of this Master Agreement and (b) the incumbency and signatures of the signatories of Party B executing this Master Agreement and any Confirmations executed in connection herewith, and setting forth the names and signatures of employees of Party B with authority to act on behalf of Party B.

Section 3.5 No Immunity Claim. Party B warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (a) suit, (b) jurisdiction of court (provided that such court is located within a venue permitted under the Agreement), (c) relief by way of injunction, order for specific performance or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment; provided, however, that nothing in this Agreement shall waive the obligations and/or rights set forth in the California Government Claims Act (Government Code Section 810 et seq.).”

4. The Parties agree to add the following representations and warranties to Section 10.2:

“Further and with respect to a Party that is a Governmental Entity or Public Power System, such Governmental Entity or Public Power System represents and warrants to the other Party continuing throughout the term of this Master Agreement, with respect to this Master Agreement and each

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Transaction, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Master Agreement, including without limitation, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures has or will be taken and performed as required under the Act and the Public Power System's ordinances, bylaws or other regulations, (ii) all persons making up the governing body of Governmental Entity or Public Power System are the duly elected or appointed incumbents in their positions and hold such positions in good standing in accordance with the Act and other applicable law, (iii) entry into and performance of this Master Agreement by Governmental Entity or Public Power System are for a proper public purpose within the meaning of the Act and all other relevant constitutional, organic or other governing documents and applicable law, (iv) the term of this Master Agreement does not extend beyond any applicable limitation imposed by the Act or other relevant constitutional, organic or other governing documents and applicable law, (v) the Public Power System's obligations to make payments hereunder are unsubordinated obligations and such payments are (a) operating and maintenance costs (or similar designation) which enjoy first priority of payment at all times under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law or (b) otherwise not subject to any prior claim under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law and are available without limitation or deduction to satisfy all Governmental Entity or Public Power System' obligations hereunder and under each Transaction or (c) are to be made solely from a Special Fund, (vi) entry into and performance of this Master Agreement and each Transaction by the Governmental Entity or Public Power System will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any obligation of Governmental Entity or Public Power System otherwise entitled to such exclusion, and (vii) obligations to make payments hereunder do not constitute any kind of indebtedness of Governmental Entity or Public Power System or create any kind of lien on, or security interest in, any property or revenues of Governmental Entity or Public Power System which, in either case, is proscribed by any provision of the Act or any other relevant constitutional, organic or other governing documents and applicable law, any order or judgment of any court or other agency of government applicable to it or its assets, or any contractual restriction binding on or affecting it or any of its assets."

5. The Parties agree to add the following sentence at the end of Section 10.6 - Governing Law:

"NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS OF THE STATE OF CALIFORNIA SHALL APPLY."

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS.

1. The Parties agree to add the following definitions to Schedule P:

“**CAISO Energy**” means with respect to a Transaction, a Product under which the Seller shall sell and the Buyer shall purchase a quantity of energy equal to the hourly quantity without Ancillary Services (as defined in the California Independent System Operator (“CAISO”) Tariff) that is or will be scheduled as a schedule coordinator to schedule coordinator transaction pursuant to the applicable tariff and protocol provisions of the CAISO tariff, as amended from time to time for which the only excuse for failure to deliver or receive is an “Uncontrollable Force” as defined in the CAISO Tariff.”

“**West Firm**” or “**WSPPC-Firm**” means with respect to a Transaction, a Product defined by the WSPP Agreement as amended, in Service Schedule C as Firm Capacity/Energy Sale or Exchange Service.”

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“**WSPP Agreement**” means the WSPP as amended from time to time.”

2. The Parties agree to add the following new Section 7 to Schedule P:

“Other Products and Service Levels: If the Parties agree to a service level defined by a different agreement (e.g., the WSPP Agreement, the California Independent System Operator tariff, etc.) for a particular Transaction, then, unless the Parties expressly state and agree that all the terms and conditions of such other agreement will apply, such reference to a service level/product shall be defined by such other agreement, including, if applicable, the regional reliability requirements and guidelines as well as the excuses for performance, Force Majeure, Uncontrollable Forces, or other such excuses applicable to such other agreement, to the extent inconsistent with the terms of this Agreement, but all other terms and conditions of this Agreement shall remain applicable including, without limitation, Section 2.2.”

3. The Parties may from time to time by notice to each other mutually agree to adopt product definitions, delivery point language and definitions, and conversion conventions, that are posted by the Edison Electric Institute to its website as optional language for the Master Power Purchase and Sale Agreement.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the Effective Date.

**J. ARON & COMPANY LLC, a New York
limited liability company**

**SILICON VALLEY CLEAN ENERGY
AUTHORITY, a California joint powers
authority**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

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

PARAGRAPH 10
to the
COLLATERAL ANNEX
to the
EEI MASTER POWER PURCHASE AND SALE AGREEMENT

CREDIT ELECTIONS COVER SHEET

Between
J. Aron & Company LLC (“Party A”)
and
Silicon Valley Clean Energy Authority (“Party B”)

Paragraph 10. Elections and Variables

I. Collateral Threshold.

A. Party A Collateral Threshold

- ☐ \$_____ (the “Threshold Amount”); provided, however, that the Collateral Threshold for Party A shall be zero upon the occurrence and during the continuance of an Event of Default or a Potential Event of Default with respect to Party A; and provided further that, in the event that, and on the date that, Party A cures the Potential Event of Default on or prior to the date that Party A is required to post Performance Assurance to Party B pursuant to a demand made by Party B pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party A shall automatically increase from zero to the Threshold Amount and (ii) Party A shall be relieved of its obligation to post Performance Assurance pursuant to such demand.

- ☐ (a) The amount (the “Threshold Amount”) set forth below under the heading “Party A Collateral Threshold” opposite the Credit Rating for [Party A][Party A’s Guarantor] on the relevant date of determination, or (b) zero if on the relevant date of determination [Party A][its Guarantor] does not have a Credit Rating from the rating agency specified below or an Event of Default or a Potential Event of Default with respect to Party A has occurred and is continuing; provided, however, in the event that, and on the date that, Party A cures the Potential Event of Default on or prior to the date that Party A is required to post Performance Assurance to Party B pursuant to a demand made by Party B pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party A shall automatically increase from zero to the Threshold Amount and (ii) Party A shall be relieved of its obligation to post Performance Assurance pursuant to such demand.

Party A

Collateral Threshold

Credit Rating

\$ _____

_____ (or above)

\$ _____

\$ _____

\$ _____

\$ _____

Below _____



“Threshold Amount” means

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



The amount of the Guaranty Agreement dated _____ from _____, as amended from time to time but in no event shall Party A’s Collateral Threshold be greater than \$_____.



Other:

B.

Party B Collateral Threshold.



\$_____ (the “Threshold Amount”); provided, however, that the Collateral Threshold for Party B shall be zero upon the occurrence and during the continuance of an Event of Default or a Potential Event of Default with respect to Party B; and provided further that, in the event that, and on the date that, Party B cures the Potential Event of Default on or prior to the date that Party B is required to post Performance Assurance to Party A pursuant to a demand made by Party A pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party B shall automatically increase from zero to the Threshold Amount and (ii) Party B shall be relieved of its obligation to post Performance Assurance pursuant to such demand.

- ☐ (a) The amount (the “Threshold Amount”) set forth below under the heading “Party B Collateral Threshold” opposite the Credit Rating for [Party B][Party B’s Guarantor] on the relevant date of determination, or (b) zero if on the relevant date of determination [Party B][its Guarantor] does not have a Credit Rating from the rating agency specified below or an Event of Default or a Potential Event of Default with respect to Party B has occurred and is continuing; provided, however, in the event that, and on the date that, Party B cures the Potential Event of Default on or prior to the date that Party B is required to post Performance Assurance to Party A pursuant to a demand made by Party A pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party B shall automatically increase from zero to the Threshold Amount and (ii) Party B shall be relieved of its obligation to post Performance Assurance pursuant to such demand:

<u>Party B</u> <u>Collateral Threshold</u>	<u>Credit Rating</u>
\$ _____	_____ (or above)
\$ _____	_____
\$ _____	_____
\$ _____	_____
\$ _____	Below _____



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- ☐ The amount of the Guaranty Agreement dated _____ from _____, as amended from time to time but in no event shall Party B’s Collateral Threshold be greater than \$ _____.
- ☐ Other – see attached threshold terms

II. Eligible Collateral and Valuation Percentage.

The following items will qualify as “Eligible Collateral” for the Party specified:

		<u>Party A</u>	<u>Party B</u>	<u>Valuation Percentage</u>
(A)	Cash	[X]	[X]	
(B)	Letters of Credit	[X]	[X]	
(C)	Other	[]	[]	%

III. Independent Amount.

A. Party A Independent Amount.

Party A shall have a Fixed Independent Amount of [REDACTED]. If the Fixed Independent Amount option is selected for Party A, then Party A (which shall be a Pledging Party with respect to the Fixed IA Performance Assurance) will be required to Transfer or cause to be Transferred to Party B (which shall be a Secured Party with respect to the Fixed IA Performance Assurance) Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the “Fixed IA Performance Assurance”). The Fixed IA Performance Assurance shall not be reduced for so long as there are any outstanding obligations between the Parties as a result of the Agreement, and shall not be taken into account when calculating Party A’s Collateral Requirement pursuant to the Collateral Annex. Except as expressly set forth above, the Fixed IA Performance Assurance shall be held and maintained in accordance with, and otherwise be subject to, Paragraphs 2, 5(b), 5(c), 6, 7 and 9 of the Collateral Annex.

Party A shall have a Full Floating Independent Amount of [REDACTED]. If the Full Floating Independent Amount option is selected for Party A, then for purposes of calculating Party A's Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, such Full Floating Independent Amount for Party A shall be added by Party B to its Exposure Amount for purposes of determining Net Exposure pursuant to Paragraph 3(a) of the Collateral Annex.

Party A shall have a Partial Floating Independent Amount of [REDACTED]. If the Partial Floating Independent Amount option is selected for Party A, then Party A will be required to Transfer or cause to be Transferred to Party B Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the “Partial Floating IA Performance Assurance”) if at any time Party A otherwise has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount) pursuant to Paragraph 3 of the Collateral Annex. The Partial Floating IA Performance Assurance shall not be reduced so

long as Party A has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount). The Partial Floating Independent Amount shall not be taken into account when calculating a Party's Collateral Requirements pursuant to the Collateral Annex. Except as expressly set forth above, the Partial Floating Independent Amount shall be held and maintained in accordance with, and otherwise be subject to, the Collateral Annex.

Not Applicable.

B. Party B Independent Amount.

Party B shall have a Fixed Independent Amount of [REDACTED]. If the Fixed Independent Amount Option is selected for Party B, then Party B (which shall be a Pledging Party with respect to the Fixed IA Performance Assurance) will be required to Transfer or cause to be Transferred to Party A (which shall be a Secured Party with respect to the Fixed IA Performance Assurance) Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the "Fixed IA Performance Assurance"). The Fixed IA Performance Assurance shall not be reduced for so long as there are any outstanding obligations between the Parties as a result of the Agreement, and shall not be taken into account when calculating Party B's Collateral Requirement pursuant to the Collateral Annex. Except as expressly set forth above, the Fixed IA Performance Assurance shall be held and maintained in accordance with, and otherwise be subject to, Paragraphs 2, 5(b), 5(c), 6, 7 and 9 of the Collateral Annex.

Party B shall have a Full Floating Independent Amount of [REDACTED]. If the Full Floating Independent Amount Option is selected for Party B then for purposes of calculating Party B's Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, such Full Floating Independent Amount for Party B shall be added by Party A to its Exposure Amount for purposes of determining Net Exposure pursuant to Paragraph 3(a) of the Collateral Annex.

Party B shall have a Partial Floating Independent Amount of [REDACTED]. If the Partial Floating Independent Amount option is selected for Party B, then Party B will be required to Transfer or cause to be Transferred to Party A Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the "Partial Floating IA Performance Assurance") if at any time Party B otherwise has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount) pursuant to Paragraph 3 of the Collateral Annex. The Partial Floating IA Performance Assurance shall not be reduced for so long as Party B has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount). The Partial Floating Independent Amount shall not be taken into account when calculating a Party's Collateral Requirements pursuant to the Collateral Annex. Except as expressly set forth above, the Partial Floating Independent Amount shall be held and maintained in accordance with, and otherwise be subject to, the Collateral Annex.

Not Applicable.

IV. Minimum Transfer Amount.

A. **Party A Minimum Transfer Amount:** \$ [REDACTED]

B. **Party B Minimum Transfer Amount:** \$ [REDACTED]

V. Rounding Amount.

A. **Party A Rounding Amount:** \$ [REDACTED]

B. **Party B Rounding Amount:** \$ [REDACTED]

VI. Administration of Cash Collateral.

A. Party A Eligibility to Hold Cash.

- ☐ Party A shall not be entitled to hold Performance Assurance in the form of Cash. Performance Assurance in the form of Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(ii)(B) of the Collateral Annex. Party A shall pay to Party B in accordance with the terms of the Collateral Annex the amount of interest it receives from the Qualified Institution on any Performance Assurance in the form of Cash posted by Party B.
- ☒ Party A shall be entitled to hold Performance Assurance in the form of Cash provided that the following conditions are satisfied: (1) it is not subject to an Event of Default or Potential Event of Default; and (2) Cash shall be held only in any jurisdiction within the United States. To the extent Party A is entitled to hold Cash, the Interest Rate payable to Party B on Cash shall be as selected below:

Party A Interest Rate.

☒ [REDACTED]

☐ Other - _____

B. Party B Eligibility to Hold Cash.

- ☐ Party B shall not be entitled to hold Performance Assurance in the form of Cash. Performance Assurance in the form of Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(ii)(B) of the Collateral Annex. Party B shall pay to Party A in accordance with the terms of the Collateral Annex the amount of interest it receives from the Qualified Institution on any Performance Assurance in the form of Cash posted by Party A.
- ☒ Party B shall be entitled to hold Performance Assurance in the form of Cash provided that the following conditions are satisfied: (1) it is not subject to an Event

of Default or Potential Event of Default; and (2) Cash shall be held only in any jurisdiction within the United States. To the extent Party B is entitled to hold Cash, the Interest Rate payable to Party A on Cash shall be as selected below:

Party B Interest Rate.

☒



☐

Other - _____

VII. Notification Time.

☒ Other - 10:00 a.m. Pacific Prevailing Time on a Local Business Day

VIII. General.

Amendments to Introductory Paragraph:

- (i) Delete “Paragraph 10 Elections” in the first introductory paragraph and replace it with “Paragraph 10 Cover Sheet”.
- (ii) The first paragraph of the introduction shall be amended to read as follows:

“This Collateral Annex, together with the Paragraph 10 Cover Sheet, (the “Collateral Annex”) supplements, forms a part of, and is subject to the EEI Master Power Purchase and Sale Agreement dated as of _____ between J. Aron & Company LLC (“Party A”) and Silicon Valley Clean Energy Authority, a California joint powers authority (“Party B”), including the Cover Sheet and any other annexes thereto (as amended and supplemented from time to time, the “Agreement”). Capitalized terms used in this Collateral Annex but not defined herein shall have the meanings given to such terms in the Agreement.”

Amendments to Definitions:

- (i) The definition of “Credit Rating” is deleted from the Collateral Annex and all references shall have the meaning set forth in Section 1.12 of the Master Agreement as modified in the Cover Sheet.
- (ii) “Credit Rating Event” shall be amended by replacing “6(a)(iii)” with “6(a)(ii)”.
- (iii) “Downgraded Party” shall be amended by replacing “6(a)(i)” with “6(a)(ii)”.
- (iv) “Letter of Credit” shall be deleted from both the Master Agreement, as amended by the Schedule thereto, and the Collateral Annex and replaced with the following:

““Letter(s) of Credit” shall mean an irrevocable, standby letter of credit, issued or confirmed by a major U.S. commercial bank or a U.S. branch office of a foreign bank with a Credit Rating of _____ and net capital in excess of _____”

[REDACTED] that is substantially in the form attached hereto as Schedule 1 to this Paragraph 10 to the Collateral Annex or in such other form as may be reasonably acceptable to the beneficiary thereof, in each case, with such changes to the terms in that form as the issuing or confirming bank may require and as may be reasonably acceptable to the beneficiary thereof.”

- (v) “Letter of Credit Default” is deleted in its entirety and replaced with the following:

““Letter of Credit Default” shall mean with respect to an outstanding Letter of Credit, the occurrence of any of the following events: (i) the issuer of such Letter of Credit shall fail to maintain a Credit Rating of [REDACTED] (ii) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit; (iii) the issuer of such Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; or (iv) such Letter of Credit shall expire or terminate, or shall fail and cease to be in full force and effect at any time during the term of this Agreement, or fail to be renewed. Notwithstanding the foregoing, references to the “issuer” in this definition shall mean, for each Letter of Credit that was confirmed by a Qualified Institution, the confirming entity.”
- (vi) “Local Business Day” shall be amended by replacing the word “day” with “Business Day”.
- (vii) “Notification Time” shall be amended by replacing “11:00, New York time” with “10:00 a.m. Pacific Prevailing Time on a Local Business Day.”
- (viii) “Performance Assurance” shall be amended by replacing “6(a)(iv)” with “6(a)(iii)”.
- (ix) “Qualified Institution” shall be amended by deleting “capital and surplus”, and replacing it with “capital surplus”.
- (x) “Secured Party” shall be amended by replacing “3(b)” with “3(a)”.

Amendment to Paragraph 4:

- (i) The second to last sentence of Paragraph 4, “Delivery of Performance Assurance”, shall be amended to read as follows:

“Unless otherwise agreed in writing by the Parties, (i) Performance Assurance demanded of a Pledging Party on or before the Notification Time on a Local Business Day shall be provided by not later than the close of business on the third Local Business Day; and (ii) Performance Assurance demanded of a Pledging Party after the Notification time on a Local Business Day shall be provided by not later than the close of business on the third Local Business Day.”

Amendments to Paragraph 5:

- (i) Paragraph 5(a) shall be amended by inserting “so long as the amount of the requested reduction is equal to or greater than the Minimum Transfer Amount” after “the Pledging Party for the benefit of the Secured Party” in the third line thereof.

- (ii) Paragraph 5(a) shall be further amended by deleting “before the Notification Time on a Business Day” and replacing it with “before the Notification Time on a Local Business Day”.

Amendments to Paragraph 6:

- (i) Paragraph 6(a)(ii)(A) shall be amended by inserting “(other than subparagraph (B) below)” after “the provisions of this Paragraph 6(a)(ii)” in the first line thereof.
- (ii) Paragraph 6(a)(ii)(B) shall be amended by deleting “to perfect the security interest of the Non-Downgraded Party” and replacing it with “to perfect the security interest of the Downgraded Party”.

Amendments to Paragraph 7:

- (i) Paragraph 7(b) shall be amended by deleting it in its entirety and inserting the words “Intentionally Omitted.”
- (ii) Paragraph 7(c) shall be amended by adding “The” immediately before “Secured Party” in the first line.

Amendments to Paragraph 10:

Schedule 1 to the Collateral Annex is deleted in its entirety and replaced with the form of Letter of Credit attached as Schedule 1 to this Paragraph 10 to the Collateral Annex.

With respect to the Collateral Threshold, Independent Amount, Minimum Transfer Amount and Rounding Amount, if no selection is made in this Cover Sheet with respect to a Party, then the applicable amount in each case for such Party shall be zero (0). In addition, with respect to the “Administration of Cash Collateral” section of this Paragraph 10, if no selection is made with respect to a Party, then such Party shall not be entitled to hold Performance Assurance in the form of Cash and such Cash, if any, shall be held in a Qualified Institution pursuant to Paragraph 6(a)(ii)(B) of the Collateral Annex.

IN WITNESS WHEREOF, the Parties have caused this Paragraph 10 to the Collateral Annex to be duly executed as of the Effective Date of the EEl Master Power Purchase and Sale Agreement between the Parties.

**J. ARON & COMPANY LLC, a New York
limited liability company**

**SILICON VALLEY CLEAN ENERGY
AUTHORITY, a California joint powers
authority**

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

SCHEDULE 1

FORM OF LETTER OF CREDIT

[Issuing Bank Letterhead and Address]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [XXXXXXX]

Date: _____

Bank Ref.: _____

Amount: US\$[XXXXXXXX]

Expiration Date: _____

Beneficiary:

Silicon Valley Clean Energy Authority
333 W. El Camino Real, Suite 330
Sunnyvale, California 94087
Attn: Girish Balachandran, CEO

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 EEI Master Power Purchase and Sale Agreement, together with the Cover Sheet, the Collateral Annex and Paragraph 10 to the Collateral Annex dated as of [insert date] and as amended from time to time between Applicant and Beneficiary (the “Master Agreement”). This Letter of Credit shall become effective immediately and shall expire on [insert date] which is [insert time period] 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, referencing our Letter of Credit No. [XXXXXXX] (“Drawing Certificate”) along with a copy of this Letter of Credit and all amendments hereto.

The Drawing Certificate may be presented by (a) U.S. mail, (b) overnight courier or (c) as a PDF attachment to an email to [bank email address]. Transmittal by 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.

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.

This Letter of Credit is issued subject to the rules of the 'International Standby Practices 1998', International Chamber of Commerce Publication No. 590 ("ISP98") and, as to matters not addressed by ISP98, shall be governed and construed in accordance with the laws of state of California.

Notwithstanding any reference in this Letter of Credit to any other documents, instruments or agreements (other than as set forth in the immediately prior paragraph), this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

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]

Exhibit A

(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. *[XXXXXXXX]* (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 EEI Master Power Purchase and Sale Agreement, together with the Cover Sheet, the Collateral Annex and Paragraph 10 to the Collateral Annex dated as of *[insert date]* and as amended from time to time (the "Master Agreement").
2. "An Event of Default (as defined in the Master Agreement) has occurred and is continuing with respect to Applicant under the Master Agreement and no Event of Default has occurred and is continuing with respect to the beneficiary of this Letter of Credit. Wherefore, the undersigned does hereby demand payment of the entire undrawn amount of the Letter of Credit";

OR

"An Early Termination Date (as defined in the Master Agreement) has occurred and is continuing with respect to Applicant under the Master Agreement and no Event of Default has occurred and is continuing with respect to the beneficiary of this Letter of Credit. Wherefore, the undersigned does hereby demand payment of the entire undrawn amount of the Letter of Credit".

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

[name and title of authorized representative]

Date _____



Staff Report – Item 1k

Item 1k: Authorize the Chief Executive Officer to Execute an Amended and Restated Scheduling Coordinator Agreement and an Amended and Restated Agreement to Provide Scheduling Agent and Energy Management Services to Incorporate Resource Optimization Functions into the Service with a Combined Not to Exceed Limit of \$1,700,000 through December 31, 2026, and an Annual Renewal Not to Exceed of \$1,400,000 for Tenaska Power Services

From: Monica Padilla, CEO

Prepared by: Kris Van Vactor, Director of Power Resources
Simon Steiner, Wholesale Market Planner

Date: 8/13/2025

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") authorize the Chief Executive Officer (CEO) to execute the two amended and restated agreements with Tenaska Power Services (TPS) to include battery storage optimization services. The two agreements are the Amended and Restated Agent Scheduling Coordinator Agreement (Attachment 1) and Amended and Restated Agreement to Provide Scheduling Agent and Energy Management Services (Attachment 2) with a combined not-to-exceed (NTE) amount for the initial term through December 31, 2026 of \$1,700,000 and the ability to extend annually at a renewal rate NTE \$1,400,000.

BACKGROUND

SVCE's clean energy procurement strategy, since its start, has been to procure and integrate battery energy storage systems (BESS) either as standalone or paired to add value to SVCE's energy portfolio and extend clean energy delivery of solar resources, enhance grid reliability and/or meet procurement mandates. To manage any resource in the California Independent System Operator (CAISO), scheduling bids must be created. These bids are devised using a combination of production and opportunity costs to target an expected outcome. To date, SVCE has signed 24 power purchase agreements directly, in partnership with Central Coast Community Energy (CCCE) and/or with California Community Power (CCPower). In early 2022, Slate became SVCE's first commercially operational BESS resource, whereby SVCE, along with CCCE, took on the role of Scheduling Coordinator (SC). Since then, Rabbitbrush and Victory Pass have come online. In 2026, SVCE expects two more solar + storage resources to interconnect, Angela and Aratina, that will need to have their bids optimized for CAISO's marketplace.

In March 2024, the Board approved the existing agreement with TPS for SC services and to act as SVCE's SC in an agent role with the CAISO. In June 2023, SVCE, along with CCCE, issued a Request for Proposals (RFP) for optimization services for the fleet of battery resources both agencies have under contract. Stem was selected as the vendor through this process, and the Board at the February 14, 2024 meeting ([SVCE February Board Meeting – Item 1f](#)) authorized SVCE's CEO to execute an agreement with Stem for BESS optimization software services. An agreement was executed; however, Stem could not implement the service on time, resulting in a mutual termination of the agreement. TPS did provide a proposal to the RFP, however, they were not selected at the time. On an interim basis TPS, has been providing BESS optimization support through a short-term agreement and has been managing SVCE's resources in CAISO's market.

ANALYSIS & DISCUSSION

When Stem was trying to onboard its BESS optimization software, TPS performed the function at a similar cost to Stem's bid. Since TPS is SVCE and CCCE's SC for generation management and has demonstrated its capacity to optimize the resources effectively, integrating TPS' bid creation and optimization services into the existing SC function is the most efficient and economical solution. The two agreements are needed to effectively manage dispatchable resources in CAISO's market and to target expected returns from SVCE's investment.

The first agreement, The Agent Scheduling Coordinator Agreement, is necessary to manage non-SVCE-specific Scheduling Coordinator ID-related resources. These are resources that are typically split with 3CE and do not have a unique identifier associated with each agency. A 3rd party identifier Scheduling Coordinator Identification Code (SCID) is used for these resources to be scheduled into CAISO. The annual cost associated with this agreement will reach ~\$678,000 by the end of 2026. The second agreement, Agreement to Provide Scheduling Agent and Energy Management Services establishes TPS as SVCE's SC agent and provides SVCE CAISO market load forecasting, resource management within using SVCE's SCID (the unique identifier used to add resources and load to) and CRRs. The total cost of this agreement through the end of 2026 is \$832,000. Until the end of 2026 the two TPS agreements are expected to cost ~\$1,510,000, annual renewal will cost ~\$1,132,000¹.

The initial term of both agreements will start once executed in August and go through December 31, 2026. Both agreements have the ability to renew annually at SVCE's request. This will happen only if staff is satisfied with TPS' performance. Staff will review the need to issue a new RFP for these services within a five-year period.

Vendor

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

STRATEGIC PLAN

SVCE's Strategic Plan, Goal 5, directs staff to manage and optimize load and power resources to meet affordability, GHG reduction and reliability objectives.

ALTERNATIVE

The Board can deny the request to execute an Amended and Restated Agent SC Agreement and an Amended and Restated Scheduling Coordinator Agreement, which will require SVCE staff to build bids, and issue a new RFP. This alternative will delay effective management of SVCE's BESS fleet and create suboptimal results because it will be difficult for staff, without access to optimization models, to develop and submit optimal daily resource utilization bids into CAISO's market, and would limit SVCE's optimal oversight and flexibility in managing these resources.

¹ The TPS-SVCE Amended and Restated Agent Scheduling Coordinator Agreement is used to manage SVCE and 3CE jointly procured resources in the market. Each CCA is billed separately for its share of the resources managed under this contract. This request is for SVCE's share of costs under this contract. Additionally, when applicable SVCE can use this agreement for its own resources.

Agenda Item: 1k**Agenda Date: 8/13/2025**

FISCAL IMPACT

These changes will result in no increases to budgeted costs because they replace the work that was already budgeted under another vendor, STEM. Staff's spending authority over the term of the two agreements will be limited to the amount of \$1,700,000 by the end of 2026. Annual renewals, which will start in fiscal year 2026-27 will be limited to \$1,400,000.

ATTACHMENTS

1. TPS-SVCE Amended and Restated Agent Scheduling Coordinator Agreement
2. TPS-SVCE Amended and Restated Agreement to Provide Scheduling Agent and Energy Management Services

AMENDED AND RESTATED SCHEDULING COORDINATOR AGREEMENT

This Amended and Restated Scheduling Coordinator Agreement ("**Agreement**") is executed on _____, 2025 ("**Effective Date**") between Silicon Valley Clean Energy Authority, a California joint powers authority ("**SVCE**") and Tenaska Power Services Co. ("**TPS**"), a Nebraska corporation. SVCE and TPS are also hereinafter referred to in this Agreement individually as "**Party**" and collectively as the "**Parties**".

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

RECITALS

WHEREAS, TPS and SVCE entered into (i) that certain Scheduling Coordinator Agreement dated March 13, 2024 ("**Original Agreement**"), with a commencement date thereunder of June 1, 2024 (the "**Original Commencement Date**"), (ii) that certain Letter Agreement for Optimization Services dated May 28, 2024 (as amended) (the "**Optimization Letter Agreement**"), and (iii) that certain Letter Agreement for WAPA Base Resource Scheduling Services dated December 6, 2024 (the "**WAPA Base Resource Scheduling Letter Agreement**") and together with the Original Agreement and Optimization Letter Agreement, the "**Prior Agreements**");

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

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

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

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

WHEREAS, the Parties desire to amend and restate the Original Agreement in its entirety, as provided herein.

NOW, THEREFORE, SVCE and TPS enter into this Agreement to amend and restate in its entirety the Original Agreement, under which TPS shall provide SVCE with the Services described herein and shall serve as the Scheduling Coordinator with CAISO for the Resources and Transactions as described herein. Accordingly, for and in consideration of the premises, together with other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, SVCE and TPS agree as follows:

BASE AGREEMENT

1. DESIGNATION

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

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

2. SCHEDULING COORDINATOR SERVICES

2.1 SCID Services. TPS has obtained, or shall promptly obtain upon execution of this Agreement, an SCID that will be unique to the Resources, and TPS represents and warrants that such SCID has not been previously used and shall not be used in connection with any other transactions or Resources. TPS shall use such SCID only in respect of Transactions for SVCE and the Resources, and not for any other transaction, resources or purpose. TPS shall be responsible for satisfying the CAISO credit requirements under the Governing Rules, including posting all required security. TPS shall pass through to SVCE the actual SCID cost assessed by CAISO ("CAISO SCID Fee") for such SCID. For the avoidance of doubt, the SCID previously obtained by TPS pursuant to the Original Agreement with respect to the Resources identified on Exhibit A as of the Effective Date shall continue to be used by TPS under this Agreement with respect to such Resources, and no additional CAISO SCID Fee shall apply as of the Effective Date.

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

2.2 Scheduling. If the TPS Customer Portal is available, SVCE will utilize it to communicate desired Energy and Ancillary Services Bids and schedules for the DAM and Real-Time FMM scheduling cycles. Otherwise, a TPS developed scheduling spreadsheet template, or other mutually agreed electronic communication, will be submitted by SVCE for the DAM and all Real-Time FMM scheduling cycles. TPS will provide, and SVCE grants TPS the authority to perform, scheduling services for the Resources in the role of SVCE's Scheduling Coordinator in accordance with (i) the Governing Rules, (ii) Prudent Industry Practice, and (iii) instructions from SVCE. As part of its Scheduling Coordinator responsibilities under this Agreement, TPS will submit all Energy and Ancillary Services Bids consistent with the rules and regulations of CAISO and the directions of SVCE. TPS will schedule all output from the Resources consistent with each Resource's operational and economic parameters as communicated to TPS by SVCE; *provided, however*, to the extent TPS determines in its reasonable discretion that the scheduling of Products from any Resource to a Third Party creates any TPS Credit Exposure, in excess of the SVCE

Execution Version

Threshold, for which TPS is not sufficiently secured, then TPS shall not be required to continue scheduling such Products to a Third Party unless and until TPS receives sufficient Credit Support from SVCE to mitigate TPS's Credit Exposure, in excess of the SVCE Threshold. Subject to the foregoing sentence, TPS will schedule all Transactions with the appropriate Third Parties, transmission providers, and balancing authorities, in accordance with this Agreement. SVCE will provide TPS all information relevant to or required by the Governing Rules in order to satisfy all relevant data and information required for participation in the CAISO markets. Such information will be provided to TPS in those time increments, quantities, duration, and terms in compliance with the Governing Rules.

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

- 2.3 Schedule Changes. Notwithstanding Section 2.2 of the Base Agreement, SVCE may change information previously provided to TPS, provided any such change is provided to TPS by the deadlines specified in Section 2.2 of the Base Agreement. Provided that SVCE provides any such change in accordance with the deadlines provided within this Section 2.3, TPS will use commercially reasonable efforts to timely implement any such changes. If the TPS Customer Portal is available, SVCE will utilize it to communicate information changes to TPS. Otherwise, such changes shall be made to TPS utilizing the TPS developed scheduling spreadsheet template, described in Section 2.2 of the Base Agreement, or through other mutually agreed electronic communication. In the event that any change timely provided to TPS differs from prior information for the same time period, such subsequent information, upon receipt by TPS, shall supersede the prior information, and TPS will rely upon and implement the most recent information when submitting such information to CAISO for SVCE. TPS shall promptly notify SVCE if it is unable to implement any changes provided by SVCE and provide explanation why TPS was not able to implement the changes and a mitigation plan that would enable TPS to implement the changes in the future.
- 2.4 24-Hour Monitoring. For Products delivered from the Resources to CAISO, TPS will administer and monitor sales of such Products to CAISO as SVCE's Scheduling Coordinator. TPS will provide SVCE with access to the CAISO Energy markets (including, without limitation, the Resource Adequacy Capacity bilateral markets) and the Services twenty-four (24) hours per Day, seven (7) Days per week, subject to market availability and operational limitations of the Resources. TPS will timely communicate with CAISO regarding the Resources and, as soon as practicable, inform SVCE of any and all CAISO directives or instructions affecting the Resources.
- 2.5 Outage Reporting. TPS will provide Outage scheduling services to SVCE, which will

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consist solely of relaying to CAISO, in such electronic data transmission format as is authorized by CAISO for the transmission of Outage information, all information furnished to TPS by SVCE concerning the Resources' Outages and relaying to SVCE in a timely manner all electronic data received from CAISO concerning Outages at the Resources. TPS will transmit each Resource's Outage data to CAISO within time periods specified for the transmission of such data under the CAISO Agreements, provided that SVCE shall be responsible for furnishing such data required by the CAISO Agreements to TPS in sufficient time to permit TPS to comply with applicable timing requirements of the CAISO Agreements. If an Internet-based system is available, SVCE will utilize it to communicate Outage information. Otherwise, SVCE shall provide the information to TPS in a template provided by TPS, or through other mutually agreed electronic communication.

- 2.6 Shadow Settlement. TPS will use its proprietary data management and calculation engine, PowerTools Platform[®], to shadow settle all CAISO Settlement Statement versions regarding the Resources based upon data in TPS's possession. TPS will analyze discrepancies found between TPS's internally generated settlement statements and CAISO's Settlement Statements. SVCE will provide TPS parameters for further investigation of such discrepancies and filing of disputes with CAISO. For discrepancies falling within SVCE's parameters, TPS will file disputes with CAISO for SVCE, will manage these disputes with CAISO, and will regularly provide SVCE a status report on all filed disputes. TPS will also review all additional CAISO Settlement Statements to verify CAISO has made requested changes to prior statements and to verify the accuracy of any additional CAISO charges and credits.
- 2.7 RA Supply Plans. TPS will file Resource Adequacy Supply Plans, if any, with CAISO on behalf of SVCE and shall provide a copy of such Supply Plans to SVCE at the same time the Supply Plans are filed with CAISO.
- 2.8 Support Services. Subject to the second paragraph of this Section 2.8, the Parties acknowledge and agree that TPS will be unable to commence providing the Services contemplated by this Agreement until all necessary registrations, acknowledgements, agreements and other documentation ("Documentation") have been provided to and approved by CAISO to enable TPS to commence providing the Services. The period of time from the Effective Date of this Agreement until the Commencement Date is defined as the "Support Services Period". During the Support Services Period, SVCE and TPS shall each work diligently to ensure that all necessary Documentation is completed and necessary CAISO approvals are obtained expeditiously. SVCE shall notify TPS of the completion of all necessary Documentation and approvals. TPS shall provide to SVCE the services necessary to ensure the commencement of the Services, as such services are described in Exhibit C hereto (the "Support Services").

Notwithstanding the foregoing, the Parties acknowledge and agree that the Support Services were completed under the Original Agreement and all Services applicable to the Resources commenced under the Original Agreement as of the Original Commencement Date. For the avoidance of doubt, this Section 2.8 shall govern Support Services provided to any resource that SVCE may seek to add to Exhibit A after the Effective Date, in accordance with Section 5.1 of the Base Agreement.

- 2.9 Digital Certificates for CAISO System Access. To the extent SVCE is obligated pursuant to this Agreement or otherwise desires to access CAISO's secure communications systems, SVCE shall be responsible for acquiring and maintaining, at SVCE's sole effort and expense, the necessary digital certificates from CAISO ("Digital Certificate"). TPS shall have no liability or obligation hereunder with regard to any Digital Certificate assigned to SVCE, and TPS shall have no liability resulting from the use of, or any inability of SVCE

to access, either in whole or part, any CAISO system with such Digital Certificate.

3. **OPTIMIZATION SERVICES**

- 3.1 **Solar Optimization Services.** TPS will seek opportunities to optimize the Solar Resource identified in Section B of Exhibit A, in CAISO's DAM and RTM consistent with SVCE's instructions. In connection with the Solar Resource, TPS shall use Prudent Industry Practice and its proprietary analysis with the objective of maximizing the economic value of the Products to SVCE. These activities shall be referred to as "**Solar Optimization Services**".
- 3.2 **Battery Optimization Services.** With respect to the Storage Resource identified in Section B of Exhibit A, TPS shall utilize an optimization algorithm with the objective of maximizing the Storage Resource's net revenue consistent with the Governing Rules utilizing any or all of the following (the "**Storage Optimization Engine**"):
- a) Ancillary Services;
 - b) Energy expected to be generated from the paired Solar Resource or sold into the DAM; *provided, however, that* SVCE shall instruct TPS as to whether the same is operationally and contractually permitted by the PPA;
 - c) Energy generated from the paired Solar Resource or procured from or sold into the RTM; *provided, however, that* SVCE shall instruct TPS as to whether the same is operationally and contractually permitted by the PPA; and
 - d) Other future products and services not currently contemplated under this Agreement as mutually agreed upon between the Parties.

TPS will, with the prior approval of SVCE, utilize the Storage Optimization Engine to Bid the Storage Resource into the markets operated by CAISO, including, but not limited to, the DAM and RTM. TPS will work with SVCE to understand and observe any operational, physical and financial constraints on the dispatch of the Storage Resource, and SVCE shall instruct TPS as to any contractual constraints on the dispatch of the Storage Resource (which instructions TPS may rely upon), in each case, which TPS will integrate into the Storage Optimization Engine. Among other things, the Storage Optimization Engine will be operated with the objective of achieving revenue maximization for the Storage Resource consistent with the Governing Rules and PPA contractual requirements (*provided, however, that*, with regard to PPA contractual requirements, TPS shall rely exclusively on SVCE's instructions), while respecting the physical constraints of the Storage Resource and any risk, financial, and/or degradation concerns as communicated to TPS by SVCE. For the avoidance of doubt, the Parties understand and agree that TPS shall not be required to purchase any Product from the CAISO markets or any other Third Party for the purpose of charging the Storage Resource. These activities shall be referred to as "**Battery Optimization Services**".

4. **OPERATIONAL SERVICES**

- 4.1 **Schedule of Costs.** The expectation is that the Resources will be economically Bid into the CAISO market. SVCE will provide in writing to TPS information and instructions setting forth the Bids for each Resource. If applicable, SVCE will also provide TPS information and instructions on Ancillary Services Bids with respect to each Resource. SVCE will notify TPS in writing via the TPS provided template of any revisions to the operational and

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economic parameters for the Bids. Any revision will only apply to Transactions entered into or agreed upon hereunder after receipt of such revisions by TPS.

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

5. **PAYMENTS**

- 5.1 Set-Up Fee. The Parties acknowledge and agree that TPS invoiced SVCE a one-time fee for establishing and configuring the telemetry and other communication equipment and software linking the Resources to TPS (and to CAISO where applicable) and for providing the Support Services described in Exhibit C ("**Set-Up Fee**") under the Original Agreement, and that such Set-Up Fee has been paid by SVCE pursuant to the Original Agreement. No additional Set-Up Fee shall be due from SVCE with regard to the Resources serviced hereunder as of the Effective Date. Any Resource which SVCE may request to be added to Exhibit A after the Effective Date shall be subject to TPS's approval, an additional Set-Up Fee in accordance with Exhibit A, and an amendment to this Agreement.
- 5.2 Fixed Monthly Fee. For performance of the Services described herein, SVCE shall pay TPS a monthly fee equal to the amount listed for the corresponding Resource in Exhibit A ("**Fixed Monthly Fee**") in arrears and prorated for any partial Month of Service. The Parties acknowledge and agree that the Fixed Monthly Fee began on and has been adjusted by the Escalator since, the Original Commencement Date, as set forth in the Original Agreement, and shall continue throughout the Term; *provided* that the Fixed Monthly Fee shall continue to increase by the Escalator on the 1st Day of the Month of

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each anniversary of the Original Commencement Date. Any Resource requested by SVCE for addition to Exhibit A after the Effective Date shall be subject to an additional Fixed Monthly Fee negotiated between the Parties and memorialized in an amendment hereto.

- 5.3 Optimization Fee. For performance of the Solar Optimization Services and the Battery Optimization Services, SVCE shall pay TPS a fee equal to [REDACTED] per Resource each Month ("**Optimization Fixed Monthly Fee**") in arrears and prorated for any partial Month of service, beginning on the Effective Date and continuing throughout the Term; *provided* that the Optimization Fixed Monthly Fee shall increase by the Escalator on the first (1st) Day of the Month of each anniversary of the Commencement Date. Any Resource requested by Customer for addition to Section B of Exhibit A after the Effective Date shall be subject to an increase in the Optimization Fee negotiated between the Parties and memorialized in an amendment hereto.
- 5.4 Pass Through Amounts and Reimbursements. Except when specified otherwise under this Agreement, SVCE shall pay TPS all Pass Through Amounts in accordance with this Agreement. TPS shall pass through to SVCE all settlement amounts it receives from CAISO for SVCE's Products in accordance with Section 6.1 of the General Terms and Conditions. Notwithstanding anything to the contrary, no amounts shall be recovered twice pursuant to this Agreement.

6. **TERM**

- (a) All Services and the obligation to pay fees under this Agreement shall be effective as of the Commencement Date unless provided otherwise in this Agreement. This Agreement shall have a primary term beginning on the Commencement Date and expiring at 11:59:59 p.m. PPT on December 31, 2026 (the "**Initial Term**"). Upon expiration of the Initial Term, this Agreement shall then automatically renew and extend for successive one (1) year terms (each a "**Renewal Term**") unless either Party provides written notice of non-renewal to the other Party no later than sixty (60) Days prior to the expiration of the Initial Term or any Renewal Term (as applicable).
- (b) Transition of Scheduling Coordinator Services.
- (i) If an Event of Default or Force Majeure occurs and is continuing with respect to TPS, TPS shall cooperate in good faith with SVCE and promptly execute all documents and take all other reasonable steps requested by SVCE that may be required or reasonably necessary to transition the Scheduling Coordinator function from TPS to SVCE's designee. Without limiting the generality of the foregoing, TPS hereby agrees that SVCE has the power and right, without notice to or assent by TPS, upon the occurrence and during the continuation of any Event of Default or Force Majeure (or any other event that pursuant to the express provisions hereof allows SVCE to replace TPS as SVCE's Scheduling Coordinator), to execute all documents and take all other reasonable steps which may be required or reasonably necessary to transition the Scheduling Coordinator Services from TPS to SVCE's designee. TPS agrees that any request by SVCE that TPS take any action pursuant to this Section 6(b), and any action taken by SVCE pursuant to this Section 6(b), shall not constitute a breach of any obligation in this Agreement that TPS be the exclusive provider of any Services. Subject to Section 13 of the General Terms and

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

- (ii) If TPS ceases to be the Scheduling Coordinator for the Resources and other Transactions due to the expiration or earlier termination of this Agreement or any other reason, or if TPS is performing the Scheduling Coordinator Services solely pursuant to the application of Section 6(c) of the Base Agreement, TPS shall cooperate with SVCE's requests to transition the Scheduling Coordinator Services and other Services hereunder (including executing any consents or documents and taking all other steps as may be required under the CAISO Agreements or as SVCE may otherwise reasonably request to remove TPS as Scheduling Coordinator for the Resources), and SVCE shall be responsible for notifying CAISO, the CPUC, and any Third Parties, as applicable, involved or relating to this Agreement, of the removal of TPS as SVCE's Scheduling Coordinator for the Resources. In the event that, after the expiration or earlier termination of this Agreement, TPS receives statements or invoices from CAISO or other Third Parties related to SVCE or pertaining to the Resources or any Transactions, as outlined in Section 6.1 of the General Terms and Conditions, TPS shall pass through charges reflected in those statements or invoices to SVCE and SVCE shall be responsible for payment. This Section 6(b) shall survive termination of this Agreement.
- (c) Notwithstanding anything to the contrary in any provision of this Agreement, but without limiting the Parties' obligations under Section 6(b) of the Base Agreement, if, on the date this Agreement would expire or otherwise terminate, CAISO's system still recognizes TPS as the Scheduling Coordinator for the Resources, then the Term of this Agreement shall be deemed to continue (and the terms of this Agreement shall survive) until the date that CAISO confirms in its system that TPS is no longer the Scheduling Coordinator for the Resources.
- (d) Termination for Performance. If at any time a Party believes the performance of the other Party under this Agreement is deficient, such Party has the right to provide the other Party with written notice of the performance deficiency, along with a description of the performance deficiency ("**Notifying Party**"). Upon receipt of such notice of performance deficiency, the Party receiving notice ("**Notified Party**") shall have thirty (30) Days to correct such performance deficiency and within seven (7) Days from receipt of the notice to provide a written description to the Notifying Party of the remedial actions taken or to be taken to restore or improve the quality of performance, including by addressing the areas of performance identified in the notice. If the Notified Party fails within such thirty (30) Days to restore the quality of performance to a level deemed satisfactory to the Notifying Party in such Party's reasonable discretion, such Party shall have the right, following expiration of the thirty (30) Day remediation period, to terminate this Agreement by providing thirty (30) Days' written notice to the Notified Party and

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

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

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

SILICON VALLEY CLEAN ENERGY

By: _____

Name: Monica Padilla

Title: CEO

APPROVED AS TO FORM

By: _____

Name: Michael Callahan

Title: General Counsel

TENASKA POWER SERVICES CO.

By: 

Name: Kevin R. Smith

Title: President

GENERAL TERMS AND CONDITIONS

SECTION 1 DEFINITIONS

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

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

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

“Agreement” has the meaning assigned to such term in the preamble of this Agreement.

“Ancillary Services” has the meaning given that term in the CAISO Agreements.

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

“Assessments” has the meaning set forth in Section 8.3 of the General Terms and Conditions.

“Automated Dispatch System” or **“ADS”** has the meaning given that term in the CAISO Agreements.

“Battery Optimization Services” shall have the meaning set forth in Section 3.2 of the Base Agreement.

“Bid” has the meaning given that term in the CAISO Agreements.

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

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

“CAISO” means the California Independent System Operator Corporation or any successor thereto.

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

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

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

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

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

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

“Commencement Date” shall mean the Effective Date of this Agreement.

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

“Congestion Revenue Right” has the meaning given that term in the CAISO Agreements.

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

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

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

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

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

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

“Day” shall mean a calendar day.

“Day-Ahead” has the meaning given that term in the CAISO Agreements.

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

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

“Delivery Point” shall mean the physical point(s) where SVCE delivers Products, which in a typical Transaction shall be the point(s) at which the electric interconnection facilities utilized to meter and financially settle the delivery of Products from the Resources, meet with the high voltage side of the physical interconnection between the Resources and the applicable transmission service provider. For a specific Transaction, the Parties may agree to any Delivery Point that is a defined point at which financial settlement may occur within the CAISO region.

“Digital Certificate” shall have the meaning given that term in Section 2.9 of the Base Agreement.

“Documentation” has the meaning set forth in Section 2.8 of the Base Agreement.

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

“Effective Date” has the meaning given in the Preamble of the Agreement.

“Energy” has the meaning given the term in the CAISO Agreements.

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

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

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

“FERC” means the Federal Energy Regulatory Commission or any successor thereto.

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

“Fixed Monthly Fee” has the meaning set forth in Section 5.2 of the Base Agreement.

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

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

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

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

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

“Interest Rate” means, for any date, the lesser of (i) the per annum rate of interest equal to the **“Prime Rate”** as may from time to time be published in *The Wall Street Journal* under **“Money Rates”** on such Day (or if not published on such Day, on the most recent preceding Day on which published), plus two percent (2%) or (ii) the maximum rate permitted by Applicable Law.

“Inter-SC Trade” has the meaning given the term in the CAISO Agreements.

“Material Adverse Change” means, with respect to a Party, or The Tenaska Guarantors, as applicable, the occurrence of one or more events which, in the commercially reasonable judgement of the other Party, constitutes a material adverse change in the creditworthiness, financial liquidity, access to capital, financial responsibility or ability of the Party or the Tenaska Guarantors to perform their obligations under this Agreement or the Tenaska Guaranty, as applicable.

“Month” means a calendar month.

“MW” means one megawatt.

“MWh” means one megawatt/hour.

“NERC” means the North American Electric Reliability Corporation or any successor thereto.

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

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

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

“Optimization Fixed Monthly Fee” shall have the meaning set forth in Section 5.3 of the Base Agreement.

“Optimization Letter Agreement” has the meaning set forth in the Recitals.

“Original Agreement” has the meaning set forth in the Recitals.

“Original Commencement Date” has the meaning set forth in the Recitals.

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

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

“Pass Through Amounts” shall mean, without duplication, all actual, direct Third Party costs incurred by TPS; all charges assessed against TPS by CAISO or any other Governmental Authority and payable by TPS; all credits received by TPS from CAISO; and, to the extent expressly stated to be a Pass Through Amount herein, amounts payable to any other Third Party; *provided*, in each case, that such costs and charges are directly allocable to TPS’s performance of the Services in accordance with the terms of this Agreement and are directly allocable to Services performed for the Resources, excluding TPS’s cost of (i) providing any Credit Support

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to SVCE; (ii) any credit support provided to CAISO; or (iii) doing business in CAISO generally. Except with respect to Pass Through Amounts related to CAISO, transmission costs and any charges assessed or imposed by any Governmental Authority, TPS shall use commercially reasonable means to obtain the prior approval of SVCE before incurring any other Third Party costs or charges that are to be passed through to SVCE as Pass Through Amounts.

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

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

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

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

“PowerTools Platform®” shall have the meaning as set forth in Section 2.6 of the Base Agreement.

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

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

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

“Prior Agreements” has the meaning set forth in the Recitals.

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

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

“Project” shall have the meaning given that term in the Recitals.

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

“Real-Time” has the meaning as defined in the CAISO Agreements.

“Real-Time Market” or **“RTM”** has the meaning as defined in the CAISO Agreements.

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

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

“Representatives” means each Party’s respective directors, officers, and employees, including, without limitation, attorneys, accountants, partners, and consultants.

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

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

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

“Scheduling Coordinator” has the meaning given the term in the CAISO Agreements.

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

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

“Service Fees” means, with respect to a Month, the Fixed Monthly Fee.

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

“Set Point” has the meaning given the term in the CAISO Agreements.

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

“Settlement Statement” has the meaning as defined in the CAISO Agreements.

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

“Solar Optimization Services” shall have the meaning set forth in Section 3.1 of the Base Agreement.

“Solar Resource(s)” shall have the meaning set forth in the Recitals.

“Storage Optimization Engine” shall have the meaning set forth in Section 3.2 of the Base Agreement.

“Storage Resource(s)” shall have the meaning set forth in the Recitals.

"Supply Plan" has the meaning as defined in the CAISO Agreements.

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

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

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

"SVCE Threshold" means [REDACTED] provided, however, that if a Material Adverse Change has occurred and is continuing with respect to SVCE then the SVCE Threshold will be [REDACTED]

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

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

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

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

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

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

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

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

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

"WAPA Base Resource Scheduling Letter Agreement" has the meaning set forth in the Recitals.

"WECC" means the Western Electricity Coordinating Council.

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

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

The terms defined above have the meanings set forth above for all purposes, and such meanings are equally applicable to both the singular and plural forms of the terms defined. "Include," "includes" and "including" shall be deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import. Any agreement, instrument, document, rule or law defined or referred to herein means such agreement, instrument, document, rule or law as from time to time amended, modified or supplemented. References to a Person

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include its successors and permitted assigns. "Hereof," "herein," "hereunder" and comparable terms refer, unless otherwise expressly indicated, to the entire agreement or instrument in which such terms are used and not to any particular Article, Section or other subdivision thereof or attachment thereto. References in an instrument to "Article," "Section" or another subdivision or to an attachment are, unless the context otherwise requires, to an article, section or subdivision of or an attachment to such agreement or instrument. All references to exhibits, appendices, or attachments in this Agreement, or any agreement or instrument that is governed by this Agreement, are to exhibits, appendices or other attachments (however named) attached to this Agreement or such instrument or agreement governed by this Agreement (as applicable). References to any gender include, unless the context otherwise requires, references to all genders. References to "\$" or to "Dollars" or "Cents" shall mean the lawful currency of the United States of America.

SECTION 2

PERFORMANCE OBLIGATIONS

2.1 Reserved.

2.2 TPS as Scheduling Coordinator and Principal.

- (a) To the extent necessary to fulfill TPS's obligations as Scheduling Coordinator hereunder for Products to which title is held by SVCE, SVCE authorizes TPS to convey title to such Products on behalf of SVCE. All revenues associated with such Products delivered to CAISO are the property of TPS, and upon TPS receiving revenues from CAISO associated with such Products delivered to or settled with CAISO, TPS shall have an obligation hereunder to pay SVCE all revenues associated with such delivered or settled Products as paid by CAISO to TPS in accordance with Section 7 of the General Terms and Conditions. In addition, and if applicable, where Transactions involving Products utilized to charge the Storage Resource are supplied by CAISO and settled by TPS with CAISO, TPS, as SVCE's Scheduling Coordinator, will purchase from and/or settle such Products with CAISO at the appropriate Delivery Point and immediately thereafter enter into a Transaction with SVCE under this Agreement where SVCE shall take title to all such Products at the Delivery Point. In such cases, SVCE shall have an obligation hereunder to pay TPS for such delivered or settled Products at the applicable amount charged by CAISO to TPS. All such Transactions transacted and settled with CAISO will be memorialized pursuant to the terms of Section 2.6 of the General Terms and Conditions. Notwithstanding the foregoing, all such Products must be capable of being purchased and resold under TPS's market-based rate authority with FERC; in the event TPS is precluded from selling a particular Product under its market based rate authority, as to that Product, TPS will act as SVCE's representative in arranging for the sale of such Product.
- (b) For the avoidance of doubt, TPS, in its role as SVCE's Scheduling Coordinator for the Resources hereunder, shall schedule all of SVCE's Transactions associated with the Resources which require scheduling with CAISO for SVCE subject to and in accordance with this Agreement.

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

- 2.4 Exclusivity. For the Resources, subject to the terms and conditions of this Agreement, SVCE grants TPS the exclusive right during the Term to:
- (a) act as SVCE's provider of Services such that,
 - (i) the Resources designated in Exhibit A will be solely represented by TPS as Scheduling Coordinator;
 - (ii) SVCE will schedule all Products through and with TPS; and
 - (iii) during the term of this Agreement, SVCE will not schedule Products related to the Resources directly with CAISO, or through any other Person except TPS, as long as there is no Force Majeure event or Event of Default that has occurred and is continuing with respect to TPS;
 - (b) serve as SVCE's representative, limited to the purpose of representing SVCE as the Scheduling Coordinator for the Resources in communications with CAISO, as provided under Section 2 of the Base Agreement; and
 - (c) schedule the Products per SVCE's instruction described in this Agreement; and
 - (d) administer the purchase or sale of Products from the Resources into CAISO in accordance with the terms and conditions of this Agreement and the Governing Rules.
- 2.5 Reserved.
- 2.6 Reports. To the extent TPS is purchasing or selling Products from or pertaining to the Resources, in order to transact and settle such Products with CAISO pursuant to Section 2.2(a) of these General Terms and Conditions and upon SVCE's request, TPS shall deliver a report to SVCE in a mutually agreed format, containing the provisions of such Transaction(s), including the type of Product and the quantity thereof that TPS has sold or purchased. The Parties agree that TPS's provision of this report will be deemed to be a confirmation of Transactions entered into pursuant to Section 2.2(a) of these General Terms and Conditions.
- 2.7 Regulatory Reporting. TPS will reasonably assist SVCE in data collection for SVCE's regulatory reporting obligations upon SVCE's request. SVCE will be responsible for required state, federal or regional reports applicable to its licenses and business interests. For clarification, nothing herein shall obligate TPS to prepare or submit any regulatory or governmental reports for SVCE; *provided, however*, that TPS shall timely provide to SVCE all information in its possession that is reasonably requested by SVCE for SVCE's regulatory or governmental reports. For clarification, TPS will provide SVCE with transaction details in its possession in a format readily usable by SVCE to submit its FERC Electric Quarterly Reports ("EQR").
- SECTION 3**
OPERATIONAL ISSUES
- 3.1 Resource Information. To the extent applicable to the Resources, SVCE will provide or cause to be provided to TPS the following information:
- (a) all CPUC, CAISO and/or EIM registration and system modeling information required for the provision of Services applicable to the Resources, including but

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not limited to information relating to the CAISO and/or EIM network model, as soon as reasonably practicable after the Effective Date; and

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

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

3.2 Daily Schedule of Sales Commitments and Products Availability.

- (a) If applicable, two hours prior to the deadline specified in the Governing Rules for Day-Ahead Market submissions on each Day, or sooner if practicable, SVCE will provide or cause to be provided to TPS a written schedule (the “**Daily Schedule**”) setting forth SVCE’s next Day’s hourly expected quantity of Products available from the Resources based on anticipated operational requirements and the level of SVCE’s participation in the CAISO market. The Daily Schedule will also describe the nature and expected duration of any scheduled or unscheduled limitations of each Resource, or any Resource maintenance requirements, that have not previously been communicated for the Day on which the Daily Schedule is received, or any succeeding Day.
- (b) In addition to providing TPS with the Daily Schedule, throughout each operating Day, SVCE must provide or cause to be provided to TPS updates on SVCE’s ability to sell Products when and if such information changes materially from that information previously communicated to TPS by SVCE. These updates will be provided via a mutually agreed upon template sent electronically or over the phone or such other means as mutually agreed by the Parties. If updates occur over the phone, SVCE will make commercially reasonable efforts to send the template with the updated information as soon as is practicable, and TPS will make commercially reasonable efforts to submit the schedule.

SECTION 4
INSURANCE

- 4.1 Insurance Requirements. Prior to commencement of this Agreement, TPS shall provide a “Certificate of Insurance” certifying that coverage as required herein has been obtained. This verification of coverage shall be sent to SVCE.
- 4.2 Minimum Limits. Without limiting TPS’s duty to defend and indemnify, TPS shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:
 - (a) Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, and cross-liability with a combined single limit

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for Bodily Injury and Property Damage of [REDACTED] per occurrence, and [REDACTED] in the aggregate. Such requirement may be met through any combination of primary and excess policies.

- (b) Business Automobile Liability Insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of [REDACTED] per occurrence.
 - (c) Workers' Compensation Insurance, if TPS employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits of [REDACTED] each person, [REDACTED] each accident and [REDACTED] each disease.
- 4.3 Term of Insurance. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of two (2) years following the date TPS completes its performance of services under this Agreement.
- 4.4 Additional Insureds. Commercial general liability and automobile liability policies shall include SVCE, its directors, board members, officers, agents, and employees as Additional Insureds with respect to liability arising out of TPS's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by SVCE and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the TPS's insurance.

SECTION 5

EQUIPMENT AND DATA TRANSMISSION

- 5.1 Data Transmission. The Parties agree that SVCE will send or cause to be sent telemetered data directly to CAISO and communicate required telemetered data from and to the Resources. SVCE shall continually transmit, or cause to be continually transmitted, operational Resource data to TPS on a Real-Time basis as required by the Governing Rules.
- 5.2 Communication Cost. SVCE shall provide TPS with access to all applicable CAISO communication systems available to SVCE, as necessary for TPS to provide SVCE with Services described in this Agreement or as may be required by the Governing Rules. SVCE shall reimburse TPS for all additional reasonable Third Party costs or expenses incurred by TPS for equipment or facilities located at SVCE's site and/or directly and solely related to providing communications to the Resources or to adjust for changes in (i) CAISO or NERC communication criteria or standards, or (ii) communication technology implemented by SVCE during the Term to the extent TPS's provision of additional equipment or facilities have been authorized by SVCE, all of which shall be passed through to SVCE as Pass Through Amounts under this Agreement. Prior to incurring any such Third Party costs subject to reimbursement by SVCE, TPS shall provide SVCE with an estimate of and explanation of the need for such costs and obtain SVCE's approval for such costs, which shall not be unreasonably withheld. For such communication costs, TPS will invoice SVCE for such Pass Through Amounts in accordance with Section 7.1 of the General Terms and Conditions, providing SVCE with supporting details from TPS's invoices from Third Party communications providers or vendors. Included in communications costs reimbursable by SVCE are any incremental costs applicable to

CAISO WAN costs attributable to SVCE that are supported by cost documentation from CAISO.

SECTION 6

SETTLEMENTS AND PASS THROUGH AMOUNTS

- 6.1 **CAISO Settlements; Pass Through Amounts.** TPS will administer all settlement charges and payments with CAISO related to the scheduling of the Products in the CAISO markets and Third Parties, as applicable, and will invoice or credit (as applicable) SVCE in accordance with Section 7.1 of the General Terms and Conditions for such payments TPS made to or received from CAISO, or Third Parties for any Pass Through Amounts and settlement payments related to any other Transactions or Services to SVCE under this Agreement. Subject to the provisions of Section 7 of the General Terms and Conditions, the Parties understand that TPS will not charge or credit SVCE for such settlement charges and payments until TPS has been charged or credited for such payment. In addition, the Parties understand that when CAISO short pays or otherwise fails to pay TPS amounts related to the Resources or other Transactions, then TPS shall not be obligated to pay SVCE such unpaid amounts until TPS has received such unpaid amounts due from CAISO. When paid by CAISO or a Third Party, as applicable, TPS will credit any such payments received to SVCE on the next invoice delivered by TPS to SVCE pursuant to Section 7 of the General Terms and Conditions herein. For the avoidance of doubt, receipt of payments from CAISO by TPS shall include receipt of payment in the form of credit or offset against other payment obligations owed to CAISO (to the extent permitted under the CAISO Agreements). SVCE shall reimburse TPS for all Pass Through Amounts assessed by CAISO or Third Parties to the extent related to or apportionable to any Transactions or Services. SVCE shall pay its proportionate share of all Pass Through Amounts assessed against or credited to TPS by CAISO, a transmission or distribution company, or regulatory authority, as applicable, to SVCE. As used in the previous sentence, the term "proportionate" shall mean that SVCE shall pay all Pass Through Amounts directly allocable to the Resources, Transactions and Services. All Pass Through Amounts and CAISO settlement charges and payments shall be payment obligations of the applicable Party that shall be due and payable as provided in Section 7 of the General Terms and Conditions. These obligations shall survive the termination of this Agreement.
- 6.2 **Allocation Shares.** The Parties acknowledge that Central Coast Community Energy ("**3CE**") and Silicon Valley Clean Energy are each entitled to a share of the Product from the Resources set forth in Exhibit A under the heading of **Shared Resources** and SVCE is solely entitled to the Product of the Resources set forth in Exhibit A under the heading of **SVCE Resources**. In each invoice delivered pursuant to this Agreement, TPS shall (a) allocate the CAISO Settlements, Pass Through Amounts and applicable Service Fees to 3CE and SVCE in accordance with the percentages set forth in Exhibit A for Shared Resources, and (b) assign all CAISO Settlements, Pass Through Amounts and Services Fees to SVCE for SVCE Resources.
- 6.3 **Reconciliation.** TPS will reconcile all CAISO statements and Pass Through Amounts related to the Resources and Transactions. When TPS provides SVCE with each invoice, if SVCE disputes the accuracy of an invoice, it shall raise the dispute with reasonable notice to TPS prior to any deadline for contesting such Settlement Statements established in the Governing Rules, or otherwise SVCE shall be deemed to concur in the invoice's accuracy. In the event SVCE has a question regarding a specific charge noted in any invoice, SVCE may review the specific information related to such charge in the applicable supporting statement; *provided, however*, the exercise of this right shall not extend the then-applicable period in which SVCE must challenge any invoice. If SVCE disputes the

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accuracy of any invoice relating to Pass Through Amounts, TPS agrees, upon SVCE's election and at SVCE's cost, to reasonably act on SVCE's behalf in disputing Pass Through Amounts with CAISO or, if applicable, a Third Party, acting in accordance with the Governing Rules in pursuing such billing disputes, as applicable; *provided, however*, at any time in the dispute resolution process, TPS may cease such efforts to contest Pass Through Amounts in the event TPS determines in its commercially reasonable judgment that (i) such Pass Through Amounts are correct, (ii) such dispute resolution is unlikely to be successful in adjusting the disputed Pass Through Amounts, or (iii) the cost or effort to continue pursuit of the dispute resolution process is unacceptable to TPS. In such event, TPS will notify SVCE of TPS's decision to abandon pursuit of the dispute resolution process in a reasonable time prior to abandoning the claim, and in the event an assignment of claims is permitted under the Governing Rules, TPS will assign the claim under dispute to SVCE to enable SVCE's independent pursuit of the claim. SVCE will be solely responsible for verifying the accuracy of meter data that is used to calculate CAISO Settlements with CAISO. SVCE and TPS will cooperate to provide any supporting data relating to the dispute in sufficient time for TPS to provide such data to CAISO under applicable Governing Rules. If the dispute resolution data is not submitted on time, or the dispute resolution is adverse to SVCE, SVCE shall pay all Pass Through Amounts based upon the CAISO data. TPS shall not be responsible to SVCE for errors in meter data supplied by CAISO or any other source, if applicable, for use in settlement calculations. The obligations in this Section 6.2 shall survive the expiration or earlier termination of this Agreement.

SECTION 7

BILLING; PAYMENT; CREDIT

- 7.1 Invoices. All Services hereunder and Transactions hereunder will be accounted for on the basis of the settlement procedures set by the Governing Rules. The accounting period for Services, Transactions, and CAISO settlements will be one (1) Month. TPS's monthly invoices will detail the Services and quantity of Products and imbalance charges scheduled and settled for SVCE under this Agreement during the applicable billing Month together with any adjustments for prior Months' Services, SVCE's Transactions to account for revised settlement billing statements received from Third Parties and from CAISO (and any applicable Pass Through Amounts), which invoice shall contain such detail and substantiating documentation as SVCE may reasonably request. In the event a CAISO statement conflicts with SVCE's or TPS's records, the CAISO statement will govern subject to any dispute SVCE timely raises with TPS for submission to the CAISO regarding such statement; provided however that submission of a dispute will not relieve a Party of its payment obligation until the dispute is resolved and to the extent adjustments are made to amounts owed. TPS's invoice will show the amount that each Party owes (or is owed) pursuant to this Agreement. Invoices may be based upon estimated quantities, costs, and prices and adjusted by subsequent invoices once actual quantities, costs, and prices become known, pursuant to the Settlement Process. TPS shall invoice Pass Through Amounts and reimbursements in Section 5.4 of the Base Agreement separately from the fees specified in Sections 5.1, 5.2 and 5.3 of the Base Agreement.
- 7.2 Payment Date. A Party owing a Payment to the other Party, as set forth in the monthly invoices, shall make the payment on or before the tenth (10th) day after receipt of the monthly invoice ("**Monthly Due Date**"). In addition to the billing and payment process described in this Section 7, the Weekly Payment procedure set forth in Exhibit D will apply when the Resource is in a TPS SCID.

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- 7.3 Late Payment. Amounts owed, but not paid on or before the Due Date will be payable with interest at the Interest Rate calculated daily from the Due Date until payment is received; *provided, however*, for payments from CAISO or a Governmental Authority, TPS will pass through to SVCE only such interest payments received from CAISO or the Governmental Authority for payments due SVCE.
- 7.4 Offset. In the event that SVCE and TPS are each required to pay an amount to the other in the same Month pursuant to this Agreement, then such amounts will be aggregated, and the Parties will discharge their obligations to pay through offset. In such an offset, the Party owing the greater aggregate amount will pay to the other Party the net difference between the amounts owed.
- 7.5 Billing Disputes. In the event SVCE, in good faith, disputes any TPS invoice, SVCE will provide TPS with written notice of the disputed amounts, together with a statement describing the particulars of the dispute, including the calculations with respect to any errors or inaccuracies, and any such amounts (other than Pass Through Amounts) so disputed shall not be required to be paid until resolution of the dispute. TPS agrees to work diligently with SVCE to clarify and/or correct any error or suspected errors on the invoices before the Due Date. Except to the extent that TPS agrees that any Pass Through Amount is not due, the Party owing any amount shall pay all amounts of Pass Through Amounts, assessed pursuant to Section 5.3 of the Base Agreement, even if disputed, set forth in the TPS invoice on or before the Due Date. If it is subsequently determined that SVCE has overpaid or underpaid amounts actually due, the Parties will make any necessary adjustments within ten (10) Days after determination of any overpayment or underpayment. Subject to Section 7.4 of the General Terms and Conditions, the Party in receipt of any overpayments shall refund such overpayments with interest accrued at the Interest Rate from the date payment was received. The obligations under this Section 7.5 will survive the expiration or earlier termination of this Agreement.
- 7.6 Credit Support.
- (a) TPS Credit Support and Limits. SVCE's obligation to utilize and continue TPS's Services under this Agreement is conditioned upon TPS satisfying SVCE's credit policies and requirements. The Parties acknowledge and agree that TPS has caused to be delivered to SVCE a guaranty of payment duly executed by Tenaska Energy Holdings, LLC ("**TEH**") and Tenaska Energy Inc. ("**TEI**") and together with TEH, the "**Tenaska Guarantors**") in the amount of [REDACTED] in favor of SVCE (the "**Tenaska Guaranty**"), and TPS shall cause the Tenaska Guaranty to remain in full force and effect until TPS no longer has any remaining obligations under this Agreement. If at any time (i) TPS fails to maintain the Tenaska Guaranty in accordance with this Section, (ii) a Material Adverse Change has occurred with respect to the Tenaska Guarantors, or (iii) the liability limit of the Tenaska Guaranty is less than SVCE's Credit Exposure to TPS, SVCE shall have the right to request additional adequate Credit Support in an amount sufficient to secure SVCE's Credit Exposure to TPS. A failure by TPS to provide such additional adequate Credit Support pursuant to this Section 7.6(a) within three (3) Business Days of receiving a request hereunder will be an Event of Default pursuant to Section 11.1(a) of the General Terms and Conditions.
- (b) SVCE Credit Support and Limits. TPS's obligation to provide Services hereunder is conditioned upon SVCE's compliance with TPS's credit policies and requirements. SVCE shall provide TPS with adequate assurance of its creditworthiness prior to the Commencement Date (if such adequate assurance has not been provided under the Original Agreement), and shall provide adequate

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

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

- 7.7 True-Up/Credit Provisions. The Parties understand and agree that CAISO issues, revises, and restates its Settlement Statements in accordance with the Governing Rules (the "**Settlement Process**"). To accommodate the Settlement Process, the Parties agree that either Party may raise a dispute with CAISO with respect to any statement or payment after other applicable deadlines for disputing such statement or payment have passed so long as such dispute is raised no later than ten (10) Days following the date of the relevant CAISO Settlement Statement. In each Month's invoice to SVCE, TPS will include any revisions or corrections to prior Months' invoices arising from CAISO's Settlement Process. CAISO's Settlement Process could result in SVCE owing additional payments

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to TPS or being owed payments by TPS. Upon receipt of each invoice and not later than the Due Date, SVCE shall pay TPS any amounts owed, and TPS shall pay SVCE any amounts owed, which arise from CAISO's Settlement Process. No invoice rendered by TPS to SVCE under this Agreement shall be final until and unless CAISO has determined that no further restatement or resettlement of such Month shall occur and TPS has transmitted an invoice to SVCE for that Month reflecting any and all CAISO Settlement Statements applicable to that Month.

- (a) Security After Termination. Upon termination of the Agreement, TPS will make a good faith estimate of any amounts by which CAISO may adjust prior Settlement Statements during the Settlement Process for Months of Service under this Agreement and will advise SVCE of such estimated amounts. The Party owed the greater aggregate amount, provided that such amount exceeds [REDACTED] may demand reasonable security of performance, the Party estimated to owe the greater aggregate amount shall provide such Credit Support acceptable to the requesting Party in its reasonable discretion. TPS will continue to transmit settlement invoices to SVCE, as described herein. Upon receipt of each invoice and not later than the Weekly Due Date, SVCE shall pay TPS any amounts owed, and TPS shall pay SVCE any amounts owed, which arise from CAISO's Settlement Process. Section 7.7 and 7.7(a) shall survive termination of the Agreement until the Settlement Process for months of Service under the Agreement is complete, invoices have been issued to SVCE, and payments between the Parties have been resolved.
- (b) Statements received after termination of this Agreement. After the expiration or earlier termination of this Agreement, if TPS receives any statements from CAISO or Third Parties, whether adjustments or revisions, attributable to any Pass Through Amounts under this Agreement, TPS will invoice or pay SVCE accordingly. TPS will continue to send monthly invoices to SVCE reflecting any revisions, corrections, or adjustments to prior months' statements from CAISO until TPS has transmitted invoices which reflect corrections for any month made by CAISO, applicable to SVCE for such month. For each invoice provided to SVCE after the expiration or earlier termination of the Agreement, SVCE shall pay TPS any amounts owed, and TPS shall pay SVCE any amounts owed, as the case may be, by the Due Date. This Section 7.7(b) shall survive the expiration or earlier termination of this Agreement until accounting and billing for Pass Through Amounts and Services for all months of Service under this Agreement are complete, invoices have been issued to SVCE, and payments between the Parties have been resolved.

7.8 Maintenance of Records; Audit.

- (a) TPS and SVCE shall each maintain in accordance with Prudent Industry Practice complete, accurate and up-to-date supporting records that are pertinent to the Services and payment obligations hereunder, including all Pass Through Amounts. TPS shall ensure that such supporting books and records are distinguishable from TPS's other Scheduling Coordinator activities. The Parties shall each retain such books and records for a minimum of four (4) years after the Term, or if longer, the relevant period required by Applicable Law or Governing Rules.
- (b) Each Party has the right, at its sole expense and during Business Hours and upon reasonable written notice to the other Party, to examine the records of the other Party as necessary to verify the accuracy of any invoice, charge, or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy

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in any invoice, the necessary adjustments in such invoice and the payments thereof will be promptly made together with interest at the Interest Rate, if applicable, from the original date of payment; provided that no adjustment for any invoice or payment will be made unless objection to its accuracy thereof was made prior to the lapse of two (2) years from the date that the disputed invoice was delivered; and, provided further, no adjustment will be made to invoices or summaries related to CAISO Settlement Statements that CAISO has deemed final under the Governing Rules. Notwithstanding anything in this Agreement to the contrary, adjustments to any invoice may be made up to four (4) years from the date that the particular Transactions were completed to adjust for (i) corrections made by CAISO to prior CAISO statements. This paragraph of this Agreement survives the expiration or earlier termination of this Agreement for a period of four (4) years from the date of such expiration or earlier termination of this Agreement for the purpose of the right to examine records and such invoice and payment objections and corrections.

SECTION 8

GOVERNING RULES

- 8.1 Governing Rules. Both Parties agree to abide by all Applicable Laws and the Governing Rules. For purposes of determining responsibility and rights of the Parties at any given time, in addition to the terms and conditions of this Agreement, the Applicable Laws and Governing Rules which are in effect at the time of performance or non-performance of an action, subject to the continuation of any grandfathered provisions, will govern with respect to that action. In the event of a direct and irreconcilable conflict between Applicable Laws and the Governing Rules and the terms and conditions set forth in this Agreement, the Applicable Laws and Governing Rules will prevail.
- 8.2 Compliance Support. TPS shall use commercially reasonable efforts to assist SVCE in any audit of the Resources conducted or initiated by a regional reliability coordinator or NERC, including preparation of responses to NERC or regional reliability coordinator data requests related to NERC standards for which TPS has information useful to SVCE for the demonstration of compliance. In addition to the foregoing, if the regional reliability coordinator requests a NERC audit for a time period during which TPS served as SVCE's Scheduling Coordinator, then upon SVCE's request, with respect to such audits that call for production of records of Scheduling Coordinator-related communications with CAISO, TPS shall support SVCE with relevant information and assistance including assisting SVCE in responding to a NERC audit by providing SVCE with TPS's pertinent documentation of TPS's communications with CAISO or the applicable Resource. Nothing contained in this Agreement shall be construed to make TPS a "generation owner," "generation operator," or any similar entity, or to make TPS subject to any classification under applicable NERC rules as a result of TPS's execution of this Agreement or TPS's performance of the Services or otherwise, and SVCE shall not register TPS or require TPS to register with NERC as a "generation owner" or "generation operator" with respect to the Resources.
- 8.3 Compliance with Laws. TPS and SVCE will at all times comply with all Applicable Laws and the Governing Rules. In the event that actions or omissions of one Party ("**Responsible Party**") cause the other Party ("**Affected Party**") to (a) be materially non-compliant with the Governing Rules or Applicable Laws affecting Scheduling Coordinators or the Resources, or (b) have assessed or brought against it any fines, penalties, reprimands, censures, sanctions, assessments, or other material adverse actions by CAISO, market monitor, or any other Governmental Authority ("**Assessments**") (which, for the avoidance of doubt, will not include ordinary course settlement charges or

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penalties, such as imbalance penalties or charges, mismatched schedule charges, uninstructed deviation charges, or late fees), then, in addition to any other rights or remedies under this Agreement (including, without limitation, the right, if any, to indemnification against such Assessments), the Affected Party may exercise any or all of the following:

- (i) give written notice to the Responsible Party setting forth the circumstances of non-compliance and, if practicable, demand that the Responsible Party cure such non-compliance; and
- (ii) demand that the Responsible Party use commercially reasonable efforts to cooperate in the Affected Party's defense against such allegation or Assessment (provided the foregoing will not require the Affected Party to incur material expenses unless reimbursed by the Responsible Party nor take any position in any regulatory proceeding contrary to its interests or policies).

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

- 8.4 TPS Affiliates. Notwithstanding any provision of this Agreement to the contrary, TPS shall in all cases remain obligated for the performance of the Services and its obligations under this Agreement regardless of whether such Services or obligations are performed by its Affiliates.
- 8.5 Operation of SVCE's Resources. Notwithstanding anything in this Agreement to the contrary, SVCE retains and shall retain ultimate decision-making authority and control with respect to the Resources relating to the operation, maintenance and dispatch of the Resources and the sale of Products from or pertaining to the Resources. Accordingly, all control over and with respect to the dispatch, maintenance and operation of the Resources, the undertaking of any particular arrangement or Transaction, the ultimate decision-making authority hereunder, and the execution of any Transaction shall reside exclusively with SVCE. TPS shall have no dispatch control over the Resources during any period of the Term, whether in practice as a result of the performance or undertaking of the Services, or otherwise pursuant to the terms of this Agreement. SVCE's operation, maintenance and dispatch of the Resources, shall be in accordance with Prudent Industry Practice and the Governing Rules, and comply with all applicable Permits.
- 8.6 Change in Laws or Regulations. In the event a change in Applicable Laws or the Governing Rules (a) materially impairs a Party's ability to perform under this Agreement, or (b) in the case of TPS, authorizes the CPUC to assert any new or additional jurisdiction over Scheduling Coordinators, the adversely affected Party may notify the other Party of the adverse effect and propose amendments to this Agreement to address the adverse effect of the change in Applicable Laws or Governing Rules. The Parties shall negotiate in good faith to amend this Agreement to restore the Parties to the relative benefits and obligations contemplated under this Agreement prior to the change in Applicable Laws or Governing Rules. If the Parties have not reached agreement on an amendment by the thirtieth (30th) Day after the effectiveness of the notice sent by the affected Party, then the affected Party may, upon written notice to the other Party, terminate this Agreement by designating a termination date that is no earlier than ninety (90) Days after the date of such written notice ("**Permitted Termination**"). Neither Party shall owe damages to the other Party in the event of a Permitted Termination; *provided*, that neither Party shall be relieved of any payment obligations accruing under this Agreement prior to the date of such termination or that by their nature survive such termination. Upon a Permitted

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Termination, TPS will reasonably cooperate with SVCE to transition the Resources and the Scheduling Coordinator Services to a replacement Scheduling Coordinator in accordance with Section 6(b) of the Base Agreement.

SECTION 9
TAXES

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

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

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

SECTION 10
INDEMNITIES, LIABILITIES AND WARRANTY DISCLAIMER

- 10.1 INDEMNITIES. SUBJECT TO THE LIABILITY LIMITATIONS SET FORTH IN SECTION 10.2 BELOW, EACH PARTY UNDERSTANDS AND AGREES THAT IT SHALL DEFEND, RELEASE, INDEMNIFY, AND HOLD THE OTHER PARTY (INCLUDING SUCH PARTY'S OWNERS, AFFILIATES, AND REPRESENTATIVES) HARMLESS FROM (I) ALL THIRD PARTY LIABILITIES, COSTS, CLAIMS, LOSSES, OR CAUSES OF ACTION ARISING FROM PERSONAL INJURY, PROPERTY LOSS, PROPERTY DAMAGE, OR DEATH, HOWEVER CAUSED, AND RELATED TO ANY EVENT, CIRCUMSTANCE, ACT OR INCIDENT FIRST OCCURRING OR EXISTING DURING THE PERIOD OF TIME WHEN CONTROL AND TITLE TO ANY PRODUCT IS VESTED IN SUCH INDEMNIFYING PARTY, OR (II) ANY OTHER THIRD PARTY LIABILITIES, COSTS, CLAIMS, LOSSES, OR CAUSES OF ACTION TO THE EXTENT CAUSED BY SUCH INDEMNIFYING PARTY'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.
- 10.2 LIMITATION OF LIABILITY. EXCEPT FOR INDEMNITIES PROVIDED IN SECTION 10.1 HEREOF, THE LIABILITY OF EACH PARTY TO THE OTHER PARTY FOR ANY CLAIM OR CAUSE OF ACTION RELATED TO THIS AGREEMENT SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES ARE WAIVED. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INDIRECT, PUNITIVE, LOST PROFIT, LOST OPPORTUNITY, BUSINESS INTERRUPTION, OR EXEMPLARY DAMAGES FOR ANY CLAIM OR CAUSE OF ACTION RELATED TO THIS AGREEMENT, WHETHER ARISING FROM

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BREACH OF CONTRACT OR WARRANTY, INDEMNITY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), STATUTE, OR OTHERWISE. MOREOVER, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EXCLUDING ANY LIABILITY FOR PAYMENTS OR CREDITS DUE TO SVCE UNDER THE BASE AGREEMENT, UNLESS THE CLAIMS OR OBLIGATIONS ARE CAUSED BY TPS'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, FOR ANY THREE (3) MONTH PERIOD OF SERVICES, THE LIABILITY OF TPS TO SVCE FOR ANY OBLIGATIONS OR CLAIMS UNDER THIS AGREEMENT (INCLUDING INDEMNITIES) SHALL BE LIMITED TO A MAXIMUM OF THE SERVICE FEES RECEIVED BY TPS FROM SVCE (I) WITH RESPECT TO THE THREE (3) MONTHS OF THE TERM, FOR THE MONTHS PRECEDING THE MONTH IN WHICH THE EVENT GIVING RISE TO THE CLAIM OCCURRED, AND THEREAFTER (II) FOR THE THREE (3) MONTHS IMMEDIATELY PRECEDING THE MONTH IN WHICH THE EVENT GIVING RISE TO THE CLAIM OCCURRED (THE "**DAMAGES CAP**"); *PROVIDED, HOWEVER*, ONCE ANY PORTION OF THE DAMAGES CAP HAS BEEN PAID OUT BY TPS IN SATISFACTION OF A CLAIM, SUCH PORTION THAT HAS BEEN PAID OUT SHALL BE DEDUCTED FROM THE DAMAGES CAP OTHERWISE AVAILABLE TO SATISFY ANY SUBSEQUENT CLAIM(S) ARISING DURING SUCH PERIOD. FOR THE AVOIDANCE OF DOUBT, OTHER THAN WITH RESPECT TO TPS'S PAYMENT OBLIGATIONS EXPRESSLY EXCLUDED FROM THE LIMITATION OF LIABILITY ABOVE, TPS WILL NOT BE OBLIGATED TO PAY OUT IN THE AGGREGATE FOR CLAIMS IN ANY CONSECUTIVE THREE (3) MONTH PERIOD MORE THAN THE SERVICE FEES TPS HAS RECEIVED FROM SVCE FOR SUCH THREE (3) MONTH PERIOD.

- 10.3 **WARRANTY DISCLAIMER.** EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, THE SERVICES ARE PROVIDED ON AN "AS IS" BASIS, AND SVCE'S USE OF THE SERVICES IS AT ITS OWN RISK. TPS DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. TPS DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE, OR THAT THE PROVISION OF SERVICES WILL ALWAYS BE EXECUTED WITHOUT HUMAN ERRORS OR OMISSIONS.
- 10.4 **ADDITIONAL INDEMNITIES.** AN INDEMNIFYING PARTY'S INDEMNITY OBLIGATIONS, AND ANY WAIVERS AND RELEASES OF CLAIMS IN THIS AGREEMENT WILL EXTEND TO THE INDEMNIFIED PARTY, ITS AFFILIATED COMPANIES, INCLUDING ANY ENTITY CONTROLLING, UNDER THE CONTROL OF, OR UNDER COMMON CONTROL WITH SUCH PARTY, AND TO THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, OWNERS, SHAREHOLDERS AND INSURERS OF EACH THEREOF.
- 10.5 **Survival.** The provisions of this Section 10 shall survive the expiration or earlier termination of this Agreement.

SECTION 11

DEFAULTS AND REMEDIES

- 11.1 **Events of Default.** A Party will be in default under this Agreement upon the occurrence of any one or more of the following events (each an "**Event of Default**"):
 - (a) the failure by a Party to make a timely payment of any amounts due or provide required Credit Support to the other Party under this Agreement;

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- (b) the failure by a Party to perform its material obligations under this Agreement which failure is not excused by the terms of this Agreement;
- (c) the breach of any representation or warranty of such Party that results in a material adverse impact on the other Party;
- (d) the appointment (voluntary or involuntary) of a receiver or liquidator or trustee of such Party or of any of the property of such Party by order of a court of competent jurisdiction;
- (e) the filing of a petition or consent seeking relief or assisting in seeking relief in a proceeding under any of the provisions of federal or state bankruptcy or insolvency laws, as any such laws now exist or as those laws may be amended, or the filing of an answer admitting the material allegations of a petition filed against it in such proceeding; the general assignment by a Party for the benefit of its creditors; or the admission by a Party in writing of its inability to pay its debts generally as they become due; and/or
- (f) the commission of a fraudulent act or omission by a Party in the performance of its obligations hereunder.

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

- (a) upon the occurrence of an Event of Default as specified in Sections 11.1(a), 11.1(b), 11.1(d), 11.1(e), or 11.1(f), to suspend performance immediately and without notice;
- (b) upon the occurrence of an Event of Default as specified in Section 11.1(c), upon three (3) Business Days’ notice, to suspend performance of any obligation which, if performance continued, would expose the Non-Defaulting Party to material risks or material unrecovered costs;
- (c) upon the occurrence of an Event of Default as specified under Sections 11.1(a), 11.1(b), or 11.1(f), to terminate this Agreement by giving the Defaulting Party written notice setting forth a description of the Event of Default and designating a termination date, provided that the Defaulting Party shall have three (3) Business Days after the date of such notice in which to cure the Event of Default;
- (d) upon the occurrence of an Event of Default as specified under Section 11.1(c), to terminate this Agreement by giving the Defaulting Party written notice setting forth a description of the Event of Default and designating a termination date, provided that the Defaulting Party shall have fifteen (15) Days after the date of such notice in which to cure the Event of Default;
- (e) upon the occurrence of an Event of Default as specified in Sections 11.1(d), or 11.1(e), to terminate this Agreement immediately and without notice;
- (f) to pursue collection of direct, actual damages and seek any other remedy at law or in equity (except to the extent limited by, or waived under, this Agreement);

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

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

SECTION 12

NOTICES

- 12.1 Notices. Unless otherwise provided in this Agreement, any notices given under this Agreement must be in writing and personally delivered or sent by electronic mail or United States mail to such Persons or locations designated on Exhibit B and shall be deemed given and effective when delivered by hand or upon:
- (a) three (3) Business Days after such notice is deposited in the United States mail with postage prepaid for transmittal by registered or certified mail, return receipt requested;
 - (b) one (1) Business Day after such notice is placed in the hands of a recognized commercial mail or courier service for overnight delivery; or
 - (c) the Business Day on the date such notice was sent by email with confirmation of receipt of such email by confirmed email transmission, *provided* that such receipt occurred during Business Hours of such Business Day. For email transmissions received after such Business Hours of such Business Day at the receiving location, notice shall be deemed effective upon the opening of Business Hours of the next Business Day.

For the avoidance of doubt, either Party may update its notice information contained in Exhibit B at any time without the need for a formal amendment by sending written notice to the other Party in accordance with this Section 12.1.

SECTION 13

FORCE MAJEURE

- 13.1 Force Majeure. Subject to Section 13.2 of the General Terms and Conditions, neither Party will be considered to be in default in the performance of any obligations under this Agreement (other than the obligation to make a payment of amounts owed) to the extent and for the duration that such failure of performance results from Force Majeure. The term “***Force Majeure***” means causes that are beyond the reasonable control of the Party affected which, by exercise of due diligence, such Party could not reasonably have been expected to avoid and which, by exercise of due diligence, it has been unable to overcome and not the result of the fault or negligence of such Party including, but not limited to: flood,

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earthquake, tornado, hurricane, storm, or fire; acts of terrorism; civil disobedience, strikes, or other labor dispute; labor or material shortage; sabotage; pandemic, epidemic or other public health emergency; restraint, order, rule, or regulation of any court, governmental body, or public authority, including CAISO (whether valid or invalid).

- 13.2 Due Diligence. No Party, however, shall be relieved of liability for failure of performance hereunder based on Force Majeure if such failure is due to causes arising out of its own negligence or due to removable or remediable causes which it fails to remove or remedy within a reasonable time period. A Party claiming Force Majeure must exercise due diligence to overcome the Force Majeure event. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of Force Majeure shall give prompt written notice of such fact to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.
- 13.3 Obligations During Force Majeure. Notwithstanding any other provisions as stated in Section 13, an event of Force Majeure does not relieve a Party of any of its obligations under the Governing Rules and this Agreement that the Party can reasonably perform during a Force Majeure event, and does not excuse a Party of its obligations to make payments for obligations arising prior to the Force Majeure event, or of any payment obligations for its non-performance arising pursuant to the Governing Rules and this Agreement.

SECTION 14 **CONFIDENTIALITY**

14.1 Confidentiality.

- (a) Subject to the remaining provisions of this Section 14.1, each Party agrees, for itself, its Affiliates, and its Representatives, to keep confidential this Agreement, all negotiations concerning this Agreement, and all other information furnished by either Party related to schedules, Services, credit and financial obligations, and Transactions under this Agreement ("**Confidential Information**"); provided, however, such confidentiality obligation will expire three (3) years immediately following the expiration or earlier termination of this Agreement.
- (b) The receiving Party, its Affiliates, and its Representatives shall not disclose any Confidential Information to any Third Party without the prior written consent of the disclosing Party unless requested or required by a Governmental Authority or self-regulatory organization or as permitted in accordance herewith; provided that a Party may, without such prior written consent, disclose Confidential Information to any Affiliate, Representative, current or future financing sources, insurer, auditor, or potential purchaser of or investor in a Party and its parent or Affiliates who need to know such information and who agree to keep such Confidential Information confidential on terms no less restrictive, as a whole, than those set forth in this Section 14.1, provided further that each Party shall be responsible for the compliance with this Section 14.1 by all such Persons with whom it shares such Confidential Information in accordance with the immediately foregoing proviso.
- (c) In the event any Party is requested or required to disclose Confidential Information pursuant to Applicable Laws including, but not limited to a request for disclosure under the California Public Records Act (California Government Code Section 6250, et seq.) or by a Governmental Authority having or purporting to have jurisdiction over the Party, to the extent permitted by Applicable Law, such Party must notify the other Party prior to any disclosure so as to allow the other Party to

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resist such disclosure before the Governmental Authority and/or to seek appropriate protection from further disclosure.

- (d) The Parties agree that disclosure of Confidential Information in breach of the confidentiality provisions of this Agreement constitutes an irreparable injury and that injunctive relief is an appropriate remedy to prevent the unwarranted disclosure of any Confidential Information.
- (e) The confidentiality provisions of this Agreement will not apply to any information (i) the receiving Party developed independently without using the Confidential Information, (ii) that was in the public domain at the time of its disclosure hereunder, (iii) which passes into the public domain by acts other than the acts of or caused by the Party receiving said Confidential Information, or (iv) is disclosed to the receiving Party by a Third Party, provided that the receiving Party does not know (or has no reasonable basis to know) that the information was received or disclosed unlawfully.

SECTION 15

REPRESENTATIONS AND WARRANTIES

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

- (a) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction under which it is organized and is authorized to do business in the State of California;
- (b) it has the full power and authority to enter into this Agreement and perform all of its specified obligations, representations, warranties, and covenants under this Agreement;
- (c) it is not bankrupt, does not contemplate becoming bankrupt nor, to its knowledge, will become bankrupt;
- (d) (i) the execution, delivery, and performance of this Agreement have been duly authorized by all requisite action of its governing body and does not and will not conflict with any provision of its organizational documents, any Applicable Law or any material agreement or instrument to which it is a party or by which it or a material portion of its property or assets may be bound or effected, and (ii) the Person signing this Agreement on its behalf was duly authorized to execute and deliver this Agreement on its behalf;
- (e) it obtained prior to the Original Commencement Date, all required licenses, registrations, certifications, Permits, and other authorizations; and took prior to the Original Commencement Date, all actions required by Applicable Laws, the Governing Rules or governmental regulations with the exception of licenses, registrations, certifications, Permits, or other authorizations that do not materially affect its performance under this Agreement;
- (f) it is not in violation of any contracts, laws, ordinances, or governmental rules, regulations, or orders of any Governmental Authority or arbitration board materially affecting performance of this Agreement and to which it is subject;

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- (g) it is solely responsible for keeping itself informed of and understanding its respective responsibilities under the Governing Rules and any laws, rules, regulations, and tariffs approved by any Governmental Authority with jurisdiction over the matters specified in this Agreement; and
 - (h) it is not registered as a commodity trading advisor under the U.S. Commodity Exchange Act and is not holding itself out as in the business of advising others as to the value or advisability of trading swaps, options, futures or cash settled forwards or any other commodity transaction. Any oral or written communications by TPS with respect to this Agreement are not intended to be commodity trading advice.
- 15.2 Additional SVCE Representations and Warranties. SVCE represents and warrants that SVCE has worked in good faith with TPS to make, prior to the Original Commencement Date, all required registrations with, and has received all required certifications and approvals from, the CPUC and all required registrations with, and received any necessary qualifications from, CAISO to perform this Agreement.
- 15.3 Additional TPS Representations and Warranties. TPS represents and warrants that (i) TPS is certified as a Scheduling Coordinator with CAISO and, prior to the Original Commencement Date and during the Term, will be authorized by CAISO to represent the Resources, communicate, schedule, and settle Transactions with CAISO and (ii) TPS has made prior to the Original Commencement Date all other required registrations with, and received all other required certifications and approvals from, the CPUC, and has made all other required registrations with, and received any other necessary qualifications from, CAISO to perform under this Agreement.

SECTION 16
MISCELLANEOUS

- 16.1 Disclaimer. This Agreement does not constitute, create, give effect to, or otherwise recognize or imply the existence of a joint venture, pooling arrangement association, partnership, or other formal or informal business organization of any kind among the Parties, and the rights and obligations of the Parties with respect to this Agreement shall be limited to those set forth in this Agreement.
- 16.2 Assignment. Neither Party will assign this Agreement or its performance or rights arising under or related to this Agreement without the prior written consent of the other Party, which consent may not be unreasonably withheld, conditioned or delayed; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer or assign this Agreement to any Person or entity succeeding to all or substantially all of the assets of such Party that has a credit rating of BBB- or better from Standard & Poor's Financial Services, LLC (a subsidiary of S&P Global Inc.) or a Credit Rating of Baa3 or better from Moody's Investors Services, Inc., if any, or (ii) to a Person who succeeds to the interests of the assigning Party by merger, consolidation, or operation of law; provided, in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request and, in the case of TPS, the assignee possesses all licenses and expertise (including Scheduling Coordinator status) necessary to perform all obligations of TPS under this Agreement. Any purported assignment in contraventions of this Section will be null and void and the non-assigning Party is not obligated to recognize the purported assignment of this Agreement. This Agreement will be binding

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on, and inure to the benefit of any permitted, assigned, or successor of the assigning Party.

- 16.3 Governing Law; Jury Trial Waiver; Expenses. This Agreement and all matter and claims arising under or relating to this Agreement is governed by and construed in accordance with the laws of the State of California without regard to conflicts of laws principles. With respect to any suit, action or proceedings relating to this Agreement ("**Proceedings**"), each Party irrevocably submits to the exclusive jurisdiction of the courts of the State of California and the United States District Courts located therein, and waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY CREDIT SUPPORT DOCUMENT. EACH PARTY ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. IF EITHER PARTY BRINGS ANY LEGAL ACTION TO ENFORCE ITS RIGHTS UNDER THIS AGREEMENT OR SEEKS ENFORCEMENT UNDER THE TERMS OF ANY CREDIT SUPPORT PROVIDED BY THE OTHER PARTY, THE PREVAILING PARTY SHALL BE ENTITLED TO REIMBURSEMENT FROM THE OTHER PARTY OF REASONABLE ATTORNEYS' FEES AND LITIGATION COSTS AND EXPENSES, INCLUDING WITNESS FEES OF ANY KIND, IN AN AMOUNT TO BE DETERMINED BY THE APPLICABLE COURT OR BY AGREEMENT OF THE PARTIES.
- 16.4 Counterparts. This Agreement may be executed in multiple counterparts, including PDF documents exchanged by electronic mail, each one of which will be considered an original Agreement, but all of which together will constitute one and the same instrument.
- 16.5 Waiver. No waiver by any Party, either express or implied, of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any other default or defaults, whether of a like or a different character. The rights and remedies of the Parties are cumulative and not alternative. Neither any failure nor any delay by any Party in exercising any right, power or privilege hereunder will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. Failure by a Party to enforce any of the terms, covenants, conditions or other provisions of this Agreement at any time will not in any way affect, limit, modify or waive that Party's right thereafter to enforce strict compliance with every term, covenant or condition of this Agreement, notwithstanding any course of dealing or custom of the trade.
- 16.6 Entire Agreement; Amendment. This Agreement contains the entire understanding and agreement between the Parties with respect to the subject matter of this Agreement and supersedes all previous communications, negotiations and agreements, whether oral or written, between the Parties with respect to such subject matter, including, but not limited to the Prior Agreements, which Prior Agreements are hereby amended, restated, replaced and superseded in their entirety by this Agreement as of the Effective Date. No alteration of or amendment to this Agreement will be effective unless in writing and signed by an authorized representative of each Party.

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- 16.7 Severability. Any provision, article, or section declared or rendered unlawful by a court of law or regulatory agency with jurisdiction over the Parties, or deemed unlawful because of a statutory change, will not otherwise affect the other lawful obligations that arise under this Agreement. In the event any provision of this Agreement is declared invalid, the Parties will promptly negotiate to restore this Agreement as near as possible to its original intent.
- 16.8 Headings. The section headings of this Agreement are for convenience of reference only, and do not form a part of this Agreement, and do not in any manner modify, interpret, or construe the intent or agreement of the Parties.
- 16.9 Exclusion of Third Party Rights. The provisions of this Agreement will not impart rights enforceable by any Person or entity not a Party or bound as a Party hereto unless such Person or entity is a permitted successor or assignee of a Party bound by this Agreement, and the Parties do not intend to create any Third Party beneficiary under this Agreement, except to the extent (i) security interests in this Agreement have been granted to a Party's lenders, and (ii) certain rights to raise contractual rights and/or defenses under this Agreement have been extended to a Party's guarantor under any guaranty provided as Credit Support hereunder.
- 16.10 Recordings. Each Party consents to the recording and retention of any telephone conversations, e-mail or electronic message between the Parties ("**Recording**"), and each Party will obtain any required consents to such Recordings from such Party's affected personnel, contractors, or agents. Subject to other applicable rules of evidence, such as the rule of relevance, the contents of such Recording transmitted between the Parties concerning this Agreement, may be utilized to determine the intent of the Parties in any dispute arising under this Agreement, and such Recording will be deemed a written business record of any information, confirmation, consent, bid, authorization, instruction, notice, or Transaction under this Agreement, which may be submitted in evidence in any proceeding or action related to this Agreement. Each Party waives objection to the admission in court of such Recording based on the "Best Evidence Rule" or other legal principles. Such Recording will be the controlling evidence of the Parties' agreement with respect to any particular information, confirmation, consent, notice, or Transaction in the event a written confirmation of that information, confirmation, consent, notice, or Transaction is not fully executed or accepted by both Parties. A written confirmation executed by both Parties will prevail over a Recording of a Transaction. Each Party waives any further notice of monitoring or recording and agrees to notify its officers and employees and obtain any required consent to any such monitoring or recording.
- 16.11 No Recourse to Members of SVCE. SVCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. SVCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Seller shall have no rights and shall not make any claims, take any actions or assert any remedies against any of SVCE's constituent members, or the employees, directors, officers, consultants or advisors or SVCE or its constituent members, in connection with this Agreement.
- 16.12 Imaged Agreement. Any original executed Agreement, confirmation or other related document may be photocopied and stored on computer tapes and disks (the "**Imaged Agreement**"). The Imaged Agreement, if introduced as evidence on paper, the confirmation if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial,

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arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party will object to the admissibility of the Recording, the confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.

- 16.13 Joint Preparation of Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.
- 16.14 No Fiduciary Duty. Both Parties recognize the commercial nature of this Agreement and neither Party will owe any essential fiduciary duty to the other Party or any Third Party with respect to the performance of any of its obligations hereunder. The Parties hereby waive, to the fullest extent permitted by Applicable Law, any and all fiduciary duties that, absent such waiver, may be implied by law, and in doing so, recognize, acknowledge and agree that their duties and obligations to one another are only as expressly set forth in this Agreement. SVCE acknowledges and agrees that this Agreement shall not preclude TPS from providing services or making sales of a like nature to any other Person, either currently or in the future. TPS may, notwithstanding this Agreement, engage in whatever activities it may choose, including, without limitation, providing the same or similar sales or services in the same geographic region (or other competing activities) for its own account (or for the account of others). Neither this Agreement nor any activity undertaken related to this Agreement will prevent TPS from engaging in such activities or require TPS to disclose the same.
- 16.15 Survival of Contract Terms. In addition to Sections of this Agreement which specifically state that they shall survive the expiration or earlier termination of this Agreement, the Parties also agree that these General Terms and Conditions shall survive the expiration or earlier termination of this Agreement as and to the extent necessary to give proper effect to the intent of the Parties with respect to their respective rights and obligations arising prior to the termination of this Agreement.
- 16.16 No Public Utility Designation. Each Party agrees that it shall not claim in any bankruptcy proceeding related to such Party that the other Party is serving as a public utility for such Party by selling Energy or providing Services under this Agreement.
- 16.17 Non-Discrimination. During the performance of this Agreement, neither Party, or their Representatives, shall unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in SVCE or TPS's employment practices or in the furnishing of services to recipients. Both Parties shall ensure that the evaluation and treatment of their employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. Both Parties and their Representatives shall, in the performance of this Agreement, fully comply with all Applicable Laws which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

EXHIBIT A
RESOURCE INFORMATION

A. SVCE's Resources That Will Require Scheduling

None

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

Resource #1

Resource Name:	Victory Pass Solar Photovoltaic + BESS
Location:	Riverside County, California
Number of CAISO Resource IDs:	2
CAISO Resource ID:	[REDACTED] [REDACTED]
Unit SCID:	To be determined
Portion of total CAISO Net Qualifying Capacity of Resource:	100% of 200 MW solar and 100% of 50 MW BESS
Resource Type:	Solar Photovoltaic coupled with BESS in a co-located configuration
Capacity:	100 MW solar, 25 MW BESS
Delivery Point:	At resource's P-node
Facility PNode:	[REDACTED] [REDACTED]
Transmission Owner:	Southern California Edison Company
PPA Term (Years):	15 years
Fixed Monthly Fee:	[REDACTED]
Optimization Fixed Monthly Fee:	[REDACTED]
3CE's Percentage Share of Resource:	50%
SVCE's Percentage Share of Resource:	50%

C. RESERVED

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

Resource #2

Resource Name:	Yellow Pine Solar Photovoltaic + BESS
Location:	Clark County, Nevada
Number of CAISO Resource IDs:	2
CAISO Resource ID:	[REDACTED] [REDACTED]
Unit SCID:	YPSS
Portion of total CAISO Net Qualifying Capacity of Resource:	100% of 125 MW solar and 100% of 65 MW BESS
Resource Type:	Solar Photovoltaic coupled with BESS in a co-located configuration
Capacity:	50 MW solar, 26 MW BESS

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Delivery Point:	At resource's P-node
Facility PNode:	[REDACTED]
Transmission Owner:	GridLiance
PPA Term (Years):	20 years
Fixed Monthly Fee:	[REDACTED]
3CE's Percentage Share of Resource:	60%
SVCE's Percentage Share of Resource:	40%

Resource #3

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

Resource #4

Resource Name:	AES Mountainview Wind Project
Location:	Riverside County, California
Number of CAISO Resource IDs:	1
CAISO Resource ID:	[REDACTED]
Unit SCID:	AIE6
Portion of total CAISO Net Qualifying Capacity of Resource:	100% of Resource's total capacity of approximately 66.6 MW
Resource Type:	Wind
Capacity:	33.3 MW
Delivery Point:	At resource's P-node
Facility PNode:	[REDACTED]
Transmission Owner:	Southern California Edison
PPA Term (Years):	20 years
Fixed Monthly Fee:	[REDACTED]
3CE's Percentage Share of Resource:	50%
SVCE's Percentage Share of Resource:	50%

SERVICE FEE SCHEDULE FOR GENERIC RESOURCES¹:

<u>Costs on a per unit</u>	<u>Set-Up Fee</u>	<u>Monthly Fee</u>
Set Up ¹	■	■
Telemetry	■	■
Scheduling and Outage Management (2 or less Resource IDs) ^{2, 3}	■	■
Scheduling and Outage Management (3 or 4 Resource IDs) ^{2, 3}	■	■
Scheduling and Outage Management (5 or 6 Resource IDs) ^{2, 3}	■	■
Scheduling and Outage Management (7 or more Resource IDs) ^{2, 3}	■	■
Data and Settlement Validation ^{1, 2, 3}	■	■

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

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

⁴ Fee will be assessed on a per Resource basis.

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

EXHIBIT B
NOTICE INFORMATION

TENASKA POWER SERVICES CO.	SILICON VALLEY COMMUNITY ENERGY AUTHORITY
Notice Address: 300 E. John Carpenter Freeway, Suite 1100 Irving, TX 75062	Notice Address: 333 W. El Camino Real, Suite 330 Sunnyvale, CA 94087
Attn: Director, Contract Administration	Attn: CEO
Phone: (817) 303-1860	Phone: 408-721-5301
Facsimile: (817) 303-1867	Facsimile:
Email: TPSCContractAdmins@tnsk.com	Email: [REDACTED]
CICI Number: 549300K7NFSB93YGBN35	CICI Number:
CFTC Designation: End User	CFTC Designation:
Duns: 01-501-6913	Duns: 08-046-2990
Federal Tax ID Number: 47-0824081 (The above is the Tax ID for Tenaska Energy, Inc., the parent company of TPS. TPS is a disregarded entity for federal tax purposes.)	Federal Tax ID Number: 81-2158638
Confirmations: Attn: Confirms Phone: (817) 303-3609 Email: confirms@tnsk.com	Confirmations: Attn: Phone: Email:
Real-Time Trading: Phone: (817) 462-1528	Real-Time Trading: Phone:
Payments: Attn: Accounts Receivable 14302 FNB Parkway Omaha, NE 68154 Phone: (402) 938-1621	Payments: Finance Group (408) 721-5301 [REDACTED]
Invoices: Attn: Accounts Payable Phone: (817) 462-1521 Email: tps-accounting@tnsk.com	Invoices: Attn: Power Supply Group Phone: (408) 721-5301 Email: [REDACTED]
Wire/ACH Transfer: Bank: [REDACTED] ABA No: [REDACTED] Account No: [REDACTED] Account Name: [REDACTED]	Wire/ACH Transfer: Bank: [REDACTED] ABA No: [REDACTED] Account No: [REDACTED] Account Name:
Credit and Collections: Attn: Credit Department Phone: (817) 303-1113 Email: credit@tnsk.com	Credit and Collections: Attn: Finance Group Phone: (408) 721-5301 Email: [REDACTED]
With additional Notices of an Event of Default or Potential Event of Default to: Attn: Vice President and General Counsel Phone: (817) 462-8503 Email: eodnotices@tnsk.com	With additional Notices of an Event of Default or Potential Event of Default to: Attn: CEO Phone: (408) 721-5301 Email: [REDACTED]

EXHIBIT C **SUPPORT SERVICES**

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

1. determine, establish and implement the necessary communication methods, operational information technology and interfaces with CAISO including for purposes of transmitting Real-Time telemetry from the Resources to TPS's primary and backup operation centers;
2. establish itself as the Scheduling Coordinator for the Resources;
3. if applicable, specify, install, configure, and test all required interface equipment needed to acquire and transmit CAISO-required Real-Time telemetry;
4. one (1) Business Day prior to the Original Commencement Date, submit Bids to CAISO applicable to the Resources for the Original Commencement Date;
5. provide such other assistance with respect to the Documentation as SVCE may reasonably require;
6. assist SVCE with the CAISO New Resource Implementation (NRI) Checklist as SVCE may reasonably require; and
7. assist SVCE in establishing and setting up its ability to send and transmit telemetering data to the markets.

The Parties acknowledge and agree that, with regard to the Resources identified in Exhibit A as of the Effective Date, the Services described in this Exhibit C were provided by TPS under the Original Agreement.

EXHIBIT D
WEEKLY PAYMENT PROCEDURE

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

- 1) Each Wednesday (or if a Wednesday is not a Business Day, the next Business Day), TPS will produce a statement of CAISO settlement activity for the 2nd week prior (Monday-Sunday) for the Resources ("**Weekly Statement**"). For example, under the Weekly Payment Procedure, TPS would issue a Weekly Statement on Wednesday, July 26, 2023, which would reflect CAISO settlement activity for Operating Days July 10 – 16, 2023.
- 2) The Party owing an amount shown on a Weekly Statement will remit such amount three (3) Business Days after receipt of the Weekly Statement (typical due date will be the Friday following the Weekly Statement issued on Wednesday).
- 3) Weekly Statements will only reflect initial CAISO settlement activity.
- 4) TPS will continue to issue monthly invoices pursuant to Section 7 of the General Terms and Conditions, including Fixed Monthly Fees, Pass Through Amounts, and any CAISO settlement amounts not already remitted under a Weekly Statement.

AMENDED AND RESTATED AGREEMENT TO PROVIDE SCHEDULING AGENT AND ENERGY MANAGEMENT SERVICES

This Amended and Restated Agreement to Provide Scheduling Agent and Energy Management Services ("**Agreement**") is executed on _____, 2025 ("**Effective Date**") between Silicon Valley Clean Energy Authority, a California joint powers authority ("**SVCE**") and Tenaska Power Services Co. ("**TPS**"), a Nebraska corporation. SVCE and TPS are also hereinafter referred to in this Agreement individually as "**Party**" and collectively as the "**Parties**".

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

RECITALS

WHEREAS, TPS and SVCE entered into (i) that certain Agreement to Provide Scheduling Agent and Energy Management Services dated December 6, 2024 ("**Original Agreement**"), with a commencement date thereunder of April 1, 2025 (the "**Original Commencement Date**"); (ii) that certain Letter Agreement for Optimization Services dated May 28, 2024 (as amended) (the "**Optimization Letter Agreement**"), and (iii) that certain Letter Agreement for WAPA Base Resource Scheduling Services dated December 6, 2024 (the "**WAPA Base Resource Scheduling Letter Agreement**") and together with the Original Agreement and Optimization Letter Agreement, the "**Prior Agreements**";

WHEREAS, SVCE, directly or indirectly owns, controls and/or has power purchase and energy storage agreements ("**PPAs**") with battery-powered energy storage resources ("**Storage Resources**") and certain solar generating facilities ("**Solar Resources**") located within the CAISO and WECC markets as described further in Exhibit A hereto (collectively, the "**Resource(s)**"), participates in the CAISO markets, and has the obligation to provide electric service to Load within the Service Areas identified in Exhibit A hereto (the "**Service Areas**");

WHEREAS, TPS is in the business of providing Scheduling Agent Services to qualified Scheduling Coordinators in CAISO and providing Energy Management Services, including scheduling Energy, Load, Capacity, Ancillary Services, and managing Congestion Revenue Rights through the markets operated by CAISO;

WHEREAS, SVCE has established itself as a qualified Scheduling Coordinator with CAISO; and

WHEREAS, TPS desires to perform Scheduling Agent, Energy Management Services and other Services for SVCE, and SVCE desires TPS to provide such Services, in each case, on the terms and conditions as set forth herein; and

WHEREAS, the Parties desire to amend and restate the Original Agreement in its entirety, as provided herein.

NOW, THEREFORE, SVCE and TPS enter into this Agreement to amend and restate in its entirety the Original Agreement, under which TPS shall provide SVCE with the Services described herein and shall serve as the Scheduling Agent for SVCE as described herein. Accordingly, for and in consideration of the premises, together with other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, SVCE and TPS agree as follows:

BASE AGREEMENT

1. **DESIGNATION**

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

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

2. **LOAD FORECASTING AND RESOURCE SCHEDULING AGENT SERVICES**

- 2.1 SVCE SCID. SVCE represents and warrants that it is a registered Scheduling Coordinator under the CAISO Tariff, and, as a condition precedent to TPS's obligation to provide the Services herein, SVCE shall maintain its own Scheduling Coordinator ID Code ("**SCID**") throughout the term of this Agreement.
- 2.2 Scheduling Agent. SVCE grants TPS the exclusive right to serve as Scheduling Agent for SVCE's SCID. TPS will perform all functions required or reasonably necessary in order to represent SVCE's SCID and will be the single point of contact for all communications with CAISO pertaining to SVCE's SCID during the Term of this Agreement. In such capacity, TPS will timely submit to CAISO information provided by SVCE regarding its Load obligations, and, as soon as practicable, inform SVCE of any and all CAISO directives or instructions affecting such obligations. If such CAISO directives or instructions require a response or other action by SVCE, TPS shall provide notice to SVCE as soon as practicable and shall respond to CAISO directives and instructions in accordance with the Governing Rules.
- 2.3 Scheduling. As SVCE's Scheduling Agent, TPS will provide, and SVCE grants TPS the authority to perform, all required and reasonably necessary scheduling services for or related to SVCE's Resources listed in Exhibit A and Load obligations within the Service Areas, including but not limited to scheduling all Transactions with the appropriate Third Parties, transmission providers, and balancing authorities and, as applicable, scheduling SVCE's Inter-SC Trades, in each case, in accordance with this Agreement and the Governing Rules. SVCE will provide TPS all information relevant to or required by the Governing Rules in order to satisfy all relevant data and information required for participation in the CAISO markets. If the TPS Customer Portal is available, SVCE will utilize it to communicate desired Energy and Ancillary Services schedules for the DAM and Real-Time FMM scheduling cycles. If the TPS Customer Portal is not available, a TPS developed scheduling spreadsheet template, or other mutually agreed electronic communication, will be submitted by SVCE for the DAM and all Real-Time FMM scheduling cycles. TPS will provide, and SVCE grants TPS the authority to perform, scheduling services for the Resources in the role of SVCE's Scheduling Agent in accordance with (i) the Governing Rules, (ii) Prudent Industry Practice, and (iii) instructions from SVCE. As part of its Scheduling Agent responsibilities under this Agreement, TPS will submit all Energy and Ancillary Services Bids consistent with the

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rules and regulations of CAISO and the directions of SVCE. TPS will schedule all output from the Resources consistent with each Resource's operational and economic parameters as communicated to TPS by SVCE. Such information will be provided to TPS in a mutually agreed upon format and in those time increments, quantities, duration, and terms as required by the Governing Rules.

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

- 2.4 Schedule Changes. Notwithstanding Section 2.3 of the Base Agreement, SVCE may change any information previously provided to TPS, provided any such change is provided to TPS in a mutually agreed upon format by the deadlines specified in Section 2.2 of the Base Agreement. Provided that SVCE provides any such change(s) in accordance with such deadlines, TPS will use commercially reasonable efforts to timely implement any such change(s). If the TPS Customer Portal is available, SVCE will utilize it to communicate information changes to TPS. Otherwise, such changes shall be made to TPS utilizing the TPS developed scheduling spreadsheet template, described in Section 2.2 of the Base Agreement, or through other mutually agreed electronic communication. In the event that any change timely provided to TPS differs from prior information for the same time period, such subsequent information, upon receipt by TPS, shall supersede the prior information, and TPS will rely upon and implement the most recent information when submitting such information to CAISO for SVCE. TPS shall promptly notify SVCE if it is unable to implement any change(s) provided by SVCE pursuant to this Section 2.4.
- 2.5 24-Hour Monitoring. For Products delivered from the Resources to CAISO, TPS will administer and monitor sales of such Products to CAISO as SVCE's Scheduling Agent. TPS will provide SVCE with access to the CAISO Energy markets (including, without limitation, the Resource Adequacy Capacity bilateral markets) and the Services twenty-four (24) hours per Day, seven (7) Days per week, subject to market availability. TPS will timely communicate with CAISO regarding the Resources and, as soon as practicable, inform SVCE of any and all CAISO directives or instructions affecting the Resources.
- 2.6 Load Forecasting Services. Except as otherwise provided in this Agreement, TPS will develop or cause to be developed an hourly weather-adjusted forecast of the Energy required to serve SVCE's Load within the Service Areas for each successive fourteen (14) Day period (the "Load Forecast"); provided that SVCE first supplies TPS (in a mutually agreed upon format) with at least two years, and, if available, up to five years of historic hourly Demand data of the Load within the Service Areas.
 - (a) The Load Forecast will be refreshed on a daily basis using available hourly Demand data, or, in TPS's discretion, more frequently, and made available to SVCE, through a

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- mutually agreed upon format and data transfer process. The Load Forecast shall represent expected aggregate Energy consumption across all End-Use Customer types at each Load Aggregation Point where SVCE submits hourly Demand Bids within the Service Areas.
- (b) TPS will monitor Load Forecast performance, provide ongoing information on Load Forecast error, and make periodic adjustments to the Load Forecast model, including at the reasonable request of SVCE, in an effort to enhance accuracy.
 - (c) TPS will make adjustments to the Load Forecast model as necessary to account for Load migration and/or mass enrollment for new Service Areas. Should the addition of new Service Areas or the makeup of Load additions materially change the character of SVCE's prior Demand and thus the Load Forecast accuracy, additional and/or distinct models for End-Use Customer classes may be required. Should this occur, TPS and SVCE agree to work in good faith to agree upon necessary changes to the Load Forecast model and negotiate an appropriate adjustment to fees, if any, along with any necessary adjustments to Exhibit A.
 - (d) SVCE may request, and TPS may agree, to utilize a Third Party vendor to supplement or replace TPS's Load Forecasting Services, and/or TPS may utilize the services of a Third Party vendor (which is currently anticipated to be TESLA, Inc.) for purposes of providing the Load Forecasting Services described herein. For the avoidance of doubt, SVCE will reimburse TPS for the cost of either such Third Party's service as a Pass Through Amount.
 - (e) After the Initial Term, SVCE may opt out of the Load Forecasting Services described above by providing written notice to TPS no later than one hundred eighty (180) Days prior to the expiration of the Initial Term or any Renewal Term (as applicable) (any such opt-out period, the "**SVCE Load Forecasting Period**"), provided that, for any Renewal Term in which SVCE has opted out of the Load Forecasting Services described above, SVCE may elect for TPS to resume the Load Forecasting Services effective upon the next successive Renewal Term by providing written notice to TPS no later than one hundred eighty (180) Days prior to the expiration of the then-current Renewal Term. During the SVCE Load Forecasting Period, the Load Forecasting Scheduling Agent Services Monthly Fee specified in Section 7.3 of the Base Agreement shall be reduced by [REDACTED]

- 2.7 **Shadow Settlement.** Under the SVCE SCID, SVCE will receive all payments from, and make all payments to, CAISO. In order to permit TPS to perform the functions described in this Section 2.7, SVCE (i) authorizes TPS to receive from CAISO historic and Real-Time data collected by CAISO from, or provided to CAISO by SVCE, and (ii) shall share with TPS, or authorizes TPS to request from CAISO, those CAISO Settlement Statements related to the Load SVCE serves in the Service Areas during the Term of this Agreement. Provided TPS is given access to such Settlement Statements, TPS will use its proprietary data management and calculation engine, proprietary PowerTools Platform® ("PTP"®), to shadow settle all such Settlement Statements. TPS will analyze discrepancies found between TPS's internally generated Settlement Statements and CAISO's Settlement Statements. Upon TPS's request, SVCE will provide TPS with such data as is reasonably necessary to allow TPS to further investigate any such discrepancies. If, upon receiving TPS's analysis, SVCE determines to proceed with any dispute related to any such discrepancies, TPS will provide SVCE with the services described in Section 6.2 of the General Terms and Conditions with regard to any such dispute. TPS will also review all additional CAISO Settlement Statements to verify CAISO has made changes requested

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by TPS on behalf of SVCE to prior Settlement Statements and to verify the accuracy of any additional CAISO charges and credits.

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

Notwithstanding the foregoing, the Parties acknowledge and agree that the Support Services were completed under the Original Agreement and under that certain Scheduling Coordinator Agreement entered into between the Parties on March 13, 2024, and all Services have commenced. For the avoidance of doubt, this Section 2.8 shall govern Support Services provided to any Resource, Load or Service Area that SVCE may seek to add to Exhibit A after the Effective Date, in accordance with Section 7.1 of the Base Agreement.

- 2.9 Outage Reporting. TPS will provide Outage scheduling services to SVCE, which will consist solely of relaying to CAISO, in such electronic data transmission format as is authorized by CAISO for the transmission of Outage information, all information furnished to TPS by SVCE concerning the Resources' Outages and relaying to SVCE in a timely manner all electronic data received from CAISO concerning Outages at the Resources. TPS will transmit each Resource's Outage data to CAISO within time periods specified for the transmission of such data under the CAISO Agreements, provided that SVCE shall be responsible for furnishing such data required by the CAISO Agreements to TPS in sufficient time to permit TPS to comply with applicable requirements of the CAISO Agreements. If an Internet-based system is available, SVCE will utilize it to communicate Outage information. Otherwise, SVCE shall provide the information to TPS in a template provided by TPS, or through other mutually agreed electronic communication.
- 2.10 Digital Certificates for CAISO System Access. To the extent SVCE is obligated pursuant to this Agreement or otherwise desires to access CAISO's secure communications systems, SVCE shall be responsible for acquiring and maintaining, at SVCE's sole effort and expense, the necessary digital certificates from CAISO ("Digital Certificate"). TPS shall have no liability or obligation hereunder with regard to any Digital Certificate assigned to SVCE, and TPS shall have no liability resulting from the use of, or any inability of SVCE to access, either in whole or part, any CAISO system with such Digital Certificate.

3. CONGESTION REVENUE RIGHTS PORTFOLIO MANAGEMENT

Utilizing the SVCE CRR account and SVCE SCID, TPS will manage the annual and monthly CRR processes on behalf of SVCE in accordance with the attached Exhibit D. SVCE will meet any CAISO-imposed collateral requirements for the SVCE CRR account, including any continuing requirements for collateral arising from CRRs held in the SVCE CRR account, and SVCE shall directly exchange payments with CAISO for all Settlement Statements pertaining to the SVCE CRR account.

4. **WAPA BASE RESOURCE SCHEDULING SERVICES**

For the Resources listed in Section C of Exhibit A, the Parties agree that TPS shall perform the WAPA Base Resource Scheduling Services as described in Exhibit E hereto (the “**WAPA Base Resource Scheduling Services**”).

5. **OPTIMIZATION SERVICES**

5.1 **Solar Optimization Services**. TPS will seek opportunities to optimize the Solar Resources identified in Section A of Exhibit A, in CAISO’s DAM and RTM consistent with SVCE’s instructions. In connection with the Solar Resources, TPS shall use Prudent Industry Practice and its proprietary analysis with the objective of maximizing the economic value of the Products to SVCE. These activities shall be referred to as “**Solar Optimization Services**”.

5.2 **Battery Optimization Services**. With respect to the Storage Resources identified in Section A of Exhibit A, TPS shall utilize an optimization algorithm with the objective of maximizing the Storage Resources’ net revenue consistent with the Governing Rules utilizing any or all of the following (the “**Storage Optimization Engine**”):

- a) Ancillary Services;
- b) Energy expected to be generated from the paired Solar Resource or sold into the DAM; *provided, however, that* SVCE shall instruct TPS as to whether the same is operationally and contractually permitted by the PPA;
- c) Energy generated from the paired Solar Resource or procured from or sold into the RTM; *provided, however, that* SVCE shall instruct TPS as to whether the same is operationally and contractually permitted by the PPA; and
- d) Other future products and services not currently contemplated under this Agreement as mutually agreed upon between the Parties.

TPS will, with the prior approval of SVCE, utilize the Storage Optimization Engine to Bid the Storage Resources into the markets operated by CAISO, including, but not limited to, the DAM and RTM. TPS will work with SVCE to understand and observe any operational, physical and financial constraints on the dispatch of the Storage Resources, and SVCE shall instruct TPS as to any contractual constraints on the dispatch of the Storage Resources (which instructions TPS may rely upon), in each case, which TPS will integrate into the Storage Optimization Engine. Among other things, the Storage Optimization Engine will be operated with the objective of achieving revenue maximization for the Storage Resources consistent with the Governing Rules and PPA contractual requirements (*provided, however, that*, with regard to PPA contractual requirements, TPS shall rely exclusively on SVCE’s instructions), while respecting the physical constraints of the Storage Resources and any risk, financial, and/or degradation concerns as communicated to TPS by SVCE. For the avoidance of doubt, the Parties understand and agree that TPS shall not be required to purchase any Product from the CAISO markets or any other Third Party for the purpose of charging the Storage Resources. These activities shall be referred to as “**Battery Optimization Services**”.

6. OPERATIONAL SERVICES

- 6.1 Schedule of Costs. The expectation is that the Resources will be economically Bid into the CAISO market. SVCE will provide in writing to TPS information and instructions setting forth the Bids for each Resource. If applicable, SVCE will also provide TPS information and instructions on Ancillary Services Bids with respect to each Resource. SVCE will notify TPS in writing via the TPS provided template of any revisions to the operational and economic parameters for the Bids. Any revision will only apply to Transactions entered into or agreed upon hereunder after receipt of such revisions by TPS.
- 6.2 Dispatch Instructions. The Parties acknowledge that from time to time, CAISO or a Governmental Authority may issue instructions or orders to TPS affecting or requiring specific actions with respect to operation of the Resources (collectively, "**CAISO Dispatch Instructions**"). Where CAISO issues verbal CAISO Dispatch Instructions or other non-Automated Dispatch System ("**ADS**") Dispatch Instructions to TPS requiring changes in the dispatch or operation of a Resource, TPS shall, upon its receipt of such CAISO Dispatch Instructions, instruct the Resources to (i) with regard to the Storage Resources, discharge, charge, make available, or provide Energy (or any other applicable Product) or to cease discharging, charging, or providing Energy (or any other applicable Product), or (ii) with regard to the Solar Resources, generate, make available, or provide Energy (or any other Product), or to cease generating or providing Energy (or any other Product), in each case, as mandated by such verbal or non-ADS CAISO Dispatch Instructions. Based on the CAISO Dispatch Instructions, TPS shall communicate to SVCE the quantities of Energy (or any other Product) to (x) with regard to the Storage Resources, discharge, charge, or provide or cease discharging, charging, or providing, or (y) with regard to the Solar Resources, generate or provide, or to cease generating or providing, and the time period during which such instructions are to be followed, and SVCE shall cause the Resources to promptly comply with such instructions consistent with the operational limitations of the Resources, as appropriate; *provided* that, if in the sole and reasonable judgment of SVCE, such compliance would create a threat to safety, risk of bodily harm or damage to equipment, or is not otherwise in compliance with the CAISO Agreements, SVCE will notify TPS immediately of the reason for non-compliance and TPS will communicate such reason to CAISO in accordance with the CAISO Agreements. TPS shall not be liable to SVCE for any damages, charges, fees or penalties resulting from compliance or non-compliance with any CAISO Dispatch Instruction except to the extent any non-compliance is directly attributable to TPS's (i) breach of this Agreement, (ii) failure to comply with such CAISO Dispatch Instruction, (iii) failure to timely provide notice of such CAISO Dispatch Instruction to SVCE, or (iv) incorrect communication to SVCE of the details of such CAISO Dispatch Instruction; *provided, however*, that any payment required shall remain subject to the limitation of liability in Section 10.2 of the General Terms and Conditions.

7. PAYMENTS

- 7.1 Set-Up Fee. The Parties acknowledge and agree that TPS invoiced SVCE a one-time fee for establishing and configuring the telemetry and other communication equipment and software linking the Resources and Load within the Service Areas to TPS (and to CAISO where applicable) and for providing the Support Services described in Exhibit C ("**Set-Up Fee**") under the Original Agreement and under that certain Scheduling Coordinator Agreement entered into between the Parties on March 13, 2024, and that such Set-Up Fee has been paid by SVCE pursuant to the Original Agreement and such Scheduling Coordinator Agreement. No additional Set-Up Fee shall be due from SVCE with regard to the Resources, Load and Service Areas services hereunder as of the Effective Date. Any Resources, Load, and/or Service Areas which SVCE may request to be added to this

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Agreement after the Effective Date shall be subject to TPS's approval, and an additional Set-Up Fee in accordance with Exhibit A, which shall be reflected in an amendment to this Agreement.

- 7.2 WAPA Base Resource Scheduling Services Fee. For performance of the WAPA Base Resource Scheduling Services described under Section 4 of the Base Agreement, SVCE shall pay TPS a Monthly fee equal to the sum of the rates set forth in Section C of Exhibit A hereto ("**WAPA Base Resource Scheduling Services Fee**") in arrears and prorated for any partial Month of Service. The Parties acknowledge and agree that the Fixed Monthly Fee began on, and has been adjusted by the Escalator since, the Month in which the WAPA Base Resource Scheduling Services began under the WAPA Base Resource Scheduling Letter Agreement and shall continue throughout the Term; *provided* that the WAPA Base Resource Scheduling Services Fee shall continue to increase by the Escalator on the first (1st) Day of the Month of each anniversary of the Commencement Date.
- 7.3 Load Forecasting and Resource Scheduling Agent Services Monthly Fee.
- (a) Load Forecasting Scheduling Agent Services Monthly Fee. For performance of the Load Forecasting and Scheduling Agent Services described herein, SVCE shall pay TPS a Monthly fee equal to [REDACTED] ("**Load Forecasting Scheduling Agent Services Monthly Fee**") in arrears and prorated for any partial Month of Service. The Parties acknowledge and agree that the Fixed Monthly Fee began on, has been adjusted by the Escalator since, the Original Commencement Date, as set forth in the Original Agreement, and shall continue throughout the Term, subject to the [REDACTED] reduction for each SVCE Load Forecasting Period as further described in Section 2.6(e) of the Base Agreement; *provided* that the Load Forecasting Scheduling Agent Services Monthly Fee shall continue to increase by the Escalator on the first (1st) Day of the Month of each anniversary of the Original Commencement Date.
- (b) Resource Scheduling Agent Services Monthly Fee. For performance of the Resource Scheduling Agent Services described herein, SVCE shall pay TPS a Monthly fee equal to the rates set forth for each Resource in Exhibit A ("**Resource Scheduling Agent Services Monthly Fee**") in arrears and prorated for any partial Month of Service, having begun on, and having been adjusted by the Escalator since, the Original Commencement Date, as set forth in the Original Agreement, and continuing through the Term; *provided* that the Resource Scheduling Agent Services Monthly Fee shall continue to increase by the Escalator on the first (1st) Day of the Month of each anniversary of the Original Commencement Date.
- 7.4 CRR Monthly Service Fee. For performance of the CRR Portfolio Management Services described herein, SVCE shall pay TPS a Monthly fee equal to [REDACTED] ("**CRR Monthly Service Fee**"), having begun on, and having been adjusted by the Escalator since, the Month in which the CRR Portfolio Management Services began under the Original Agreement and continuing throughout the Term; *provided* that the CRR Monthly Service Fee shall continue to increase by the Escalator on the first (1st) Day of the Month of each anniversary of the Original Commencement Date.
- 7.5 Optimization Fee. For performance of the Solar Optimization Services and the Battery Optimization Services, SVCE shall pay TPS a fee equal to [REDACTED] per Resource each Month ("**Optimization Fixed Monthly Fee**") in arrears and prorated for any partial Month of service, beginning on the Effective Date and continuing throughout the Term; *provided* that the Optimization Fixed Monthly

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Fee shall increase by the Escalator on the first (1st) Day of the Month of each anniversary of the Commencement Date. Any Resource requested by Customer for addition to Section A of Exhibit A after the Effective Date shall be subject to an increase in the Optimization Fee negotiated between the Parties and memorialized in an amendment hereto.

- 7.6 Pass Through Amounts and Reimbursements. Except when specified otherwise under this Agreement, SVCE shall pay TPS all Pass Through Amounts incurred by TPS; *provided that*, notwithstanding anything to the contrary, no amounts shall be recovered twice pursuant to this Agreement.
- 7.7 Fees for Other Products or Services. The Parties agree to negotiate in good faith an amendment to this Agreement to include appropriate fees for services other than the Services set forth herein.

8. TERM

- 8.1 All Services and the obligation to pay fees under this Agreement shall be effective as of the Commencement Date unless provided otherwise in this Agreement. This Agreement shall have a primary term beginning on the Commencement Date and expiring at 11:59:59 p.m. PPT on December 31, 2026 (the “**Initial Term**”). Upon expiration of the Initial Term, this Agreement shall then automatically renew and extend for successive one (1) year terms (each a “**Renewal Term**”) unless either Party provides written notice of non-renewal to the other Party no later than one hundred eighty (180) Days prior to the expiration of the Initial Term or any Renewal Term (as applicable).

8.2 Transition of Services.

- (i) If an Event of Default or Force Majeure occurs and is continuing with respect to TPS, TPS shall cooperate in good faith with SVCE and promptly execute all documents and take all other reasonable steps requested by SVCE that may be required or reasonably necessary to transition the Services from TPS to SVCE’s designee. Without limiting the generality of the foregoing, TPS hereby agrees that SVCE has the power and right, without notice to or assent by TPS, upon the occurrence and during the continuation of any Event of Default or Force Majeure (or any other event that pursuant to the express provisions hereof allows SVCE to replace TPS as SVCE’s provider of the Services), to execute all documents and take all other reasonable steps which may be required or reasonably necessary to transition the Services from TPS to SVCE’s designee. TPS agrees that any request by SVCE that TPS take any action pursuant to this Section 8.2, and any action taken by SVCE pursuant to this Section 8.2, shall not constitute a breach of any obligation in this Agreement that TPS be the exclusive provider of any Services. Subject to Sections 11 and 13 of the General Terms and Conditions, to the extent an Event of Default or Force Majeure with respect to TPS ceases to exist and this Agreement has not been terminated, then the Parties will work together in good faith to promptly transition the Services from Customer’s designee back to TPS. This Section 8.2 shall survive the expiration or earlier termination of this Agreement.
- (ii) If TPS ceases to be provider of the Services due to the expiration or earlier termination of this Agreement or any other reason, or if TPS is performing the Services solely pursuant to the application of Section 8.3 of the Base Agreement, TPS shall cooperate with SVCE’s requests to transition the Services hereunder (including executing any consents or documents and taking all other steps as may

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be required under the CAISO Agreements or as SVCE may otherwise reasonably request to remove TPS as SVCE's provider of the Services), and SVCE shall be responsible for notifying CAISO, the CPUC, and any Third Parties, as applicable, involved or relating to this Agreement, of the removal of TPS as SVCE's provider of the Services. In the event that, after the expiration or earlier termination of this Agreement, TPS receives statements or invoices from CAISO or other Third Parties related to SVCE or pertaining to the Resources, Load or any Transactions, TPS shall pass through charges reflected in those statements or invoices to SVCE and SVCE shall be responsible for payment. This Section 8.2 shall survive termination of this Agreement.

- 8.3 Notwithstanding anything to the contrary in any provision of this Agreement, but without limiting the Parties' obligations under Section 8.2 of the Base Agreement, if, on the date this Agreement would expire or otherwise terminate, CAISO's system still recognizes TPS as SVCE's Scheduling Agent, then the Term of this Agreement shall be deemed to continue (and the terms of this Agreement shall survive) until the date that CAISO confirms in its system that TPS is no longer SVCE's Scheduling Agent.
- 8.4 Termination for Performance. If at any time a Party believes the performance of the other Party under this Agreement is deficient, such Party has the right to provide the other Party with written notice of the performance deficiency, along with a description of the performance deficiency ("**Notifying Party**"). Upon receipt of such notice of performance deficiency, the Party receiving notice ("**Notified Party**") shall have thirty (30) Days to correct such performance deficiency and within seven (7) Days from receipt of the notice to provide a written description to the Notifying Party of the remedial actions taken or to be taken to restore or improve the quality of performance, including by addressing the areas of performance identified in the notice. If the Notified Party fails within such thirty (30) Days to restore the quality of performance to a level deemed satisfactory to the Notifying Party in such Party's reasonable discretion, such Party shall have the right, following expiration of the thirty (30) Day remediation period, to terminate this Agreement by providing thirty (30) Days' written notice to the Notified Party and designating a termination date ("**Termination for Performance**"). Within thirty (30) Days following the effective date of any such Termination for Performance, each Party will pay to the other Party the sum of all amounts that are owed for activity performed prior to such effective date, but no additional termination fee will be owed. For the avoidance of doubt, (a) the rate or amount of fees for Services payable under Section 7 of the Base Agreement or (b) the experience of lower than desired revenues received by SVCE for sales of Products where such lower revenues result from general market conditions, rather than caused by the performance of a Party, shall not be grounds for invoking a Termination for Performance. The obligations in this Section shall survive the expiration or earlier termination of this Agreement.
- 8.5 For the avoidance of doubt, from and after the Effective Date and for the duration of the Term, no Party shall have any right to terminate this Agreement early or otherwise exercise a non-renewal of this Agreement except to the extent expressly permitted under the terms of this Agreement or as otherwise mutually agreed by the Parties in writing.

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

SILICON VALLEY CLEAN ENERGY

By: _____

Name: Monica Padilla

Title: CEO

APPROVED AS TO FORM

By: _____

Name: Michael Callahan

Title: General Counsel

TENASKA POWER SERVICES CO.

By: 

Name: Kevin R. Smith

Title: President

GENERAL TERMS AND CONDITIONS

SECTION 1 DEFINITIONS

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

“Affected Party” shall have the meaning given that term in Section 8.3 of the General Terms and Conditions.

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

“Agreement” shall have the meaning assigned to such term in the preamble of this Agreement.

“Ancillary Services” shall have the meaning given that term in the CAISO Agreements.

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

“Assessments” shall have the meaning set forth in Section 8.3 of the General Terms and Conditions.

“Automated Dispatch System” or **“ADS”** has the meaning given that term in the CAISO Agreements.

“Battery Optimization Services” shall have the meaning set forth in Section 5.2 of the Base Agreement.

“Bid” shall have the meaning given that term in the CAISO Agreements.

“Business Day” shall mean any Day other than a Saturday, Sunday, or Day on which Federal Reserve member banks in New York are closed for business.

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

“CAISO” shall mean the California Independent System Operator Corporation or any successor thereto.

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

“CAISO Balancing Authority Area” shall have the meaning given that term in the CAISO Agreements.

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

“CAISO Dispatch Instructions” shall have the meaning given that term in Section 6.2 of the Base Agreement.

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

“Capacity” shall mean any capacity used to meet reliability requirements or the ability to generate and provide or deliver a Product, and includes the meaning defined in the Governing Rules.

“Claiming Party” shall mean the Party claiming inability to perform contract obligations by reason of a Force Majeure event under Section 13.1 of the General Terms and Conditions.

“Commencement Date” shall mean the Effective Date of this Agreement.

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

“Confidential Information” shall have the meaning given that term in Section 14.1(a) of the General Terms and Conditions.

“Congestion Revenue Rights” or **“CRR”** shall have the meaning given that term in the CAISO Agreements.

“CPUC” shall mean the California Public Utilities Commission (or any successor thereto that regulates public utilities in California).

“Credit Exposure” shall mean the net amount one Party would owe the other Party if all Transactions and Services between the Parties under this Agreement were closed out and terminated, and all obligations under this Agreement were accelerated and netted against amounts the other Party would owe such Party on the date of credit calculation to derive the amount of credit exposure faced by one Party to the other Party or a Third Party. This calculation will include amounts owed for delivered Services whether billed or unbilled, under this Agreement.

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

“CRR Auction” shall have the meaning given that term in the CAISO Agreements.

“CRR Monthly Service Fee” shall have the meaning given that term in Section 7.4 of the Base Agreement.

“CRR Portfolio Management Services” shall mean those Services described in Section 3.1 of the Base Agreement.

“Damages Cap” shall have the meaning given that term in Section 10.2 of the General Terms

and Conditions.

“Daily Schedule” has the meaning given that term in Section 3.2 of the General Terms and Conditions.

“Day” shall mean a calendar day.

“Day-Ahead” has the meaning given that term in the CAISO Agreements.

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

“Defaulting Party” shall have the meaning given that term in Section 11.2 of the General Terms and Conditions.

“Delivery Point” shall mean the physical point(s) where SVCE delivers Products, which in a typical Transaction shall be the point(s) at which the electric interconnection facilities utilized to meter and financially settle the delivery of Products from the Resources, meet with the high voltage side of the physical interconnection between the Resources and the applicable transmission service provider. For a specific Transaction, the Parties may agree to any Delivery Point that is a defined point at which financial settlement may occur within the CAISO region.

“Demand” shall have the meaning given that term in the CAISO Agreements.

“Demand Bid” shall have the meaning given that term in the CAISO Agreements.

“Digital Certificate” shall have the meaning given that term in Section 2.10 of the Base Agreement.

“Displacement Program” shall mean the program that allows WAPA direct connect customers to receive part of the WAPA Base Resource, first preference customers, or project-use load that would otherwise be imported into CAISO or the CAISO Balancing Authority Area by non-direct connect customers. In return, the Energy that the direct connect customers would otherwise export from CAISO is left in the CAISO Balancing Authority Area and scheduled as a resource for the non-direct connect customers.

“Documentation” shall have the meaning set forth in Section 2.8 of the Base Agreement.

“Due Date” shall mean the tenth (10th) Day after SVCE’s receipt of TPS’s invoice; provided, however, if such Day is not a Business Day, the next Business Day.

“Effective Date” shall have the meaning given in the Preamble of the Agreement.

“End-Use Customer” shall have the meaning given that term in the CAISO Agreements.

“Energy” shall have the meaning given the term in the CAISO Agreements.

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

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

“Event of Default” shall have the meaning set forth in Section 11.1 of the General Terms and Conditions.

“FERC” shall mean the Federal Energy Regulatory Commission or any successor thereto.

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

“Force Majeure” shall have the meaning set forth in Section 13.1 of the General Terms and Conditions.

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

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

“Imaged Agreement” shall have the meaning set forth in Section 16.12 of the General Terms and Conditions.

“Initial Term” shall have the meaning set forth in Section 8.1 of the Base Agreement.

“Interest Rate” shall mean, for any date, the lesser of (i) the per annum rate of interest equal to the **“Prime Rate”** as may from time to time be published in *The Wall Street Journal* under **“Money Rates”** on such Day (or if not published on such Day, on the most recent preceding Day on which published), plus two percent (2%) or (ii) the maximum rate permitted by Applicable Law.

“Inter-SC Trade” or **“IST”** shall have the meaning given that term in the CAISO Agreements.

“Load” shall have the meaning given that term in the CAISO Agreements.

“Load Aggregation Point” shall have the meaning given that term in the CAISO Agreements.

“Load Forecast” shall have the meaning set forth in Section 2.6 if the Base Agreement.

“Load Forecasting and Scheduling Agent Services” shall mean those Services described in Sections 2.2 through 2.7 of the Base Agreement.

“Load Forecasting Scheduling Agent Services Monthly Fee” shall have the meaning given that term in Section 7.3(a) of the Base Agreement.

“Material Adverse Change” shall mean, with respect to a Party, the occurrence of one or more events which, in the commercially reasonable judgement of the other Party, constitutes a material adverse change in the creditworthiness, financial liquidity, access to capital, financial responsibility or ability of the Party to perform their obligations under this Agreement.

“Month” shall mean a calendar month.

“Monthly CRR Eligible Quantity” or **“MEQ”** shall have the meaning given that term in the CAISO Agreements.

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“NERC” shall mean the North American Electric Reliability Corporation or any successor thereto.

“NERC E-Tag” shall mean a request submitted in electronic format to the appropriate control area or transmission provider, containing required identifying information for a given schedule to transfer Energy, in order for the control area or transmission provider to schedule the transfer of Energy involved in such schedule to transfer Energy.

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

“Non-Impaired Party” shall have the meaning set forth in Section 13.4 of the General Terms and Conditions.

“Notified Party” shall have the meaning set forth in Section 8.4 of the Base Agreement.

“Notifying Party” shall have the meaning set forth in Section 8.4 of the Base Agreement.

“Operating Day” shall have the meaning given the term in the CAISO Agreements.

“Optimization Fixed Monthly Fee” shall have the meaning set forth in Section 7.5 of the Base Agreement.

“Optimization Letter Agreement” has the meaning set forth in the Recitals.

“Original Agreement” has the meaning set forth in the Recitals.

“Original Commencement Date” has the meaning set forth in the Recitals.

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

“Pacific Prevailing Time” or **“PPT”** shall mean the standard time or daylight savings time, as applicable to the Pacific time zone of the United States.

“Party” or **“Parties”** shall have the meaning set forth in the Recitals.

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

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

“Permitted Force Majeure Termination” shall have the meaning set forth in Section 13.4 of the General Terms and Conditions.

“Permitted Termination” shall have the meaning set forth in Section 8.5 of the General Terms and Conditions.

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

“Pledgor” shall have the meaning set forth in Section 7.6(a) of the General Terms and Conditions.

“PowerTools Platform®” or **“PTP®”** shall have the meaning as set forth in Section 2.7 of the Base Agreement.

“PPA(s)” shall have the meaning given that term in the Recitals.

“Pricing Node” or **“PNode”** shall have the meaning as defined in the CAISO Agreements.

“Prior Agreements” has the meaning set forth in the Recitals.

“Proceedings” shall have the meaning given that term in Section 16.3 of the General Terms and Conditions.

“Product(s)” shall mean Capacity, Energy, and Ancillary Services associated with the Resources and Load within the Services Areas identified in Exhibit A that is scheduled in the CAISO markets under this Agreement.

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

“Real-Time” has the meaning as defined in the CAISO Agreements.

“Real-Time Market” or **“RTM”** shall have the meaning as defined in the CAISO Agreements.

“Recording” shall have the meaning as set forth in Section 16.10 of the General Terms and Conditions.

“Renewal Term” shall have the meaning set forth in Section 8.1 of the Base Agreement.

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“Representatives” shall mean each Party’s respective directors, officers, and employees, including, without limitation, attorneys, accountants, partners, and consultants.

“Resources” shall have the meaning as set forth in the Recitals.

“Resource Scheduling Agent Services Monthly Fee” shall have the meaning given that term in Section 7.3(b) of the Base Agreement.

“Responsible Party” shall have the meaning given that term in Section 8.3 of the General Terms and Conditions.

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

“Samba DP” shall mean the entity that manages the Displacement Program for WAPA via submission of proposed and allocated schedule amounts.

“Service Area” shall have the meaning given that term in the CAISO Agreements, and, for purpose of this Agreement, shall mean those Service Areas identified in Exhibit A hereto.

“Scheduling Agent” shall have the meaning given that term in the CAISO Agreements.

“Scheduling Coordinator” shall have the meaning given that term in the CAISO Agreements.

“Scheduling Coordinator ID Code” shall have the meaning given that term in the CAISO Agreements.

“SCID” shall mean, for purposes of this Agreement, the Scheduling Coordinator ID Code assigned to SVCE by CAISO.

“Seasonal CRR Eligible Quantity” shall have the meaning given that term in the CAISO Agreements.

“Secured Party” shall have the meaning set forth in Section 7.6(a) of the General Terms and Conditions.

“Service Fees” shall mean, with respect to a Month, the Load Forecasting Scheduling Agent Services Monthly Fee, the WAPA Base Resource Scheduling Services Fee, and the CRR Monthly Service Fee.

“Services” shall mean, collectively, the Load Forecasting and Scheduling Agent Services, the CRR Portfolio Management Services, Outage Reporting, Support Services, Solar Optimization Services, Battery Optimization Services, and any other services that TPS and SVCE have expressly agreed to under this Agreement.

“Settlement Process” shall have the meaning set forth in Section 7.7 of the General Terms and Conditions.

“Settlement Statement” shall have the meaning as defined in the CAISO Agreements.

“Set-Up Fee” shall have the meaning set forth in Section 7.1 of the Base Agreement.

“Shaping” shall have the meaning set forth in Exhibit E hereto.

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“Solar Optimization Services” shall have the meaning set forth in Section 5.1 of the Base Agreement.

“Solar Resources” shall have the meaning set forth in the recitals of this Agreement.

“Storage Optimization Engine” shall have the meaning set forth in Section 5.2 of the Base Agreement.

“Storage Resources” shall have the meaning set forth in the recitals of this Agreement.

“Support Services” shall have the meaning set forth in Section 2.8 of the Base Agreement.

“Support Services Period” shall have the meaning set forth in Section 2.8 of the Base Agreement.

“SVCE” shall have the meaning set forth in the preamble of the Agreement.

“SVCE Load Forecasting Period” shall have the meaning set forth in Section 2.6(e) of the Base Agreement.

“Term” shall mean the period commencing on the Effective Date through and including the expiration of the Initial Term and any Renewal Term, as applicable, subject in all cases to any early termination of the Agreement as permitted herein and subject to Section 8.3 of the Base Agreement.

“Termination for Performance” shall have the meaning set forth in Section 8.4 of the Base Agreement.

“Third Party” shall mean any Person other than SVCE or TPS.

“Tier LT” shall have the meaning as defined in the CAISO Agreements.

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

“Transaction” shall mean a particular transaction relating to the scheduling, delivery, sale, and/or purchase of a Product, as applicable.

“WAPA” shall mean the Western Area Power Administration.

“WAPA Base Resource” shall mean the power that WAPA markets from its federal hydroelectric projects. This power includes both capacity and Energy but does not include transmission services. The WAPA Base Resource is typically allocated to WAPA’s long-term firm power customers under specific marketing plans.

“WAPA Base Resource Scheduling Letter Agreement” has the meaning set forth in the Recitals.

“WAPA Base Resource Scheduling Services” shall have the meaning set forth in Section 4 of the Base Agreement.

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“WAPA Base Resource Scheduling Services Fee” shall have the meaning set forth in Section 7.2 of the Base Agreement.

“WAPA Portal” shall mean the user interface used to access the WAPA Base Resource information.

“WECC” shall mean the Western Electricity Coordinating Council.

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

SECTION 2

PERFORMANCE OBLIGATIONS

2.1 Reserved.

2.2 TPS as Scheduling Agent.

- (a) For the purchase of Products from CAISO to serve SVCE's Resources and Load within the Service Areas, SVCE's SCID shall represent SVCE's Resources, Load and Transactions within the Service Areas, and TPS will not take title to such Products provided by CAISO through SVCE's SCID to SCVE's Resources and Load within the Service Areas.
- (b) For the avoidance of doubt, TPS, in its role as SVCE's Scheduling Agent, shall schedule all of SVCE's Transactions associated with SVCE's Resources and Load within the Service Areas which require scheduling with CAISO, subject to and in accordance with this Agreement.

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

2.4 Exclusivity. For SCVE's Resources and Load within the Service Areas, subject to the terms and conditions of this Agreement, SVCE grants TPS the exclusive right during the Term to:

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- (a) act as SVCE's provider of Services such that,
 - (i) the Resources and Load within the Service Areas designated in Exhibit A will be solely represented by TPS as Scheduling Agent;
 - (ii) SVCE will schedule all Products through and with TPS; and
 - (iii) during the Term of this Agreement, SVCE will not schedule Products related to such Load directly with CAISO, or through any other Person except TPS, as long as there is no Force Majeure event or Event of Default that has occurred and is continuing with respect to TPS;
- (b) serve as SVCE's representative, limited to the purpose of representing SVCE as the Scheduling Agent for the Load within the Service Areas in communications with CAISO, as provided under Section 2 of the Base Agreement; and
- (c) schedule the Products per SVCE's instruction described in this Agreement.

2.5 Reports. TPS shall provide SVCE with reports showing quantities of Products associated with SVCE's Resources and Load within the Service Areas, Products scheduled on behalf of SVCE by TPS, and CAISO settlement meter data for such Resources and Load (to the extent applicable and to the extent SVCE provides TPS with access to such settlement meter data).

2.7 Regulatory Reporting. TPS will reasonably assist SVCE in data collection for SVCE's regulatory reporting obligations upon SVCE's request. SVCE will be responsible for required state, federal or regional reports applicable to its licenses and business interests. For clarification, nothing herein shall obligate TPS to prepare or submit any regulatory or governmental reports for SVCE; *provided, however*, that TPS shall timely provide to SVCE all information in its possession that is reasonably requested by SVCE for SVCE's regulatory or governmental reports.

SECTION 3 **OPERATIONAL ISSUES**

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

- (a) all CPUC, CAISO and/or EIM registration and system modeling information required for the provision of Services applicable to the Resources, including but not limited to information relating to the CAISO and/or EIM network model, as soon as reasonably practicable after the Effective Date; and
- (b) all relevant parameters, Real-Time data telemetry point map, Delivery Point(s), and Pricing Node(s), each as applicable to each Resource and as may be required by the Governing Rules, along with any other information about the Resources that SVCE reasonably believes would be helpful for TPS to know or that TPS reasonably requests in connection with the Services provided under this Agreement. TPS will provide assistance to SVCE to identify required information.

SVCE will use good faith efforts to, as soon as practicable, provide TPS with any and all applicable additions or changes to the above information required for the provision of Services. TPS may rely on the most recent information SVCE has supplied to TPS.

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Resources may only be added to or removed from this Agreement through a written amendment of this Agreement executed by the Parties.

3.2 Daily Schedule of Sales Commitments and Products Availability.

- (a) If applicable, two hours prior to the deadline specified in the Governing Rules for Day-Ahead Market submissions on each Day, or sooner if practicable, SVCE will provide or cause to be provided to TPS a written schedule (the “**Daily Schedule**”) setting forth SVCE’s next Day’s hourly expected quantity of Products available from the Resources based on anticipated operational requirements and the level of SVCE’s participation in the CAISO market. The Daily Schedule will also describe the nature and expected duration of any scheduled or unscheduled limitations of each Resource, or any Resource maintenance requirements, that have not previously been communicated for the Day on which the Daily Schedule is received, or any succeeding Day.
- (b) In addition to providing TPS with the Daily Schedule, throughout each Operating Day, SVCE must provide or cause to be provided to TPS updates on SVCE’s ability to sell Products when and if such information changes materially from that information previously communicated to TPS by SVCE. These updates will be provided via a mutually agreed upon template sent electronically or over the phone or such other means as mutually agreed by the Parties. If updates occur over the phone, SVCE will make commercially reasonable efforts to send the template with the updated information as soon as is practicable, and TPS will make commercially reasonable efforts to submit the schedule.

**SECTION 4
RESERVED**

**SECTION 5
EQUIPMENT AND DATA TRANSMISSION**

- 5.1 Data Transmission. As necessary, the Parties agree that SVCE will send or cause to be sent telemetered data directly to CAISO and communicate required telemetered data from and to the Resources and Load within the Service Areas. SVCE shall continually transmit, or cause to be continually transmitted, operational data to TPS on a Real-Time basis as required by the Governing Rules.
- 5.2 Communication Cost. SVCE shall provide TPS with access to all applicable CAISO communication systems available to SVCE, as necessary for TPS to provide SVCE with Services described in this Agreement or as may be required by the Governing Rules. Prior to incurring any associated Third Party communication costs subject to reimbursement by SVCE, TPS shall provide SVCE with an estimate of and explanation of the need for such costs and obtain SVCE’s approval for such costs, which shall not be unreasonably withheld. For such communication costs, TPS will invoice SVCE for such Pass Through Amounts in accordance with Section 7.1 of the General Terms and Conditions, providing SVCE with supporting details from TPS’s invoices from Third Party communications providers or vendors. Included in communications costs reimbursable by SVCE are any incremental costs applicable to CAISO WAN costs attributable to SVCE that are supported by cost documentation from CAISO.

SECTION 6
SETTLEMENTS AND PASS THROUGH AMOUNTS

- 6.1 CAISO Settlements. SVCE shall be responsible for directly remitting and receiving Settlement Statements and payments with CAISO for all activities involving the Load within the Service Areas. TPS shall not be responsible to SVCE for errors in meter data supplied by or to CAISO, if applicable, for use in settlement calculations. In the event CAISO requires TPS to pay for settlement charges related to SVCE, TPS shall provide SVCE with documentation of such charges, and SVCE shall reimburse TPS for such amounts TPS has paid to CAISO on behalf of SVCE.
- 6.2 Reconciliation. Subject to Section 2.7 of the Base Agreement, TPS will use commercially reasonable efforts to reconcile all CAISO Settlement Statements based on the shadow settlements and CAISO charges, costs or payments included in Pass Through Amounts related to SVCE and will alert SVCE to any amounts which are erroneous, extraneous or otherwise do not comport with the Governing Rules or Product associated with the Load within the Service Areas or this Agreement. When TPS provides SVCE with TPS's analysis of any CAISO Settlement Statement, if SVCE disputes the accuracy of such statement or otherwise wishes to pursue a dispute alerted by TPS, SVCE shall raise the dispute with reasonable notice to TPS prior to any deadline for contesting such Settlement Statement established in the Governing Rules or be deemed to concur in its accuracy. If any such dispute is timely raised by SVCE, TPS will provide SVCE support in formulating such dispute, and SVCE (or upon SVCE's request, TPS) will file such dispute with CAISO prior to any deadline for contesting such Settlement Statement established in the Governing Rules. TPS will provide SVCE on-going support with respect to any continuing CAISO disputes. Notwithstanding the foregoing, SVCE is under no obligation to utilize any services from TPS with respect to such disputes.

SECTION 7
BILLING; PAYMENT; CREDIT

- 7.1 Invoices. All Services hereunder will be accounted for consistent with the Governing Rules. The accounting period for Services, Transactions, and settlements will be one (1) Month. TPS's Monthly invoices will detail the Services and Pass Through Amounts provided or incurred during the applicable billing Month together with any adjustments for prior Months' Services and Pass Through Amounts, which invoice shall contain such detail and substantiating documentation as SVCE may reasonably request. TPS's invoice will show the net amounts that each Party owes (or is owed) pursuant to this Agreement. TPS shall invoice Pass Through Amounts and reimbursements in Section 7.6 of the Base Agreement separately from the fees specified in Sections 7.1, 7.2, 7.3, 7.4 and 7.5 of the Base Agreement.
- 7.2 Payment Date. All payments to either Party, as set forth in TPS's invoices, shall be made by ACH or wire transfer on or before the Due Date.
- 7.3 Late Payment. Amounts owed, but not paid on or before the Due Date will be payable with interest at the Interest Rate calculated daily from the Due Date until payment is received.
- 7.4 Offset. In the event that SVCE and TPS are each required to pay an amount to the other in the same Month pursuant to this Agreement, then such amounts will be aggregated, and the Parties will discharge their obligations to pay through offset. In such an offset, the

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Party owing the greater aggregate amount will pay to the other Party the net difference between the amounts owed.

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

7.6 Credit Support.

- (a) Credit Support and Limits. The obligation of each Party (as “**Secured Party**”) to provide or receive Services hereunder is conditioned upon compliance by the other Party (as “**Pledgor**”) with Secured Party’s credit policies and requirements. If a Pledgor experiences a Material Adverse Change in creditworthiness, as determined by the Secured Party using commercially reasonable standards of measuring creditworthiness, then such Secured Party may request that the Pledgor provide Credit Support in an amount sufficient to cover such Secured Party’s Credit Exposure. A failure by Pledgor to provide Credit Support pursuant to this Section 7.6(a) within three (3) Business Days of receiving a request hereunder will be an Event of Default pursuant to Section 11.1(a) of the General Terms and Conditions.
- (b) Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent either or both Parties deliver Credit Support hereunder, Pledgor hereby grants to the Secured Party a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, such Secured Party, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Secured Party’s first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of a Secured Party with respect to all Credit Support, including any such rights and remedies under law then in effect; (ii) draw on any outstanding letter of credit issued for its benefit; and (iii) liquidate all Credit Support then held by or for the benefit of the Secured Party free from any claim or right of any nature whatsoever of the Defaulting Party, including any equity or right of purchase redemption by the Defaulting Party. The Secured Party shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Pledgor’s

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obligations under this Agreement (the Pledgor remaining liable for any remaining amounts owing to the Secured Party after such application, if any), subject to the Secured Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

7.7 Maintenance of Records; Audit.

- (a) TPS and SVCE shall each maintain in accordance with Prudent Industry Practice complete, accurate and up-to-date supporting records that are pertinent to the Services and payment obligations hereunder, including all Pass Through Amounts. TPS shall ensure that such supporting books and records are distinguishable from TPS's other activities. The Parties shall each retain such books and records for a minimum of four (4) years after the Term, or if longer, the relevant period required by Applicable Law or Governing Rules.
- (b) Each Party has the right, at its sole expense and during Business Hours and upon reasonable written notice to the other Party, to examine the records of the other Party as necessary to verify the accuracy of any invoice, charge, or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any invoice, the necessary adjustments in such invoice and the payments thereof will be promptly made together with interest at the Interest Rate, if applicable, from the original date of payment; provided that no adjustment for any invoice or payment will be made unless objection to the accuracy thereof was made prior to the lapse of two (2) years from the date that the disputed invoice was delivered. This paragraph of this Agreement survives the expiration or earlier termination of this Agreement for a period of four (4) years from the date of such expiration or earlier termination of this Agreement for the purpose of the right to examine records and such invoice and payment objections and corrections.

SECTION 8
GOVERNING RULES

- 8.1 Governing Rules. Both Parties agree to abide by all Applicable Laws and the Governing Rules. For purposes of determining responsibility and rights of the Parties at any given time, in addition to the terms and conditions of this Agreement, the Applicable Laws and Governing Rules which are in effect at the time of performance or non-performance of an action, subject to the continuation of any grandfathered provisions, will govern with respect to that action. In the event of a direct and irreconcilable conflict between Applicable Laws and the Governing Rules and the terms and conditions set forth in this Agreement, the Applicable Laws and Governing Rules will prevail.
- 8.2 Compliance Support. TPS shall use commercially reasonable efforts to assist SVCE in any audit of the Load within the Service Areas conducted or initiated by a regional reliability coordinator or NERC, including preparation of responses to NERC or regional reliability coordinator data requests related to NERC standards for which TPS has information useful to SVCE for the demonstration of compliance. In addition to the foregoing, if the regional reliability coordinator requests a NERC audit for a time period during which TPS served as SVCE's Scheduling Agent for SVCE's SCID, then upon SVCE's request, with respect to such audits that call for production of records of Scheduling Coordinator-related communications with CAISO, TPS shall support SVCE with relevant information and assistance including assisting SVCE in responding to a NERC audit by providing SVCE with TPS's pertinent documentation of TPS's communications with CAISO or the applicable Load in a timely manner. Nothing contained in this Agreement shall be construed to make TPS a "generation owner," "generation operator," or any similar entity,

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or to make TPS subject to any classification under applicable NERC rules as a result of TPS's execution of this Agreement or TPS's performance of the Services or otherwise, and SVCE shall not register TPS or require TPS to register with NERC as a "generation owner" or "generation operator" with respect to the resources.

- 8.3 Compliance with Laws. TPS and SVCE will at all times relevant to this Agreement comply with all Applicable Laws and the Governing Rules. In the event that actions or omissions of one Party ("**Responsible Party**") cause the other Party ("**Affected Party**") to (a) be materially non-compliant with the Governing Rules or Applicable Laws affecting Scheduling Coordinators or the Load that is the subject of this Agreement, or (b) have assessed or brought against it any fines, penalties, reprimands, censures, sanctions, assessments, or other material adverse actions by CAISO, market monitor, or any other Governmental Authority ("**Assessments**") (which, for the avoidance of doubt, will not include ordinary course settlement charges or penalties, such as imbalance penalties or charges, mismatched schedule charges, uninstructed deviation charges, or late fees), then, in addition to any other rights or remedies under this Agreement (including, without limitation, the right, if any, to indemnification against such Assessments), the Affected Party may exercise any or all of the following:
- (i) give written notice to the Responsible Party setting forth the circumstances of non-compliance and, if practicable, demand that the Responsible Party cure such non-compliance; and
 - (ii) demand that the Responsible Party use commercially reasonable efforts to cooperate in the Affected Party's defense against such allegation or Assessment (provided the foregoing will not require the Affected Party to incur material expenses unless reimbursed by the Responsible Party nor take any position in any regulatory proceeding contrary to its interests or policies).

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

- 8.4 TPS Affiliates. Notwithstanding any provision of this Agreement to the contrary, TPS shall in all cases remain obligated for the performance of the Services and its obligations under this Agreement regardless of whether such Services or obligations are performed by its Affiliates.
- 8.5 Change in Laws or Regulations. In the event a change in Applicable Laws or the Governing Rules (a) materially impairs a Party's ability to perform under this Agreement, or (b) in the case of TPS, authorizes the CPUC to assert any new or additional jurisdiction over Scheduling Coordinators or Scheduling Agents, the adversely affected Party may notify the other Party of the adverse effect and propose amendments to this Agreement to address the adverse effect of the change in Applicable Laws or Governing Rules. The Parties shall negotiate in good faith to amend this Agreement to restore the Parties to the relative benefits and obligations contemplated under this Agreement prior to the change in Applicable Laws or Governing Rules. If the Parties have not reached agreement on an amendment by the thirtieth (30th) Day after the effectiveness of the notice sent by the affected Party, then the affected Party may, upon written notice to the other Party, terminate this Agreement by designating a termination date that is no earlier than ninety (90) Days after the date of such written notice ("**Permitted Termination**"). Neither Party shall owe damages to the other Party in the event of a Permitted Termination; *provided*, that neither Party shall be relieved of any payment obligations accruing under this Agreement prior to the date of such termination or that by their nature survive such

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termination. Upon a Permitted Termination, TPS will reasonably cooperate with SVCE to transition the Services to a replacement Scheduling Agent in accordance with Section 8.2 of the Base Agreement.

SECTION 9
TAXES

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

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

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

SECTION 10
INDEMNITIES, LIABILITIES AND WARRANTY DISCLAIMER

- 10.1 INDEMNITIES. SUBJECT TO THE LIABILITY LIMITATIONS SET FORTH IN SECTION 10.2 BELOW, EACH PARTY UNDERSTANDS AND AGREES THAT IT SHALL DEFEND, RELEASE, INDEMNIFY, AND HOLD THE OTHER PARTY HARMLESS FROM (I) EXCEPT TO THE EXTENT CAUSED BY THE NON-INDEMNIFYING PARTY, ALL THIRD PARTY LIABILITIES, COSTS, CLAIMS, LOSSES, OR CAUSES OF ACTION ARISING FROM PERSONAL INJURY, PROPERTY LOSS, PROPERTY DAMAGE, OR DEATH, HOWEVER CAUSED, AND RELATED TO ANY EVENT, CIRCUMSTANCE, ACT OR INCIDENT FIRST OCCURRING OR EXISTING DURING THE PERIOD OF TIME WHEN CONTROL AND TITLE TO ANY PRODUCT IS VESTED IN SUCH INDEMNIFYING PARTY, OR (II) ANY OTHER THIRD PARTY LIABILITIES, COSTS, CLAIMS, LOSSES, OR CAUSES OF ACTION TO THE EXTENT CAUSED BY SUCH INDEMNIFYING PARTY'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.
- 10.2 LIMITATION OF LIABILITY. EXCEPT FOR INDEMNITIES PROVIDED IN SECTION 10.1 HEREOF, THE LIABILITY OF EACH PARTY TO THE OTHER PARTY FOR ANY CLAIM OR CAUSE OF ACTION RELATED TO THIS AGREEMENT SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES ARE WAIVED. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INDIRECT, PUNITIVE, LOST PROFIT, LOST OPPORTUNITY, BUSINESS INTERRUPTION, OR EXEMPLARY DAMAGES FOR ANY CLAIM OR CAUSE OF ACTION RELATED TO THIS AGREEMENT, WHETHER ARISING FROM

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BREACH OF CONTRACT OR WARRANTY, INDEMNITY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), STATUTE, OR OTHERWISE. MOREOVER, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EXCLUDING ANY LIABILITY FOR PAYMENTS OR CREDITS DUE TO SVCE UNDER THE BASE AGREEMENT, UNLESS THE CLAIMS OR OBLIGATIONS ARE CAUSED BY TPS'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, FOR ANY THREE (3) MONTH PERIOD OF SERVICES, THE LIABILITY OF TPS TO SVCE FOR ANY OBLIGATIONS OR CLAIMS UNDER THIS AGREEMENT (INCLUDING INDEMNITIES) SHALL BE LIMITED TO A MAXIMUM OF THE SERVICE FEES RECEIVED BY TPS FROM SVCE (I) WITH RESPECT TO THE FIRST THREE (3) MONTHS OF THE TERM, FOR THE MONTHS PRECEDING THE MONTH IN WHICH THE EVENT GIVING RISE TO THE CLAIM OCCURRED, AND THEREAFTER (II) FOR THE THREE (3) MONTHS IMMEDIATELY PRECEDING THE MONTH IN WHICH THE EVENT GIVING RISE TO THE CLAIM OCCURRED (THE "**DAMAGES CAP**"); *PROVIDED, HOWEVER*, ONCE ANY PORTION OF THE DAMAGES CAP HAS BEEN PAID OUT BY TPS IN SATISFACTION OF A CLAIM, SUCH PORTION THAT HAS BEEN PAID OUT SHALL BE DEDUCTED FROM THE DAMAGES CAP OTHERWISE AVAILABLE TO SATISFY ANY SUBSEQUENT CLAIM(S) ARISING DURING SUCH THREE (3) MONTH PERIOD. FOR THE AVOIDANCE OF DOUBT, OTHER THAN WITH RESPECT TO TPS'S PAYMENT OBLIGATIONS EXPRESSLY EXCLUDED FROM THE LIMITATION OF LIABILITY ABOVE, TPS WILL NOT BE OBLIGATED TO PAY OUT IN THE AGGREGATE FOR CLAIMS IN ANY CONSECUTIVE THREE (3) MONTH PERIOD MORE THAN THE SERVICE FEES TPS HAS RECEIVED FROM SVCE FOR SUCH THREE (3) MONTH PERIOD.

- 10.3 **WARRANTY DISCLAIMER.** EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, THE SERVICES ARE PROVIDED ON AN "AS IS" BASIS, AND SVCE'S USE OF THE SERVICES IS AT ITS OWN RISK. TPS DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. TPS DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE, OR THAT THE PROVISION OF SERVICES WILL ALWAYS BE EXECUTED WITHOUT HUMAN ERRORS OR OMISSIONS.
- 10.4 **ADDITIONAL INDEMNITIES.** AN INDEMNIFYING PARTY'S INDEMNITY OBLIGATIONS, AND ANY WAIVERS AND RELEASES OF CLAIMS IN THIS AGREEMENT WILL EXTEND TO THE INDEMNIFIED PARTY, ITS AFFILIATED COMPANIES, INCLUDING ANY ENTITY CONTROLLING, UNDER THE CONTROL OF, OR UNDER COMMON CONTROL WITH SUCH PARTY, AND TO THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, OWNERS, SHAREHOLDERS AND INSURERS OF EACH THEREOF.
- 10.5 **Survival.** The provisions of this Section 10 shall survive the expiration or earlier termination of this Agreement.

SECTION 11
DEFAULTS AND REMEDIES

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

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- (a) the failure by a Party to make a timely payment of any amounts due to the other Party or provide required Credit Support to the other Party under this Agreement;
- (b) the failure by a Party to perform its material obligations under this Agreement, including the obligations to perform its obligations under this Agreement in accordance with the Governing Rules and Prudent Industry Practice, which failure is not excused by the terms of this Agreement;
- (c) the breach of any representation or warranty of such Party that results in a material adverse impact on the other Party;
- (d) the appointment (voluntary or involuntary) of a receiver or liquidator or trustee of such Party or of any of the property of such Party by order of a court of competent jurisdiction;
- (e) the filing of a petition or consent seeking relief or assisting in seeking relief in a proceeding under any of the provisions of federal or state bankruptcy or insolvency laws, as any such laws now exist or as those laws may be amended, or the filing of an answer admitting the material allegations of a petition filed against it in such proceeding; the general assignment by a Party for the benefit of its creditors; or the admission by a Party in writing of its inability to pay its debts generally as they become due; and/or
- (f) the commission of a fraudulent act or omission by a Party in the performance of its obligations hereunder.

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

- (a) upon the occurrence of an Event of Default as specified in Sections 11.1(a), 11.1(b), 11.1(d), 11.1(e), or 11.1(f), to suspend performance immediately and without notice;
- (b) upon the occurrence of an Event of Default as specified in Section 11.1(c), upon three (3) Business Days’ notice, to suspend performance of any obligation which, if performance continued, would expose the Non-Defaulting Party to material risks or material unrecovered costs;
- (c) upon the occurrence of an Event of Default as specified under Sections 11.1(a), 11.1(b), or 11.1(f), to terminate this Agreement by giving the Defaulting Party written notice setting forth a description of the Event of Default and designating a termination date, provided that the Defaulting Party shall have three (3) Business Days after the date of such notice in which to cure the Event of Default;
- (d) upon the occurrence of an Event of Default as specified under Section 11.1(c), to terminate this Agreement by giving the Defaulting Party written notice setting forth a description of the Event of Default and designating a termination date, provided that the Defaulting Party shall have fifteen (15) Days after the date of such notice in which to cure the Event of Default;
- (e) upon the occurrence of an Event of Default as specified in Sections 11.1(d), or 11.1(e), to terminate this Agreement immediately and without notice;

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- (f) to pursue collection of direct, actual damages and seek any other remedy at law or in equity (except to the extent limited by, or waived under, this Agreement);
- (g) to pursue collection of reasonable attorney's fees and costs if any action is brought to enforce any term or provision of this Agreement or collect amounts due (whether at the trial court level or any appeal there from); and/or
- (h) to pursue any other remedy provided under this Agreement.

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

SECTION 12
NOTICES

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

- (a) three (3) Business Days after such notice is deposited in the United States mail with postage prepaid for transmittal by registered or certified mail, return receipt requested;
- (b) one (1) Business Day after such notice is placed in the hands of a recognized commercial mail or courier service for overnight delivery; or
- (c) the Business Day on the date such notice was sent by email with confirmation of receipt of such email by confirmed email transmission, *provided* that such receipt occurred during Business Hours of such Business Day. For email transmissions received after such Business Hours of such Business Day at the receiving location, notice shall be deemed effective upon the opening of Business Hours of the next Business Day.

For the avoidance of doubt, either Party may update its notice information contained in Exhibit B at any time without the need for a formal amendment by sending written notice to the other Party in accordance with this Section 12.1.

SECTION 13
FORCE MAJEURE

13.1 Force Majeure. Subject to Section 13.2 of the General Terms and Conditions, neither Party will be considered to be in default in the performance of any obligations under this Agreement (other than the obligation to make a payment of amounts owed) to the extent and for the duration that such failure of performance results from Force Majeure. The

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term “***Force Majeure***” means causes that are beyond the reasonable control of the Party affected which, by exercise of due diligence, such Party could not reasonably have been expected to avoid and which, by exercise of due diligence, it has been unable to overcome and not the result of the fault or negligence of such Party including, but not limited to: flood, earthquake, tornado, hurricane, storm, or fire; acts of terrorism; civil disobedience, strikes, or other labor dispute; labor or material shortage; sabotage; pandemic, epidemic or other public health emergency; restraint, order, rule, or regulation of any court, governmental body, or public authority, including CAISO (whether valid or invalid).

- 13.2 Due Diligence. No Party, however, shall be relieved of liability for failure of performance hereunder based on Force Majeure if such failure is due to causes arising out of its own negligence or due to removable or remediable causes which it fails to remove or remedy within a reasonable time period. A Party claiming Force Majeure must exercise due diligence to overcome the Force Majeure event. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of Force Majeure shall give prompt written notice of such fact to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.
- 13.3 Obligations During Force Majeure. Notwithstanding any other provisions as stated in Section 13, an event of Force Majeure does not relieve a Party of any of its obligations under the Governing Rules and this Agreement that the Party can reasonably perform during a Force Majeure event, and does not excuse a Party of its obligations to make payments for obligations arising prior to the Force Majeure event, or of any payment obligations for its non-performance arising pursuant to the Governing Rules and this Agreement.
- 13.4 Force Majeure Termination. In the event that any Force Majeure event prevents a Claiming Party from performing hereunder for a period of at least one hundred eighty (180) consecutive Days, the Party whose performance was not impaired by the claimed Force Majeure event (“***Non-Impaired Party***”) may terminate this Agreement by giving written notice to the Claiming Party and designating a termination date, which shall be no earlier than ten (10) Days after the date of the Non-Impaired Party’s receipt of the Claiming Party’s Force Majeure event notice (“***Permitted Force Majeure Termination***”). Neither Party shall owe damages to the other Party in the event of a Permitted Force Majeure Termination; provided, that neither Party shall be relieved of any payment obligations accruing under this Agreement prior to the date of such termination or that by their nature survive such termination.

SECTION 14 **CONFIDENTIALITY**

- 14.1 Confidentiality.
- (a) Subject to the remaining provisions of this Section 14.1, each Party agrees, for itself, its Affiliates, and its Representatives, to keep confidential this Agreement, all negotiations concerning this Agreement, and all other information furnished by either Party related to schedules, Services, credit and financial obligations, and Transactions under this Agreement (“***Confidential Information***”); provided, however, such confidentiality obligation will expire three (3) years immediately following the expiration or earlier termination of this Agreement.
- (b) The receiving Party, its Affiliates, and its Representatives shall not disclose any Confidential Information to any Third Party without the prior written consent of the disclosing Party unless requested or required by a Governmental Authority or self-

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regulatory organization or as permitted in accordance herewith; *provided* that a Party may, without such prior written consent, disclose Confidential Information to any Affiliate, Representative, current or future financing sources, insurer, auditor, or potential purchaser of or investor in a Party and its parent or Affiliates who need to know such information and who agree to keep such Confidential Information confidential on terms no less restrictive, as a whole, than those set forth in this Section 14.1; *provided further* that each Party shall be responsible for the compliance with this Section 14.1, by all such Persons with whom it shares such Confidential Information in accordance with the immediately foregoing proviso.

- (c) In the event any Party is requested or required to disclose Confidential Information pursuant to Applicable Laws including, but not limited to a request for disclosure under the California Public Records Act (California Government Code Section 7920, et seq.) or by a Governmental Authority having or purporting to have jurisdiction over the Party, to the extent permitted by Applicable Law, such Party must notify the other Party prior to any disclosure so as to allow the other Party to resist such disclosure before the Governmental Authority and/or to seek appropriate protection from further disclosure. If TPS takes no such action to seek such protection within five (5) Business Days after receiving notice from SVCE of a request for disclosure under the California Public Records Act, SVCE may comply with the Third Party's request or demand and is not required to defend against it.
- (d) The Parties agree that disclosure of Confidential Information in breach of the confidentiality provisions of this Agreement constitutes an irreparable injury and that injunctive relief is an appropriate remedy to prevent the unwarranted disclosure of any Confidential Information.
- (e) The confidentiality provisions of this Agreement will not apply to any information (i) the receiving Party developed independently without using the Confidential Information, (ii) that was in the public domain at the time of its disclosure hereunder, (iii) which passes into the public domain by acts other than the acts of or caused by the Party receiving said Confidential Information, or (iv) is disclosed to the receiving Party by a Third Party, provided that the receiving Party does not know (or has no reasonable basis to know) that the information was received or disclosed unlawfully.
- (f) The Parties currently do not contemplate that the services under this Agreement will require TPS to access and process information that pertains to individual SVCE customer data, including but not limited to individual customer load, address, meter, business types, and credit data. If circumstances change that require TPS to access or process such individual customer data, then TPS shall timely inform SVCE, and the Parties shall negotiate in good faith any additional requirement that would protect the confidentiality of individual customer data and make applicable amendments to this Agreement. TPS shall make its employees aware of this requirement and shall establish appropriate internal safeguards to ensure compliance with this requirement.

SECTION 15
REPRESENTATIONS AND WARRANTIES

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

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- (a) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction under which it is organized and is authorized to do business in the State of California;
 - (b) it has the full power and authority to enter into this Agreement and perform all of its specified obligations, representations, warranties, and covenants under this Agreement;
 - (c) it is not bankrupt, does not contemplate becoming bankrupt nor, to its knowledge, will become bankrupt;
 - (d) (i) the execution, delivery, and performance of this Agreement have been duly authorized by all requisite action of its governing body and does not and will not conflict with any provision of its organizational documents, any Applicable Law or any material agreement or instrument to which it is a party or by which it or a material portion of its property or assets may be bound or effected, and (ii) the Person signing this Agreement on its behalf was duly authorized to execute and deliver this Agreement on its behalf;
 - (e) it obtained prior to the Original Commencement Date, all required licenses, registrations, certifications, Permits, and other authorizations; and took prior to the Original Commencement Date, all actions required by Applicable Laws, the Governing Rules or governmental regulations with the exception of licenses, registrations, certifications, Permits, or other authorizations that do not materially affect its performance under this Agreement;
 - (f) it is not in violation of any contracts, laws, ordinances, or governmental rules, regulations, or orders of any Governmental Authority or arbitration board materially affecting performance of this Agreement and to which it is subject;
 - (g) it is solely responsible for keeping itself informed of and understanding its respective responsibilities under the Governing Rules and any laws, rules, regulations, and tariffs approved by any Governmental Authority with jurisdiction over the matters specified in this Agreement; and
 - (h) it is not registered as a commodity trading advisor under the U.S. Commodity Exchange Act and is not holding itself out as in the business of advising others as to the value or advisability of trading swaps, options, futures or cash settled forwards or any other commodity transaction. Any oral or written communications by TPS with respect to this Agreement are not intended to be commodity trading advice.
- 15.2 Additional SVCE Representations and Warranties. SVCE represents and warrants that SVCE has worked in good faith with TPS to make, prior to the Original Commencement Date, all required registrations with, and has received all required certifications and approvals from, the CPUC and all required registrations with, and received any necessary qualifications from, CAISO to perform this Agreement.
- 15.3 Additional TPS Representations and Warranties. TPS represents and warrants that (i) prior to the Original Commencement Date and during the Term, TPS will be authorized to represent SVCE's SCID as Scheduling Agent with CAISO and (ii) TPS has made prior to the Original Commencement Date all other required registrations with, and received all other required certifications and approvals from, the CPUC, and has made all other

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required registrations with, and received any other necessary qualifications from, CAISO to perform under this Agreement.

SECTION 16
MISCELLANEOUS

- 16.1 Disclaimer. This Agreement does not constitute, create, give effect to, or otherwise recognize or imply the existence of a joint venture, pooling arrangement association, partnership, or other formal or informal business organization of any kind among the Parties, and the rights and obligations of the Parties with respect to this Agreement shall be limited to those set forth in this Agreement.
- 16.2 Assignment. Neither Party will assign this Agreement or its performance or rights arising under or related to this Agreement without the prior written consent of the other Party, which consent may not be unreasonably withheld, conditioned or delayed; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer or assign this Agreement to any Person or entity succeeding to all or substantially all of the assets of such Party that has a credit rating of BBB- or better from Standard & Poor's Financial Services, LLC (a subsidiary of S&P Global Inc.) or a Credit Rating of Baa3 or better from Moody's Investors Services, Inc., if any, or (ii) to a Person who succeeds to the interests of the assigning Party by merger, consolidation, or operation of law; provided, in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request and, in the case of TPS, the assignee possesses all licenses and expertise (including Scheduling Coordinator status) necessary to perform all obligations of TPS under this Agreement. Any purported assignment in contraventions of this Section will be null and void and the non-assigning Party is not obligated to recognize the purported assignment of this Agreement. This Agreement will be binding on, and inure to the benefit of any permitted, assigned, or successor of the assigning Party.
- 16.3 Governing Law; Jury Trial Waiver; Expenses. This Agreement and all matter and claims arising under or relating to this Agreement is governed by and construed in accordance with the laws of the State of California without regard to conflicts of laws principles. With respect to any suit, action or proceedings relating to this Agreement ("**Proceedings**"), each Party irrevocably submits to the exclusive jurisdiction of the courts of the State of California and the United States District Courts located in Santa Clara county, and waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY CREDIT SUPPORT DOCUMENT. EACH PARTY ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. IF EITHER PARTY BRINGS ANY LEGAL ACTION TO ENFORCE ITS RIGHTS UNDER THIS AGREEMENT OR SEEKS ENFORCEMENT UNDER THE TERMS OF ANY CREDIT SUPPORT PROVIDED BY THE OTHER PARTY, THE PREVAILING PARTY SHALL BE ENTITLED TO REIMBURSEMENT FROM THE OTHER PARTY OF REASONABLE ATTORNEYS' FEES AND LITIGATION COSTS AND EXPENSES,

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INCLUDING WITNESS FEES OF ANY KIND, IN AN AMOUNT TO BE DETERMINED BY THE APPLICABLE COURT OR BY AGREEMENT OF THE PARTIES.

- 16.4 Counterparts. This Agreement may be executed in multiple counterparts, including PDF documents exchanged by electronic mail, each one of which will be considered an original Agreement, but all of which together will constitute one and the same instrument.
- 16.5 Waiver. No waiver by any Party, either express or implied, of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any other default or defaults, whether of a like or a different character. The rights and remedies of the Parties are cumulative and not alternative. Neither any failure nor any delay by any Party in exercising any right, power or privilege hereunder will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. Failure by a Party to enforce any of the terms, covenants, conditions or other provisions of this Agreement at any time will not in any way affect, limit, modify or waive that Party's right thereafter to enforce strict compliance with every term, covenant or condition of this Agreement, notwithstanding any course of dealing or custom of the trade.
- 16.6 Entire Agreement; Amendment. This Agreement contains the entire understanding and agreement between the Parties with respect to the subject matter of this Agreement and supersedes all previous communications, negotiations and agreements, whether oral or written, between the Parties with respect to such subject matter including, but not limited to the Prior Agreements, which Prior Agreements are hereby amended, restated, replaced and superseded in their entirety by this Agreement as of the Effective Date. No alteration of or amendment to this Agreement will be effective unless in writing and signed by an authorized representative of each Party.
- 16.7 Severability. Any provision, article, or section declared or rendered unlawful by a court of law or regulatory agency with jurisdiction over the Parties, or deemed unlawful because of a statutory change, will not otherwise affect the other lawful obligations that arise under this Agreement. In the event any provision of this Agreement is declared invalid, the Parties will promptly negotiate to restore this Agreement as near as possible to its original intent.
- 16.8 Headings. The section headings of this Agreement are for convenience of reference only, and do not form a part of this Agreement, and do not in any manner modify, interpret, or construe the intent or agreement of the Parties.
- 16.9 Exclusion of Third Party Rights. The provisions of this Agreement will not impart rights enforceable by any Person or entity not a Party or bound as a Party hereto unless such Person or entity is a permitted successor or assignee of a Party bound by this Agreement, and the Parties do not intend to create any Third Party beneficiary under this Agreement, except to the extent (i) security interests in this Agreement have been granted to a Party's lenders, and (ii) certain rights to raise contractual rights and/or defenses under this Agreement have been extended to a Party's guarantor under any guaranty provided as Credit Support hereunder.
- 16.10 Recordings. Each Party consents to the recording and retention of any telephone conversations, e-mail or electronic message between the Parties related to this Agreement ("Recording"), and each Party will obtain any required consents to such Recordings from such Party's affected personnel, contractors, or agents. Subject to other applicable rules of evidence, such as the rule of relevance, the contents of such Recording

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transmitted between the Parties concerning this Agreement, may be utilized to determine the intent of the Parties in any dispute arising under this Agreement, and such Recording will be deemed a written business record of any information, confirmation, consent, bid, authorization, instruction, notice, or Transaction under this Agreement, which may be submitted in evidence in any proceeding or action related to this Agreement. Each Party waives objection to the admission in court of such Recording based on the "Best Evidence Rule" or other legal principles. A written confirmation executed by both Parties will prevail over a Recording of a Transaction. Each Party waives any further notice of monitoring or recording and agrees to notify its officers and employees and obtain any required consent to any such monitoring or recording.

- 16.11 No Recourse to Members of SVCE. SVCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. SVCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Seller shall have no rights and shall not make any claims, take any actions or assert any remedies against any of SVCE's constituent members, or the employees, directors, officers, consultants or advisors or SVCE or its constituent members, in connection with this Agreement.
- 16.12 Imaged Agreement. Any original executed Agreement, confirmation or other related document may be photocopied and stored on computer tapes and disks (the "**Imaged Agreement**"). The Imaged Agreement, if introduced as evidence on paper, the confirmation if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party will object to the admissibility of the Recording, the confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.
- 16.13 Joint Preparation of Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.
- 16.14 No Fiduciary Duty. Both Parties recognize the commercial nature of this Agreement and neither Party will owe any essential fiduciary duty to the other Party or any Third Party with respect to the performance of any of its obligations hereunder. The Parties hereby waive, to the fullest extent permitted by Applicable Law, any and all fiduciary duties that, absent such waiver, may be implied by law, and in doing so, recognize, acknowledge and agree that their duties and obligations to one another are only as expressly set forth in this Agreement. SVCE acknowledges and agrees that this Agreement shall not preclude TPS from providing services or making sales of a like nature to any other Person, either currently or in the future. TPS may, notwithstanding this Agreement, engage in whatever activities it may choose, including, without limitation, providing the same or similar sales or services in the same geographic region (or other competing activities) for its own account (or for the account of others). Neither this Agreement nor any activity undertaken related to this Agreement will prevent TPS from engaging in such activities or require TPS to disclose the same.

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- 16.15 Survival of Contract Terms. In addition to Sections of this Agreement which specifically state that they shall survive the expiration or earlier termination of this Agreement, the Parties also agree that these General Terms and Conditions shall survive the expiration or earlier termination of this Agreement as and to the extent necessary to give proper effect to the intent of the Parties with respect to their respective rights and obligations arising prior to the termination of this Agreement.
- 16.16 No Public Utility Designation. Each Party agrees that it shall not claim in any bankruptcy proceeding related to such Party that the other Party is serving as a public utility for such Party by selling Energy or providing Services under this Agreement.
- 16.17 Non-Discrimination. During the performance of this Agreement, neither Party, or their Representatives, shall unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in SVCE or TPS's employment practices or in the furnishing of services to recipients. Both Parties shall ensure that the evaluation and treatment of their employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. Both Parties and their Representatives shall, in the performance of this Agreement, fully comply with all Applicable Laws which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

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Transmission Owner:	Pacific Gas & Electric Company
PPA Term (Years)	17 years
Fixed Monthly Fee:	

Resource #2

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

B. SVCE's Resources That Will Not Require Scheduling, but will Require Monitoring**Resource #3**

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

Resource #4

SERVICE FEE SCHEDULE FOR GENERIC RESOURCES¹:

Exhibit A - 3

EXHIBIT B
NOTICE INFORMATION

TENASKA POWER SERVICES CO.	SILICON VALLEY COMMUNITY ENERGY AUTHORITY
Notice Address: 300 E. John Carpenter Freeway, Suite 1100 Irving, TX 75062	Notice Address: 333 W. El Camino Real, Suite 330 Sunnyvale, CA 94087
Attn: Director, Contract Administration	Attn: CEO
Phone: (817) 303-1860	Phone: 408-721-5301
Facsimile: (817) 303-1867	Facsimile:
Email: TPSContractAdmins@tnsk.com	Email: [REDACTED]
CICI Number: 549300K7NFSB93YGBN35	CICI Number:
CFTC Designation: End User	CFTC Designation:
Duns: 01-501-6913	Duns: 08-046-2990
Federal Tax ID Number: 47-0824081 (The above is the Tax ID for Tenaska Energy, Inc., the parent company of TPS. TPS is a disregarded entity for federal tax purposes.)	Federal Tax ID Number: 81-2158638
Confirmations: Attn: Confirms Phone: (817) 303-3609 Email: confirms@tnsk.com	Confirmations: Attn: Phone: Email:
Real-Time Trading: Phone: (817) 462-1528	Real-Time Trading: Phone:
Payments: Attn: Accounts Receivable 14302 FNB Parkway Omaha, NE 68154 Phone: (402) 938-1621	Payments: Finance Group (408) 721-5301 [REDACTED]
Invoices: Attn: Accounts Payable Phone: (817) 462-1521 Email: tps-accounting@tnsk.com	Invoices: Attn: Power Supply Group Phone: (408) 721-5301 Email: [REDACTED]
Wire/ACH Transfer: Bank: [REDACTED] ABA No: [REDACTED] Account No: [REDACTED] Account Name: [REDACTED]	Wire/ACH Transfer: [REDACTED] ABA No: [REDACTED] Account No: [REDACTED] Account Name:
Credit and Collections: Attn: Credit Department Phone: (817) 303-1113 Email: credit@tnsk.com	Credit and Collections: Attn: Finance Group Phone: (408) 721-5301 Email: [REDACTED]

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With additional Notices of an Event of Default or Potential Event of Default to: Attn: Vice President and General Counsel Phone: (817) 462-8053 Email: eodnotices@tnsk.com	With additional Notices of an Event of Default or Potential Event of Default to: Attn: CEO Phone: (408) 721-5301 Email: [REDACTED]

EXHIBIT C
SUPPORT SERVICES

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

1. determine, establish and implement the necessary communication methods, operational information technology and interfaces with CAISO including for purposes of transmitting Real-Time telemetry from the Resources and Load to TPS's primary and backup operation centers;
2. establish itself as the Scheduling Agent for the Resources and Load within the Service Areas;
3. if applicable, specify, install, configure, and test all required interface equipment needed to acquire and transmit CAISO-required Real-Time telemetry;
4. provide such other assistance with respect to the Documentation as SVCE may reasonably require; and
5. assist SVCE with the CAISO New Resource Implementation (NRI) Checklist as SVCE may reasonably require.

The Parties acknowledge and agree that, with regard to the Resources, Load and Service Areas identified in Exhibit A as of the Effective Date, the Support Services described in this Exhibit C were provided by TPS under the Original Agreement and under that certain Scheduling Coordinator Agreement entered into between the Parties on March 13, 2024.

EXHIBIT D **CRR SERVICES**

TPS will provide information to assist SVCE with CRR nominations and Bids in accordance with the following procedures and requirements. Final selection of any CRRs to nominate, bid, or offer upon, and their associated volumes and/or prices will be at SVCE's sole discretion.

- (1) TPS's consultation will consist of a standard CRR data set for each monthly process and each annual process, along with one monthly scheduled phone call to discuss questions and strategies. The analysis will include various historical and market information/calculations, and certain limited forecast information prior to the auction process. Inputs for any forecast analysis will be consistent with the latest base case inputs in TPS's network modeling system. Additional forecast scenarios may be completed at an agreed-upon cost.
- (2) CRR support is intended to minimize congestion costs for SVCE. Analysis for CRR nominations and Bids is to be limited to:
 - a. paths sourcing SVCE's resource nodes or supply-source nodes (e.g., PPA delivery points) to the SVCE DLAP for the purposes of hedging,
 - b. paths related to other hedge positions SVCE may need to manage in the CRR market (e.g., trading hub to DLAP or scheduling point to DLAP),
 - c. paths allocated to SVCE by CAISO in relation to load migration (i.e., CRRs of type LSE-LMT), or
 - d. paths sinking to the SVCE DLAP, for the purpose of utilizing volumes which remain unused after completion of hedging nominations.
- (3) Delivery of TPS's standard CRR data set and recommended nominations will be made available to SVCE in a mutually agreeable format. The methodology for recommending nominations will be at TPS's discretion.
- (4) Delivery of SVCE's selected nominations and Bids back to TPS will be in a format consistent with submission to the CAISO CRR portal, currently XML format or a format easily converted to XML.
- (5) The total number of nominations, for any round of any annual or monthly allocation process, will be limited to the number of records allowable in one (1) submission file, as defined in the CAISO Agreements (currently equal to 1,000 records).
- (6) For the annual CRR allocation and auction processes, TPS will provide its standard data set for the tier 1 allocation round no later than end of Day on the Day that is one week after CAISO has posted the source and sink list, source and sink upper bound data, priority nomination process signature data, and corresponding Seasonal CRR Eligible Quantity. For each remaining allocation round (if applicable), TPS will provide its standard data set no later than end of Day on the Day that is two (2) Business Days prior to the opening Day of the round. This applies to Tier LT, tier 2 and tier 3 nominations, as such terms are used in the CAISO Agreements. For the CRR Auction (if applicable), TPS will provide a new or refreshed data set for the CRR Auction process no later than end of Day on the Day that is three (3) Business

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Days prior to the opening Day of the bid window. In each case, SVCE must provide its selection of CRR nomination volumes or bid/offer volumes and prices to TPS no later than end of day on the first Day of the open submission window.

- (7) For the monthly CRR allocation and auction processes, TPS will provide its standard data set for the tier 1 allocation round (if applicable) no later than end of Day on the Day that is two (2) Business Days after CAISO posts the corresponding Monthly CRR Eligible Quantity (MEQ). For the tier 2 nominations and the CRR Auction (if applicable), TPS will provide a new or refreshed data set no later than end of Day on the Business Day prior to the opening Day of the process window. In each case, SVCE must provide its selection of CRR nomination volumes or auction Bids and offers to TPS no later than 12:00 pm PPT on the first Day of the submission window.
- (8) In the event that SVCE's submission file is not received by the deadlines specified above, TPS will use commercially reasonable efforts to make submissions to the CAISO portal.

EXHIBIT E
WAPA BASE RESOURCE SCHEDULING

TPS shall schedule the Resources listed in Section C of Exhibit A as follows:

A. WAPA Base Resource Nomination (WAPA Portal):

- Pull the allocated WAPA Base Resource share from the WAPA Portal (allocation comprises of a total WAPA Base Resource MWh daily Energy value, and hourly min/max WAPA Base Resource MW constraints).
- Based on allocated WAPA Base Resource share, determine an optimized WAPA Base Resource schedule and submit hourly WAPA Base Resource nomination request to WAPA Portal ("**Shaping**").
- Submit hourly load forecast to WAPA Portal.
- Pull hourly WAPA Base Resource schedules from WAPA Portal.

B. Displacement Program (SambaDP): The Displacement Program is not active all year round. The following activities are only necessary if the Displacement Program is active:

- Submit WAPA Base Resource schedules for participation in Displacement Program to SambaDP.
- Pull post-displacement WAPA Base Resource schedules and Inter-SC Trades from SambaDP.

C. CAISO Scheduling:

- Submit import schedules for WAPA Base Resource schedules.
- Select inter-tie scheduling point (monitor the transmission line ratings).
- Prepare and submit NERC E-Tags.
- Submit Inter-SC Trades (only required when Displacement Program is active).



Staff Report – Item 11

Item 11: Authorize the Chief Executive Officer to Execute Agreement for Elevator Modernization and Maintenance Services for Silicon Valley Clean Energy Headquarters in an Amount Not to Exceed \$400,000

From: Monica Padilla, CEO

Prepared by: Zoe Elizabeth, Director of Decarbonization Policy & Community Strategies

Date: 8/13/2025

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") delegate authority to the Chief Executive Officer (CEO) to negotiate, execute, and administer changes to a contract for Elevator Modernization and Maintenance Services with a vendor to-be-determined in an amount not-to-exceed \$400,000 to support the development of SVCE's new headquarters at 298 S. Sunnyvale Avenue.

SVCE does not have an existing construction contract template for this type of work, and SVCE's General Counsel will develop a contract based on existing SVCE policies and relevant State requirements for public works projects.

BACKGROUND

SVCE recently purchased a 28,000-square-foot, two-story building that will serve as the agency's new headquarters. The building was renovated in 2019 but is a shell, and SVCE needs to complete the interior build-out prior to occupying it. Upon purchase, the elevator was not in working condition and is currently out of service. In May 2025, SVCE selected the project management firm, Cumming Group, to oversee various building tasks, which included assessing the building's existing equipment, such as the elevator. As part of this process, Elevator Consulting Associates, Inc. (ECA), conducted a Due Diligence and Elevator Condition Assessment in June 2025.

The assessment found that while the elevator cab was updated during the most recent renovation, the elevator's hydraulic system had not been updated since its initial installation in 1978. The hydraulic system controls the elevator's capacity to move seamlessly between floors. The scope of the elevator modernization is to replace outdated equipment, make other modifications necessary to meet current building codes and standards, and service the elevator for a period of three years.

ANALYSIS & DISCUSSION

Staff will release a request for proposals (RFP) for Elevator Modernization and Maintenance Services. The solicitation process is anticipated to last three weeks, and vendor selection will take place at the end of August. Staff intended to bring a finalized contract to the Board for approval at the September 2025 meeting, however, this contract needs to be executed before the end of August to avoid construction delays. The elevator equipment lead time averages six months, and pushing back the start of this project would likely delay the start of construction. Thus, staff is requesting the Board grant the CEO the authority to select a vendor and negotiate and execute a contract.

Agenda Item: 1l**Agenda Date: 8/13/2025**

Staff and the project management team from Cumming Group will conduct a thorough competitive solicitation to select a vendor. Proposals will be reviewed and scored using a standardized rubric. Proposals will be evaluated based on 'best value' to ensure quality and technical expertise are considered in the selection, as well as price. Bidding will be administered in accordance with Public Contracting Code.

STRATEGIC PLAN

Expanding the new office space falls under SVCE's Strategic Focus Area 5 to Attract & Retain Employees.

ALTERNATIVE

Staff can return to the Board with a proposed vendor and finalized contract in September for approval. Staff does not recommend this alternative, given that it will delay the project.

FISCAL IMPACT

The Board of Directors previously approved \$20 million to support the purchase and development of SVCE's new headquarters in the March 2024 Board of Directors meeting. This contract is a part of the existing approved budget.



Staff Report – Item 1m

Item 1m: Receive Finance and Administration Committee Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Murali Srinivasan, Finance and Administration Committee Chair

Date: 8/13/2025

The Finance and Administration Committee (Committee) met on August 4, 2025 and addressed the following agenda items:

1. Request from staff to recommend that the SVCE Board of Directors adopt a resolution to authorize the Chief Executive Officer (CEO) to execute the power supply contract with the California Community Choice Financing Authority (CCCFA),
2. Receive an update from staff on the one-time 2025 customer bill credits,
3. Request from staff to review and recommend that the Board adopt the fiscal year 2025-26 proposed operating budget.

Amrit Singh, SVCE's Chief Financial Officer (CFO), presented a request for the Finance and Administration Committee's recommendation that the Board of Directors adopt a resolution authorizing the CEO, Monica Padilla, to execute the Power Supply Contract with the CCCFA and to execute or approve related supporting agreements to enable SVCE to enter into an energy prepayment transaction. Staff also requested the Committee's support to recommend that the Board of Directors authorize the CEO to enter into agreements with credit rating agencies to provide a credit rating for the bonds.

CFO Singh reviewed the approximate 30-year energy prepayment transaction, noting that 30-year bonds will reset after the initial period (expected to be five to 10 years) and the discount on future reset periods will depend on the then prevailing market conditions. The transaction is expected to cover approximately 12 percent of SVCE's load, and combined with SVCE's first three Prepay deals, would cover approximately 51 percent of the load. The Committee reviewed staff's recommendations and voted unanimously to support the staff's recommendation to authorize the CEO to execute the Power Supply Contract with CCCFA and execute or approve the related supporting agreements to enable SVCE to enter a prepayment transaction. The Committee also supported authorizing the CEO to enter into agreements with credit rating agencies to provide a credit rating for the bonds. This item will be presented at the August Board of Directors meeting for the Board's consideration.

Peyton Parks, Energy Services Manager, updated the Committee on the implementation plan for the 2025 customer bill credit approved as part of the mid-year adjusted operating budget in March 2025. Energy Services Manager Parks noted all active residential customers would receive a flat credit, and all active non-residential customers would receive a credit scaled to their usage in their September bills. Customers under special supply agreements would be excluded from receiving credits, per their agreement language. Committee members expressed their support for the credit and its importance in messaging to customers.

CFO Singh presented the Fiscal Year 2025-26 Proposed Operating Budget which includes withdraws of \$40.1 million from reserves; maintains an average four percent customer discount to comparable PG&E rates through December 2025 and reduces the discount to one percent in January 2026; continues the additional monthly bill credit to California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) customers; and proposes no changes to the current financial reserves targets and policy. The Committee voted unanimously

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to support staff's recommendation to recommend that the Board of Directors approve the FY 2025-26 Proposed Operating Budget and not change the current reserve targets or the Reserves Policy. The proposed budget will be presented for the Board's consideration at the August Board of Directors meeting.

Materials from this meeting can be found at the following link: [SVCE Finance and Administration Committee Meeting, 8/4/25](#). The next Finance and Administration Committee meeting is expected to be held in November 2025 and will be determined by Finance and Administration Committee member availability; materials will be posted 72 hours before the meeting.

**Staff Report – Item 1n**

Item 1n: Receive Additional Committees Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Andrea Pizano, Sr. Executive Assistant and Board Clerk

Date: 8/13/2025

There are no reports for the 2025 Legislative Ad Hoc Committee, Executive Committee, and Audit Committee, as they have not met since the last report.

The 2025 Legislative Ad Hoc Committee will meet in August and the Executive Committee is scheduled to meet August 22, 2025 at 10:00 a.m. The Audit Committee is expected to meet in September based on member availability. Materials for our public Brown Act meetings will be posted 72 hours in advance of the meeting dates.

**Staff Report – Item 1o**

Item 1o: Receive California Community Power Report

To: Silicon Valley Clean Energy Board of Directors

From: Monica Padilla, CEO

Date: 8/13/2025

Per direction from the SVCE Board on December 9, 2020 for the CEO to provide a report of the ongoing activities of California Community Power (CC Power) after each of its meetings, this is to report CC Power held a regular board meeting on Wednesday, June 18, 2025; the July meeting was adjourned.

Attached is a summary report from General Manager Alex Morris; materials from the June board meeting can be found here on the CC Power website: [CC Power Meeting, 6/18/25](#)

The next meeting of the board will be August 20, 2025 at 1:00 p.m.; meeting materials can be found on the CC Power website: <https://cacomunitypower.org/meetings/>

ATTACHMENT

1. CA Community Power Board Meeting Summary from General Manager Alex Morris, June 18, 2025

California Community Power

901 H St, Ste 120 PMB 157, Sacramento, CA 95814 | cacommunitypower.org

TO: Board of Directors and Alternates **DATE:** 6/19/25
FROM: Alex Morris – General Manager
SUBJECT: **Report on Regular Board of Directors Meeting – June 18, 2025**

The California Community Power (CC Power) Board of Directors held a meeting on June 18, 2025, via Zoom. Details on the Board packet, presentation materials, and public comment letters can be found under the Meetings tab at the CC Power website: [Meetings and Agendas – ca community power](#)

Highlights of the meeting included the following:

- **Matters subsequent to posting the Agenda.** None.
- **Public Comment.** None.
- **Consent Agenda** - The Board approved the following items:
 - Minutes of the Regular Board Meeting held on May 21, 2025
- **Closed Session Item:**
 - The Board discussed legal risks and considerations related to a contract.
- **Regular Agenda Items:**
 - **Resolution 25-06-01 – Authorize Termination of Goal Line Energy Storage Services Agreement:** The Board approved the termination of the Goal Line project contract. Goal Line was a 50 MW long-duration energy storage project that missed contractual milestones and will not be built. This resolution directs the termination of the contract, collection of the development security deposit amount, and a release for CC Power and members of any risks or obligations. Members have already considered steps to pursue alternative long-duration storage solutions, where applicable.
 - **Strategic Plan Refresh** – Chair Lori Mitchell (San Jose Clean Energy) laid out a plan for the Board to review and potentially augment the 2022 CC Power Strategic Plan. In preparation for an in-person meeting in October, material will be developed to facilitate board discussion on potential strategic plan updates. A refreshed plan may include strategies to further prioritize ideas to best serve members, to address core CCA needs or strategic risks, or to increase predictability in the annual budgeting process. Such updates to the strategic plan may also inform how CC Power is resourced over time, what additional policies are needed, and what membership structures are most appropriate.

A Joint Powers Agency whose members are:

Ava Community Energy | Central Coast Community Energy | CleanPowerSF | Peninsula Clean Energy |
Redwood Coast Energy Authority | San José Clean Energy | Silicon Valley Clean Energy | Sonoma Clean Power |
Valley Clean Energy

- **General Manager Report:** the General Manager noted the timely construction steps and progress for the Tumbleweed Energy Storage Project with an expected online date of April 2026, the study results of \$6M in benefit from a potential software optimization tool that could be considered under certain Resource Adequacy rules, and the robust response of developers to the CC Power geothermal power project request for information (RFI). The Board deliberated on how a small minority of RFI responses fell in one member's territory, and how that member's ongoing support activities should or could affect eventual project offtake opportunities. This policy topic was referred to an Ad Hoc Committee. Other administrative items were noted, including other upcoming policy-development matters, invoicing activities expected in June-October, and recently signed contracts.



Staff Report – Item 2

Item 2: Public Hearing in Compliance with Government Code § 3502.3 Regarding Vacancy Rates, Recruitment, and Retention Efforts

From: Monica Padilla, CEO

Prepared by: Gia Ilole, Director of Human Resources

Date: 8/13/2025

RECOMMENDATION

Staff requests that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") conduct a hearing in compliance with Government Code § 3502.3 on the status of the SVCE employee vacancy rates and recruitment and retention efforts.

BACKGROUND

Assembly Bill (AB) 2561, which took effect on January 1, 2025, (McKinnor) amended the Myers-Millas-Brown Act (MMBA) to add Government Code Section 3502.3, which created the following new requirements for a public agency that apply to SVCE¹:

- A. A public agency shall present during a public hearing before the governing board at least once per fiscal year the following:
 - 1. Status of Vacancies
 - 2. Recruitment Efforts
 - 3. Retention Efforts
- B. If the governing board adopts an annual or multiyear budget during the fiscal year, the presentation shall be made before the final budget is adopted.
- C. During the hearing, the public agency shall identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

Agenda item 6 presents SVCE's proposed operating budget for the fiscal year 2025-2026 (FY 26). After incorporating the Board's feedback received at the August 13, 2025, meeting, the budget will be presented to the Board for adoption at the September 10, 2025, meeting. To comply with the requirements of this new law, staff presents this report before the Board adopts the FY 26 budget.

ANALYSIS & DISCUSSION

The intent of AB 2561 is for government agencies to provide transparency on existing vacancy rates and recruitment efforts. The following is a status of SVCE's vacancy rate and recruitment and retention efforts for the current fiscal year.

¹ The law requires opportunity for any employee groups or bargaining units to publicly comment on the discussion. SVCE does not have bargaining unit employees.

Agenda Item: 2**Agenda Date: 8/13/2025****1. Status of Job Vacancies**

For the current Fiscal Year 2024-2025, four (4) vacancies have been filled, and five (5) are currently open, as shown in Table 1 below. All these vacancies result from the creation of five (5) new positions from the Board's approval of the mid-year adjusted budget at the March 12, 2025 meeting².

2. Recruitment Efforts

The recruitment process typically includes three (3) interview stages including a technical interview (with hiring manager or the subject-matter expert), a behavioral panel interview, and a final round CEO interview. Additional follow-up interviews may be required should there be difficulty in selecting between similarly situated candidates. In the last year, SVCE deployed a modern applicant tracking system to streamline candidate submissions, hiring manager reviews, interview feedback, and communications. The new system also provides automated job posting to both free and paid job sites to broaden exposure to candidates. SVCE also uses alternative posting sites such as LinkedIn, Government Jobs and other niche posting sites as needed based on the role. SVCE's vacancy rate is 7.5% (with those vacant positions resulting from new approvals). SVCE has been successful in filling positions timely and in line with business needs.

Table 1

Vacant Role	Department	Status	Approval
1. Associate Finance, Data, Risk Analyst	Finance & Administration	Final Interviews	Mid-year Budget 3/12/2025
2. Energy Services Specialist (Key Accounts)	Customer Success	Developing Job Description	Mid-year Budget 3/12/2025
3. Energy Services Specialist (Demand Flex Manager)	Customer Success	Panel Interviews	Mid-year Budget 3/12/2025
4. Resource Planner	Regulatory, Policy, Planning, and Legislative	Re-posting / realignment	Mid-year Budget 3/12/2025
5. Senior Energy Specialist	Customer Success	Panel Interviews	Backfill - June 9th transition

3. Retention Efforts

SVCE has had no turnover in the current fiscal year (see Table 2 below). Retention continues to be a focus area for SVCE including efforts to support competitive compensation and benefits as well as a culture of connection, development, and balance. SVCE's retention rate for the current fiscal year is 100%, indicating effective retention efforts.

Table 2

Period	Starting Headcount	Ending Headcount	Retention Rate
FY 2024/2025	59	62	100%

² Four (4) of these are new positions and one (1) results from an existing employee vacating their role by moving into the fifth newly created position.

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STRATEGIC PLAN

This vacancy rate and recruitment/retention review falls under Strategic Plan, Focus Area 5 to Attract and Retain Employees and Goal 10, "Hire, retain and develop high-performing talent via competitive benefits and rewarding work culture."

ALTERNATIVE

Not applicable.

FISCAL IMPACT

Not applicable. All positions were budgeted for in the Board's approved fiscal year budget.



Staff Report – Item 3

Item 3: CEO Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Monica Padilla, CEO

Date: 8/13/2025

REPORT

Staff Updates

SVCE welcomed two more interns this summer.

Alon Robbins holds a bachelor's from University of California, Davis in Wildlife Biology and Conservation. He continues to study Environmental Science and Management at UCSB as a master's student specializing in Business & Sustainability and Energy & Climate. Alon is supporting our Customer Success Department this summer in the Programs function, working on Electric Project Costing. He's especially passionate about the clean energy transition. His hometown is Los Altos, CA.

Elisa Floyd is returning for her second SVCE summer internship this summer, this time supporting our Power Resources and Operations department, after supporting the agency in the Government and Legislative function last year. Elisa is continuing to pursue her bachelor's degree in physics at UCLA. Her hometown is Sunnyvale, CA.

After ten years at SVCE Don Bray, Director of Strategic Development, announced his retirement. His last day in the office was July 16th. Don was an essential part of the formation of SVCE and was the agency's first employee. A formal recognition of his contributions towards the success of SVCE will be presented at the September 10, 2025 Board meeting.

Recruitment Efforts

Staff is recruiting for a Demand Flexibility Manager and a Senior Energy Services Specialist, both with our Customer Success team. The Regulatory Policy, Planning, and Legislative team is recruiting for a Forecasting Planning Analyst.

Job descriptions and applications for the above positions can be found on SVCE's website: [Current Job Openings](#)

Personnel Officer Update

Reorganization

The Finance and Administration Department, led by Amrit Singh, currently consists of several critical functions including, finance, risk management, analytics, information technology, cyber security, human resources, general administration and office management. The department will be reorganized creating a new Operations Department, focused on daily operations of the agency including managing SVCE's new headquarters.

Nik Zantotto, Senior Manager of Information Technology will be promoted to Director of Operations. In addition to the IT function, Nik is currently responsible for many day-to-day operations of the agency and has demonstrated throughout his eight years with SVCE his dedication to the organization, professionalism, an extremely high work ethic, and an incredible level of customer service. The position vacated by Don Bray will be repurposed as the Director of Operations.

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Amrit's new department will consist of financial planning, reserve management, investments, prepaids, operational budget, accounts payable and receivable, rates, analytics, and risk management. The reorganization will allow the team to focus on high priority and strategic items. The human resource function will report directly to the CEO.

The changes are reflected in the Organizational Chart and Salary Chart provided as attachments to Item 6) *Feedback Request for FY 25-26 Proposed Operating Budget* in the Board packet.

Customer Success Department Updates**EV Discount Campaign**

This August and September, SVCE is participating in a collaborative EV campaign in partnership with Ride & Drive Clean, Peninsula Clean Energy, and San Jose Clean Energy. The campaign will provide exclusive discounts on select EV models, available to all residential customers. These discounts can be combined with the SVCE income-qualified EV Rebate for even greater savings.

In addition to the discounts, SVCE will host a series of educational webinars focused on EV incentives, including guidance on maximizing federal tax credits before they expire on September 30, 2025. Attendees will have the opportunity to engage in live Q&A sessions with EV experts.

A list of recent media mentions and prior or upcoming community engagement events are listed below; Attachment 1 includes highlights from the All-Electric Butterfield Fire Station Ribbon Cutting and Pet Adoption event.

Press and Media**Press Releases**

- Morgan Hill Embraces Clean Energy with State-of-the-Art Battery System, Press Release, 5-27-25
- Morgan Hill Adopts Clean Energy and Furry Friends at Butterfield Fire Station Ribbon Cutting, Press Release, 6-09-25
- Unlocking affordable electrification: the Zero Interest Financing Program from Silicon Valley Clean Energy, Press Release, 6-16-25

Media Mentions

- Sunnyvale awards honor community contributions, The Mercury News, 5-25-25
- Rebates for residents: What green incentives are available this spring?, Mountain View Voice, 5-27-25
- Battery storage power system activated in Morgan Hill, KRON4, 5-27-25
- Milpitas students awarded scholarships, tools, East Bay Times, 6-1-25
- Sunnyvale residents can get help going electric, East Bay Times, 6-8-25
- Morgan Hill adds all-electric fire station, The Mercury News, 6-10-25
- Morgan Hill opens all-electric fire station, Morgan Hill Times, 6-12-25
- Sunnyvale nonprofit offers no-interest financing for residents to go green, The Mercury News, 6-15-25
- Mountain View receives accolades for sustainability, greenhouse gas emission reductions, 6-18-25
- Cupertino residents can get help going electric, The Mercury News, 6-22-25
- As California moves its transportation sector to zero-emissions, new research looks at both progress and challenges, Stanford University, 6-24-25
- Taking the electric plunge, together, Los Altos Town Crier, 6-24-25
- Dynamic Pricing Outperforms Time-of-Use in Calif. CCA EV Charging Pilot, American Public Power Association, 6-25-25
- Milpitas mayor spotlights housing, city budget in State of the City address, The Mercury News, 6-27-25

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- Silicon Valley Clean Energy Rolls Out Zero Interest Financing Pilot Program for Electrification Upgrades, American Public Power Association, 7-2-25

Recent & Upcoming Events

July 12 – 13 – <u>Los Altos Arts & Wine Festival</u> 10 a.m. – 6 p.m. - Dream Home, sponsorship and tabling - Downtown Los Altos	July 25 – 27 – <u>Gilroy Garlic Festival</u> - Sponsorship - Gilroy Gardens, 3050 Hecker Pass Rd, Gilroy, CA 95020
<u>August 9 – Silicon Valley Youth Climate Action Summit</u> - 9 a.m. – 3 p.m. - Tabling and event panelists - Campbell Heritage Theatre, 1 W Campbell Ave, Campbell, CA 95008	August 24 – <u>Monte Sereno Picnic</u> - 11:30 a.m. – 2 p.m. - Tabling - Vasona Park, 333 Blossom Hill Rd, Los Gatos, CA 95032
<u>September 7-8 - Mountain View Arts & Wine Festival</u> - Sponsorship and tabling - Downtown Mountain View	<u>September 20 – 21 - Los Gatos Fiesta de Artes</u> - Sponsorship and tabling - Los Gatos Civic Center, Los Gatos, CA 95030

Power Resources & Clean Energy Update

On May 21, 2025, a First Amendment to the Amended and Restated Renewable Power Purchase and Sale Agreement (PPA) with SunZia Wind PowerCo LLC was executed pursuant to authority granted by Resolution 2022-08. The First Amendment allows for the increase in site capacity due to the installation of larger turbines with a nameplate capacity of 3.8 MW each (from 3.6 MW), which will increase the overall site capacity by 136 MW to a total of 3,651 MW. Other material terms of the PPA remain the same, and this First Amendment only applies to the original PPA that SVCE executed with SunZia Wind PowerCo LLC for 100 MW, approved by the board and executed on November 13, 2023. There is no impact on the two incremental PPAs totaling 25 MW that were recently executed on May 15, 2025.

On July 7, 2025, California Community Power ("CC Power") and Goal Line BESS 1, LLC ("Goal Line") completed the termination of an Energy Storage Service Agreement ("ESSA") originally signed March 1, 2022. SVCE is a member of CC Power and had planned to use this resource for compliance with the CPUC's Mid-Term Reliability ("MTR") procurement order. SVCE is pursuing alternatives for MTR compliance and does not see a non-compliance risk at this time.

SVCE has been actively procuring short-term clean and renewable resources to meet the Board's targets of 106% clean power on an annual basis in 2025 and 2026. Based on procurement to-date, SVCE expects to meet the 106% target for 2025. For 2026, staff recently conducted a solicitation and expects to make significant progress toward the 106% target upon execution of several agreements.

Please see Attachment 2 for a summary of SVCE's clean energy efforts.

Regulatory & Legislative UpdateRegulatory:

Integrated Resource Planning: On July 15th parties filed comments on the Reliable Clean Power Procurement Program (RCPPP) which is intended to streamline procurement and end "order by order" based procurement for CPUC jurisdictional LSEs. Approximately 40 parties filed comments, including SVCE. The RCP PP envisions a programmatic approach to two primary goals, reliability and ghg-reductions. The majority of parties appear to support a reliability option that assess both the existing resource fleet and new resources, as opposed to an option that primarily focuses on, and requires, new build. For GHG-reductions, parties appear largely split on whether an extended version of the RPS program (called a Clean Energy Standard) should be adopted, or whether GHG-

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reductions should be assessed using a “mass based”, i.e. hourly accounting, metric. SVCE supports adoption of the Clean Energy Standard and a reliability program which allows LSEs to use Slice of Day accounting metrics and both new and existing resources to meet compliance.

Legislative¹:

The Governor and Legislature passed a budget in June that overall softened a lot of the Governor’s proposed cuts that he suggested in May. In the energy and climate space, the budget includes a \$1.25B transfer from Cap and Invest to CalFire for wildfire management costs in fiscal year ‘26-27, a \$18M cut to the Demand Side Grid Support program and no new funding for the Distributed Energy Backup Assets program. The final state budget also cuts \$33M from the Community Renewable Energy Program at the CPUC. There is talk that the Legislature may reopen the budget this fall to respond the federal One Big Beautiful Bill (OBBA)’s revenue and program cuts.

Additionally, here are updates on priority bills for SVCE:

- SVCE supports SB 254 (Becker), the energy affordability omnibus bill, which continues to advance and is in the Assembly. The bill contains policies including more oversight of wildfire mitigation spending, a new state program to fund public purpose programs currently paid for on electric utility bills, and a new state agency to fund transmission projects. A support position on SB 254 aligns with the Board-adopted legislative policy platform on affordability and rates.
- SVCE supports SB 540 (Becker) on regional energy markets which passed out of the Senate and is in the Assembly. In July, the Governor, Assembly Speaker Rivas, and Chair of the Assembly Energy Committee Petrie-Norris signaled support of regionalization and committed to working on the details of the bill in August. A support position on SB 540 aligns with the Board-adopted legislative policy platform policy on a clean and reliable grid.
- AB 306 (Schultz/Rivas), which would temporarily pause state codes updates and new local reach codes was included as part of one of the Budget Trailer Bills on housing streamlining, AB 130, and was signed by the Governor. The final version of the bill allows local governments to adopt a reach code before October 1, 2025, and includes a new exemption on reach codes for certain jurisdictions that include Climate Action Plans in their General Plans and allow for gas infrastructure. After the language of AB 306 was amended into AB 130, SVCE joined a coalition letter to Oppose the bill Unless Amended. This position aligns with the Board-adopted legislative policy platform on climate change mitigation/fuel switching.
- SVCE has an Oppose Unless Amended position on AB 825 (Petrie-Norris) is the Assembly’s omnibus affordability package and contains several ideas that will reduce upward pressure on rates including public financing of transmission, securitization, and local government permitting assistance for clean energy projects. However, SVCE and CalCCA are deeply concerned about a provision in the bill that would establish a new State Demand Side Management Program which includes a state taskforce that can set rules on what programs are funded by ratepayer funding, including CCA funding, and make recommendations on what ratepayer funded programs to consolidate, start, or stop. This provision infringes on the authority of CCA governing bodies to set programs, including those that are solely-funded by CCAs. SVCE is advocating for an amendment to AB 825 that would remove all programs language. This position aligns with the Board-adopted legislative policy platform policy of Competitive Equity/Do No Harm.

At the federal level, the President signed H.R. 1, the One Big Beautiful Bill (OBBA) on July 4, 2025. The final bill softened previous House and Senate proposals around phasing out utility-scale renewable energy tax credits and consumer-facing tax credits to help customers decarbonize but overall represents a U-turn on federal policies for clean energy and climate change mitigation.

¹ Updated as of August 7, 2025

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Highlights from the OBBBA on clean energy and climate issues include:

- **Consumer-facing Tax Credits**
 - EV Tax Credits for used, new, and commercial vehicles will end on September 30, 2025.
 - Heat Pump Tax Credits will end on December 31, 2025.
 - Residential Solar + Storage Tax Credits will end on December 31, 2025.
- **Utility-scale Clean Energy Tax Credits**
 - Geothermal, nuclear, and storage projects have a longer runway to qualify for clean energy tax credits. Solar and wind have a shorter runway but still have a path to qualify for tax credits.
 - The bill also introduces new prohibitions on Foreign Entity of Concern companies and parts.
 - Safe harbor rules were written into the legislation for projects in the development pipeline. However, the President issued an Executive Order on July 7, 2025, directing the Treasury to reexamine safe harbor rules.
- **Federal Grants**
 - OBBBA rescinds unobligated funding from a variety of climate and clean energy grant programs. SVCE does not have direct exposure to any of these rescissions.

Attachment 3 provides information on key regulatory and legislative activities.

New SVCE Headquarters

Staff executed an agreement with Sera Architects Inc. to complete the design, architecture, and engineering of the new SVCE Headquarters for a not-to-exceed amount of \$490,543. Sera received the highest evaluation score during the competitive process based on their experience, qualification, past projects, understanding of the project goals, and financial cost. The Sera team has worked extensively in Sunnyvale and has deep expertise in workplace design and sustainability.

The project will be completed in two phases. Phase one will cover the workspaces and Board chamber. Phase two will cover the community space. The phasing will allow the Board additional time to evaluate options for the community space and consider resource implications.

The team has already made significant progress. Serra hosted two workshops with a multidepartment group of SVCE staff to identify space configuration options and sustainability priorities. The engineering subconsultants completed due diligence reports on the mechanical and engineering systems. These reports found that the HVAC system is relatively new and does not need to be replaced. They also found that some modifications to the ventilation system and the building management system could improve the energy efficiency and sustainability of the building. The project management team from Cumming Group will provide life cycle cost estimates for these modifications so staff can evaluate if the cost is reasonable.

The next step in the process is to finalize the schematic design and begin to develop the plan set for permit submittal. Once the design is finalized and the permit process starts, staff will execute another contract for construction services. Staff expects to bring this contract to the Board for consideration in January 2026.

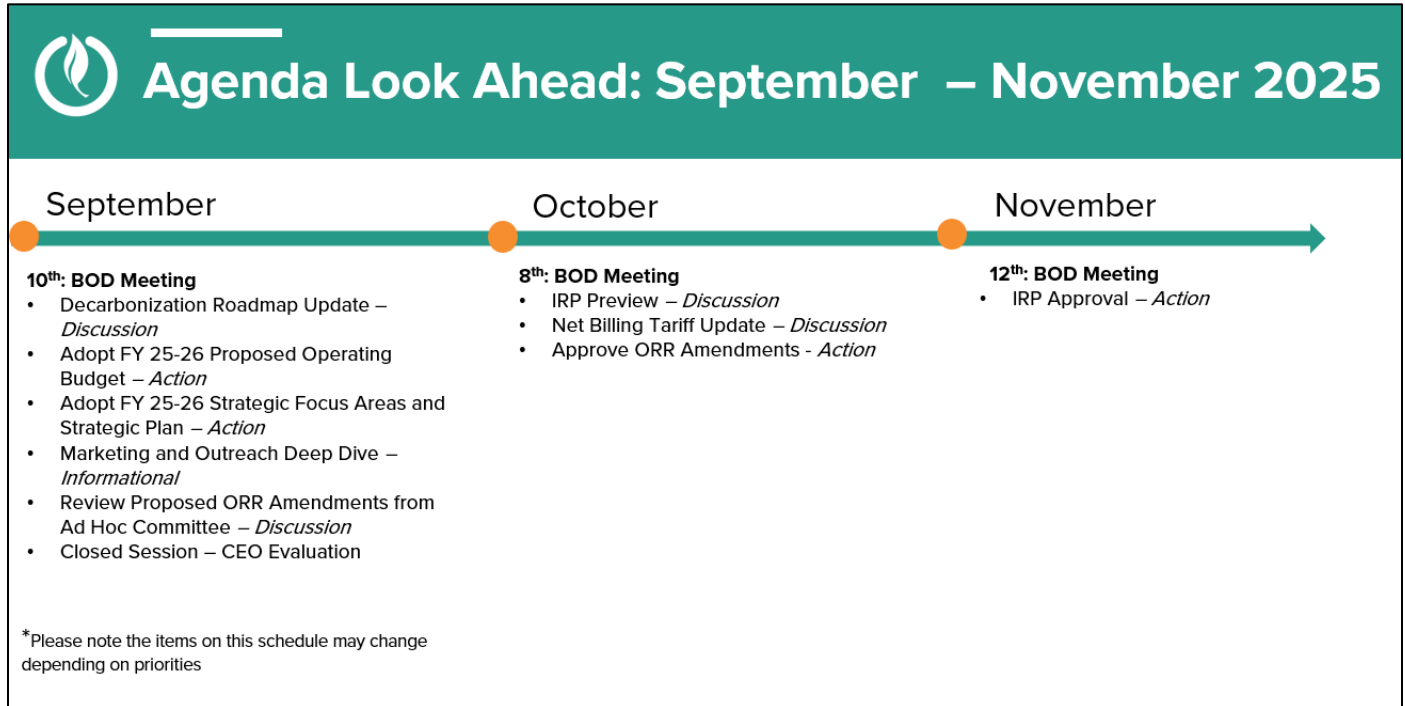
Strategic Plan – FY 2024/2025 Q3 Update

At the September 11, 2024 meeting, the SVCE Board of Directors adopted the five Strategic Focus Areas and Strategic Plan for fiscal year 2024-25. Staff has been working toward the focus areas and goals outlined in SVCE's FY 24/25 Strategic Plan in addition to planning for the focus areas and goals for the next couple of years. An overview will be provided at the August meeting.

Attachment 4 provides highlights of the accomplishments and progress on the Strategic Focus Areas and Strategic Plan from April – June 2025.

Agenda Item: 3**Agenda Date: 8/13/2025****Look Ahead Update**

Staff continues to plan for Board and committee meetings through the end of the year. Below is a preview of what's ahead for the Board from September through November 2025:

**ATTACHMENTS**

1. Highlights from Butterfield All-Electric Fire Station Ribbon Cutting Event
2. Clean Power Update, August 2025
3. Regulatory and Legislative Update, August 2025
4. Q3 Strategic Focus Area and Strategic Plan Update

Agenda Item: 3**Agenda Date: 8/13/2025****Exhibit 1 - CEO Agreements Executed Under Delegated Authority**

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

Type	Consultant	Description	Compensation	Term	Authority
Agreement	Strategic Energy Innovations	Climate Corps Fellow Hosting Services	NTE - \$750,000	6/1/2025 - 6/30/2028	Board Approved (5/14/25)
Agreement	Hueston Hennigan LLP	Legal Services	\$200,000 (SVCE) + \$200,000 (3CE)	5/21/2025 – completion of work	CEO Spending Authority
Amendment	Keys and Fox LLP	Legal Services	Increased NTE to \$140,000	No change to term	CEO Spending Authority
Amendment	US Bankcorp	Financial Advisory Services	No new money	Extends term to 5/8/2027	CEO Spending Authority
Agreement	Elevator Consulting Associates, Inc	Elevator Condition Assessment	NTE - \$6,000	5/27/25 – Completion of work	CEO Spending Authority
Amendment	Granicus	Communications Cloud and Communications Cloud Advanced Package and related services	NTE - \$57,869	Extended – 6/30/2026	CEO Spending Authority
Amendment	Center for Sustainable Energy	CaleVIP EV Infrastructure Program support	No changes in NTE	Extended date to 12/31/25	Board Approved (9/9/2020)
Grant Agreement	Santa Clara County	Grant Program Agreement	NTE - \$100,000	6/10/2025 – 12/31/2027	Board Approved Delegate to CEO (3/12/2025)
Agreement	BRB Law	Legal Services	NTE - \$13,457	Start date: 5/1/2025	CEO Spending Authority
Amendment	Opinion Dynamics	Data Analytics Support	No change in NTE	No change to term	Board Approved (12/13/2023)
Agreement	EV PlugBox, LLC	Innovation Onramp EV Plugbox Demonstration Project	NTE - \$50,000	6/13/2025 – 11/24/2026	CEO Spending Authority
Agreement	FRSecure, LLC	VCISIO and Security Assessment Services	NTE - \$78,300	6/13/2025 – 6/12/2026	CEO Spending Authority
Amendment	Bellawatt	SVCE EHUB & Appliances Assistant	Increased NTE to \$890,500	No change to term	Board Approved (6/11/25)
Agreement	Building Decarbonization Coalition	Event Planning Services	NTE - \$400,000	6/12/2025 – 5/31/2026	Board Approved (6/11/2025)

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Type	Consultant	Description	Compensation	Term	Authority
Agreement	Intelli-Tech	New Office – Fire Equipment Monitoring Services	NTE - \$1,134	6/18/2025 – 6/17/2026	CEO Spending Authority
Agreement	Silicon Valley Youth Climate Action	Education Nonprofit Grant Agreement	NTE - \$32,530	6/23/2025 – 6/30/2026	Board Approved Grant Funding (10/9/2024)
Agreement	CompassPoint Mentorship	Education Nonprofit Grant Agreement	NTE - \$23,950	6/23/2025 – 6/30/2026	Board Approved Grant Funding (10/9/2024)
Agreement	Bamacor, Inc	New Office – Janitorial Services	NTE - \$4,200	6/18/2025 – 6/30/2026	CEO Spending Authority
Amendment	SMUD	Gridshift Program Support	NTE - \$85,380 (increase of \$34,380)	No change to term	Board Approved (6/14/23)
Agreement	Kings Community Action Organization	Hanford Mitigation Fund Grant	NTE - \$300,000	6/23/2025 – 6/30/2027	Board Approved (4/9/2025)
Amendment	Ascend Analytics	SAAS Agreement	No change in NTE	No change to term	Board Approved (1/8/2025)
Agreement	Elevator Consulting Associates	Elevator Condition Assessment – RFP Assistance	NTE - \$20,000	6/27/2025 – through end of work	CEO Spending Authority
Amendment	Building Decarbonization Coalition	Event Planning Services	No change in NTE	Change term to end 5/31/2027	Board Approved (6/11/2025)
Agreement	Climate Action Pathways for Schools	Education Non-profit grant agreement	NTE - \$20,000	6/23/2025 – 6/30/2026	Board Approved Grant Funding (10/9/2024)
Agreement	SERA Design and Architecture, Inc	Interior Design Services	NTE - \$490,543	6/20/2025 – 12/31/2026	Board Approved (6/11/2025)
Agreement	PFM Financial Advisors, LLC	Issue Bonds – Fourth Prepay	NTE - \$275,000	6/13/2025 – 6/13/2028	Board Approved (6/11/2025)


Exhibit 2 - CEO Power Supply Agreements Executed Under Delegated Authority

Counterparty Name	Execution/Effective Date	Transaction Type	Product	Start Date	End Date	Notional Value
Resi Station, LLC	5/28/2025	Purchase	Resource Adequacy	6/1/2026	12/31/2030	\$2,317,482.50
NRG Business Marketing, LLC	6/2/2025	Purchase	Carbon-Free Energy	1/1/2026	12/31/2026	\$675,000
Yellow Pine Solar III, LLC	5/27/2025	Purchase	Resource Adequacy	6/1/2028	6/1/2040	\$40,046,400
Karbone Energy LLC	6/5/2025	Sale	Resource Adequacy	11/1/2025	11/30/2025	\$40,000
Yuba County Water Agency	7/11/2025	Purchase	Carbon-Free Energy	7/11/2025	12/31/2025	\$80,000
NRG Business Marketing, LLC	7/21/2025	Purchase	Resource Adequacy	1/1/2028	12/31/2030	\$16,380,000



Butterfield All-Electric Fire Station Ribbon Cutting

Received 500K in SVCE Community Grant Funding

- Over 300 attendees
- Induction cooking demonstration
- Induction cooktop + cookware giveaway
- Three pet adoption organizations
- Station tours
- Speakers: Mayor Mark Turner, Fire Chief Marcus Hernandez, City Manager Christina Turner, SVCE CEO Monica Padilla



Watch the video:



CEO Report Clean Power Update

SVCE Board Meeting
August 13, 2025



California's Clean Energy Goals

SVCE's procurement targets are primarily driven by regulatory requirements and Board goals

SB100

- 60% Renewable Energy by 2030
- 100% Carbon Free by 2045

SB350

- 65% of Renewable Energy must be from Long-Term (10yr or more) contracts

MTR

- Mid-Term Reliability
- Established by the CPUC to focus on securing sufficient online resources to meet expected demand in the coming few years

SVCE BOD

- 100% Clean – annually, with line losses
- 75% Renewable by 2030
- 100% Renewable by 2035 (adopted late 2024)



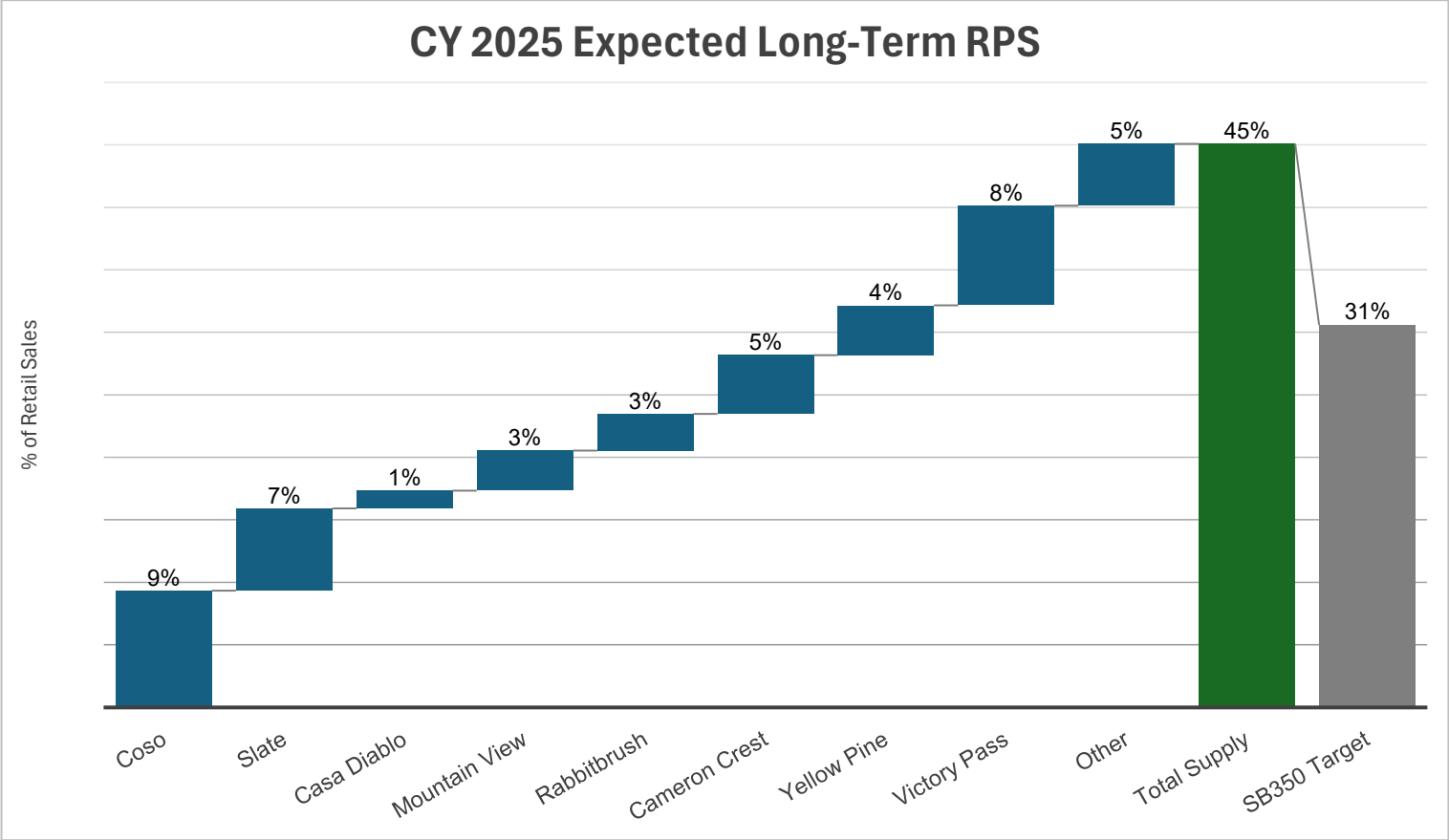
SVCE is On Track to Meet SB100 and Agency Goals for Clean and RPS...





And Making Significant Progress Toward Meeting Long-Term RPS Targets

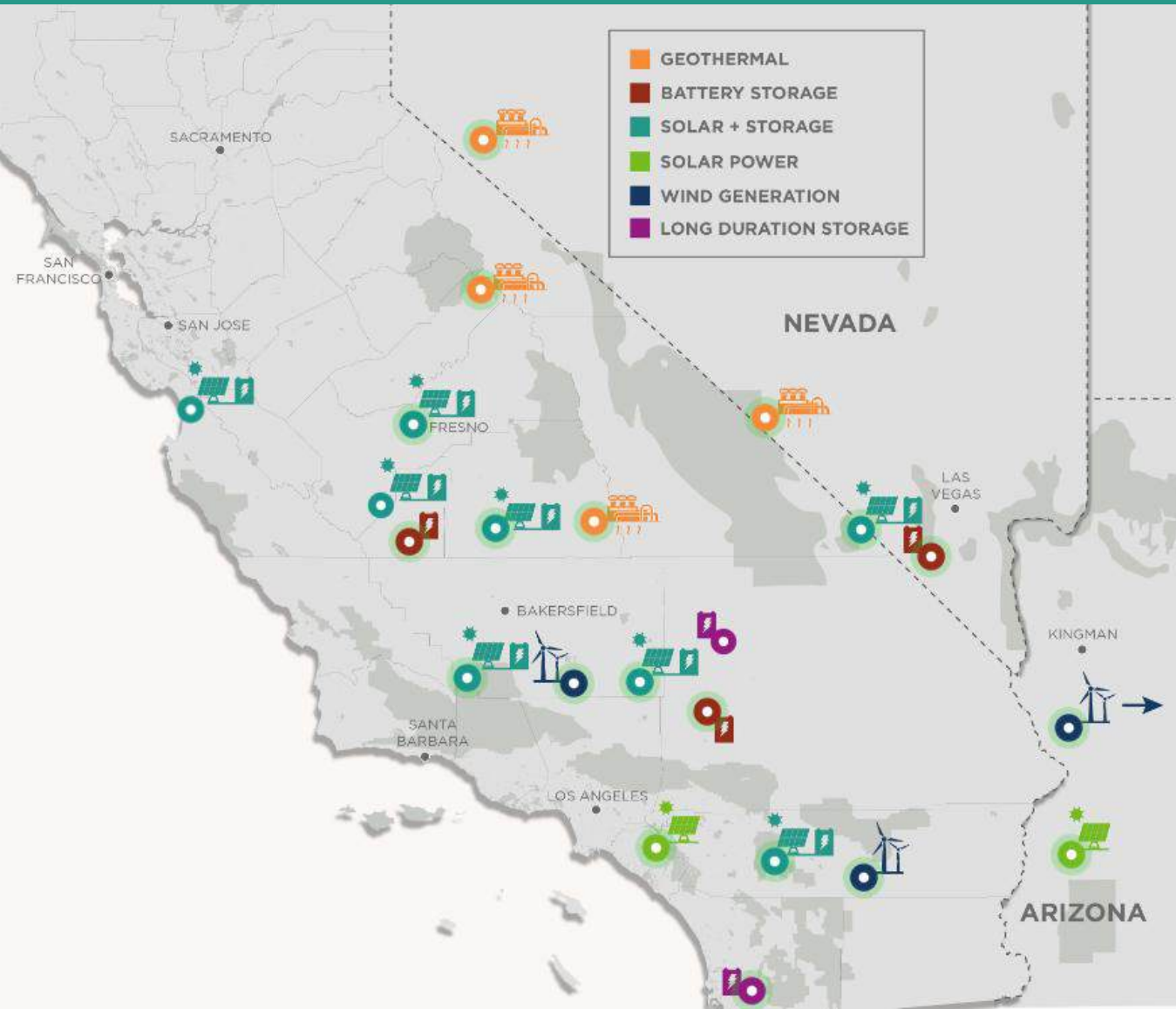
SB350 is a multi-year compliance period obligation, which has interim annual targets



- **Currently in Compliance Period 5: 2025-2027**



Clean Long-Term Power Agreements



- \$3.9B+ in commitments
 - 23 PPAs signed
 - 20 new build projects
 - 1,070 MW of Renewable Power
 - 1,753 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



Long-Term Contracts: Online

Item 3
Attachment 2

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Term (years)	SVCE Board Approval
1	MN8	Slate	Solar + Storage	93	46.5	186	17	Oct-18
2	Ormat	Casa Diablo	Geothermal	7			10	Feb-20
3	Atlantica	Coso	Geothermal	43.8			15	Mar-20
4	Leeward	Rabbitbrush	Solar + Storage	40	8	20	15	Apr-20
5	NextEra	Yellow Pine	Solar + Storage	50	26	104	20	May-20
6	AES	Mountain View	Wind	33.3			20	Apr-21
7	Clearway	Victory Pass	Solar + Storage	100	25	100	15	May-21
8	Terra-Gen	Cameron Crest	Wind	77.7			15	May-21
9	AES	Baldy Mesa (RA-only)	Storage	0	75	300	10	Sep-22



Casa Diablo Geothermal



Victory Pass Solar + Storage



Long-Term Contracts: In Development

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Term (years)	SVCE Board Approval	Status
1	Avantus	Aratina	Solar + Storage	80	50	200	20	Jun-20	Construction
2	174 Power Global	Atlas	Solar	50			10	Jan-21	Pre-construction
3	SB Energy	Angela	Solar + Storage	20	10	40	15	Mar-21	Construction
4	Origis	San Luis West	Solar + Storage	62.5	15.625	62.5	15	Apr-21	Pre-construction
5	Rev Renewables	Tumbleed	Long Duration Storage		15.9375	127.5	15	Feb-22	Construction
6	Ormat	Geothermal Portfolio	Geothermal	16.75			20	Jun-22	Pre-construction
7	OME	Fish Lake	Geothermal	1.82			20	Jun-22	Pre-construction
8	Middle River Power	Hanford	Thermal + BESS	99.4	131.4	131.4	12	Apr-23	Construction
9	NextEra	Grace	Solar	120			15	Aug-23	Pre-construction
10	NextEra	Yellow Pine III	Storage	0	24	96	15	Aug-23	Pre-construction
11	NextEra	Yellow Pine III	Long Duration Storage	0	9	72	15	Aug-23	Pre-construction
12	Pattern	SunZia	Wind	100			15	Nov-23	Construction
13	VCI Energy	Glossy Garlic	Solar + Storage	50	50	200	10	Oct-24	Pre-construction
14	Pattern	SunZia Wind North & South	Wind	25			10	May-25	Construction



SunZia Wind & Transmission



Clean Energy Resources Online Progress as of July 24, 2025

2025 – H2

- Hanford BESS on Peaker: *Construction mode*
- Atlas Solar: *Pre-construction – delayed*
- San Luis West Solar + Storage: *Pre-construction – delayed*

2026 – H1

- Tumbleweed Long Duration Storage: *Construction mode*
- Fish Lake Geothermal: *Pre-construction*
- Aratina Solar + Storage: *Construction mode*

2026 – H2+

- Ormat Geothermal Portfolio: *Pre-construction*
- SunZia Wind and SunZia Wind North/South: *Construction mode*
- Angela Solar + Storage: *Construction mode*
- Grace Solar: *Pre-construction*
- Yellow Pine III Storage: *Pre-construction*
- Glossy Garlic: *Pre-construction*

THANK YOU!



SVCE Legislative and Regulatory Update

August 13, 2025



Policy Updates

Regulatory Update:

1. Integrated Resource Planning
2. High Distributed Energy Resources

Legislative Update:

1. State Legislation
2. 2025 Legislative Calendar



Regulatory Update



Key Regulatory Activities

Activity	Purpose	Status
Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes. R.20-05-003	To ensure LSEs collectively build to meet state targets for a clean, reliable and affordable electricity system.	On July 15th parties filed comments on the Reliable Clean Power Procurement Program (RCPPP) which is intended to streamline procurement and end “order by order” based procurement for CPUC jurisdictional LSEs. Approximately 40 parties filed comments, including SVCE. The RCPMP envisions a programmatic approach to two primary goals, reliability and ghg-reductions. The majority of parties appear to support a reliability option that assess both the existing resource fleet and new resources, as opposed to an option that primarily focuses on, and requires, new build. For GHG-reductions, parties appear largely split on whether an extended version of the RPS program (called a Clean Energy Standard) should be adopted, or whether GHG-reductions should be assessed using a “mass based”, i.e. hourly accounting, metric. SVCE supports adoption of the Clean Energy Standard and a reliability program which allows LSEs to use Slice of Day accounting metrics and both new and existing resources to meet compliance. Multiple parties suggested the need for an additional near-term procurement order to cover the period before the RCPMP can be fully adopted. Of these parties only one, PG&E, provided a suggested procurement target (approximately 2200 MW).
High Distributed Energy Resources R.21-06-017	To modernize the electric grid for a high distributed energy resources future.	Pacific Gas and Electric Company, San Diego Gas and Electric Company, and Southern California Edison Company filed a joint Advice Letter requesting the approval of their pending loads framework. Pending loads are loads that have not yet applied for energy service (i.e., known loads) but that utilities have a strong indication will materialize. The pending loads framework proposes how these loads will be incorporated into the utilities' distribution planning processes and inform their distribution grid investments. Along with the pending loads framework, the utilities' jointly filed a scenario framework Advice Letter, which will be used to study different possible scenarios of distribution grid needs. SVCE and CalCCA are advocating for the frameworks to have more guardrails to protect ratepayers from potentially inflated assessments of grid needs and for information sharing between utilities' and CCAs about potentially large pending loads.



Legislative Update



SVCE Bill Positions

Bill Number	Summary	SVCE Position	Position Taken Under which Board-Adopted Legislative Platform Policy
SB 540 (Becker/Stern)	Allows the formation of a new Regional Organization to enable California to participate in energy markets with other western states.	Support	Clean, Reliable Grid
AB 306 (Schultz/Rivas)/AB 130	AB 306 language was amended into AB 130, a Budget Trailer Bill, and will provide a moratorium on state building codes and local reach codes from October 1, 2025 – June 1, 2031, with limited exemptions.	Concerns + amendment suggestions on AB 306 and an Oppose Unless Amended Position on AB 130	Climate Change Mitigation/Fuel Switching



SVCE Bill Positions

Bill Number	Summary	SVCE Position	Position Taken Under which Board-Adopted Legislative Platform Policy
AB 825 (Petrie-Norris)	Assembly omnibus affordability bill that includes ratepayer programs oversight and reporting language.	Oppose Unless Amended	Competitive Equity/Do No Harm
SB 254 (Becker)	Senate omnibus affordability bill that includes public transmission financing, wildfire mitigation oversight, and local permitting assistance for renewable projects.	Support	Affordability and Rates



Key 2025 State Legislative Milestones

- ~~• January 6 — Legislature Reconvenes~~
- ~~• February 21 — Last day for bills to be introduced~~
- ~~• May 2 — Last day for policy committees to hear fiscal bills~~
- ~~• May 23 — Last day for fiscal committees to hear bills introduced in that house~~
- ~~• June 6 — Last day for each house to pass bills introduced in that house~~
- ~~• June 15 — Budget bill must pass by midnight~~
- ~~• July 18 — Last day for policy committees to vote on bills~~
- August 29 – Last day for fiscal committees to vote on bills
- September 12 – Last day for each house to pass bills
- October 12 – Last day for Governor to sign bills

Silicon Valley Clean Energy STRATEGIC PLAN

FY 24/25 Q3 Progress Update April - June 2025

Strategic Focus Areas

SFA 1: Expand Affordability Efforts

The E-ELEC 2.0 rate pilot program was approved by the Board in May 2025, with an increase to potential customer bill savings (to come in 2026). The contract amendment approved to allow SVCE to deploy a rate comparison and education tool on our website is now in development. SVCE ran an ad campaign for the payment assistance and rate education webpage (digital and out-of-home ads). Staff continued advocacy at state level on rate setting and cost recovery.

SFA 2: Expand Clean & Reliable Grid Actions

At the April 2025 Board of Directors meeting, the Board approved SVCE's Power Purchase Agreement Project Selection Policy. This policy strikes a balance between the need to meet regulatory, market value, best fit considerations with additional policy goals around workforce development, environmental stewardship, and community engagement.

SFA 3: Expand Offerings and C/I Customers

Staff is continuing to work with members of the Commercial & Industrial (C&I) Decarbonization program on projects at their properties; several new participants have signed on. Staff completed an EcolInvestment agreement with a major C&I customer and are continuing to explore with several others. A plan has been finalized for expanded C&I customer engagement (e.g. additional billing support, technical assistance, relationship building), and staff is engaging in various discussions and analysis of large loads including data centers.

SFA 4: Prepare Region for Electrification at Scale

The Zero Interest Financing program has officially launched. Staff is fine tuning delivery of SVCE's largest program, Full Service Home Upgrades (direct install at single family), which allows residential customers to use SVCE's trusted contractors and transparent pricing to make their electrification upgrades with a no-cost pathway for income-qualified customers.

SFA 5: Attract & Retain Employees

The Board met in May 2025 for a Special Meeting to provide feedback on SVCE's new headquarters. In June 2025, approval was received for the Chief Executive Officer to execute an agreement for planning, architecture, and design services. A vendor has been selected and the project is on track to be completed in two phases. There is a lot of excitement in the development of SVCE's new space among staff, and the organization is looking forward to having a collaborative and engaging workspace. Q3 continued with no turnover for year-to-date fiscal year 2024/2025 with intentional hiring and learning and development strategies set for areas that are crucial to the agency's growth and success.

Silicon Valley Clean Energy STRATEGIC PLAN

FY 24/25 Q3 Progress Update

Goal Accomplishments

Goal 1 - Advance policies which support SVCE's mission to reduce dependence on fossil fuels. (SFA1, SFA4)

- Staff is supporting four member agencies to adopt reach codes in 2025 and nine others to evaluate their paths forward.
- SVCE is advocating for several legislative proposals to address electricity affordability including supporting western energy markets and the Senate's omnibus affordability package, SB 254 (Becker).
- Providing technical resources for five agencies that are working to adopt reach codes this fall, and working with eight others to evaluate their best path forward.
- Coordinating seven Bay Area CCAs to advance collaborative approaches to scaling building electrification and preparing for future mandates.

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. (SFA1, SFA2)

- Staff has developed a preliminary load forecast for data centers for the service territory.
- Staff is modeling potential impacts of serving data center loads and continue to advance calibration, inputs, and assumptions for long-term modelling efforts.

Goal 3 - Create a long-term decarbonization plan that integrates supply and demand changes, opportunities, and challenges. (SFA1, SFA2)

- Initial research and coordination to launch the plan has begun; staff will present an overview and goals to the Executive Committee in August and Board in September.

Goal 4 - Acquire power supply resources in a cost-effective manner to meet legislative and regulatory obligations, Board directives and customer specific products. (SFA2, SFA3)	• A long duration energy storage service agreement for Yellow Pine Solar III was approved which will help meet California's Mid-Term Reliability procurement mandates and Resource Adequacy requirements. • Two 10-year Power Purchase Agreements with Sunzia Wind South LLC and SunZia Wind North LLC were approved by the Board in May 2025.
Goal 5 - Manage and optimize load and power resources to meet affordability, GHG reduction and reliability objectives. (SFA1, SFA2)	• The Board approved a contract in May 2025 for Distributed Energy Resources Management System (DERMS) and related customer demand flexibility services. • Successfully moved load scheduling services to new vendor. • Better optimized intermittent resources in the California Independent System Operator's markets.
Goal 6 - Maintain healthy financial position; avoid failures in management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks.	• The financial stress test is complete and was presented to the Finance and Administration Committee and Board of Directors in June 2025. • CEO Padilla received approval to execute agreements with firms providing services to initiate SVCE's fourth prepay; a request to authorize CEO Padilla to execute the agreements to enable SVCE to enter into this fourth prepay will be presented in August 2025.
Goal 7: Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions. (SFA1, SFA2, SFA3, SFA4)	• Approximately ~\$30M cumulatively expended on program activities, and ~\$80M currently open as services and offers. • April 1-June 30, 2025 - SVCE hit 100 EV Rebates distributed!

Goal 8 - Engage customers and community stakeholders to build trust of SVCE and advance decarbonization. (SFA1, SFA3, SFA4)

- Staff had meaningful engagements with customers to answer their questions while present in their communities at a dozen Earth Month events. This included welcoming 1,000 customers into the Dream Home at four events in April.
- SVCE co-hosted a very successful and highly attended ribbon cutting event for the Butterfield Fire Station in Morgan Hill.
- Staff received and reviewed 2024 SVCE and Electrification Awareness Residential Customer survey results.

Goal 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).

- Ongoing work with: VCISO, Table Top Exercise, Security Assessment Remediations and Triannual AMI Audit remediations. Working through maintenance tasks, service reviews and log reviews.
- Established an Administrative Claims procedure pursuant to Government Code Section 935.

Goal 10 - Hire, retain and develop high-performing talent via competitive benefits and rewarding work culture. (SFA5)

- Benefits continue to be evaluated annually, currently evaluating alternate dental providers to identify best network to match employee needs (no budget impact expected).
- Completed first six months of SVCE's 2025 Learning and Development strategy including monthly power hours with trainers in customized subjects aligned with needs.
- Intern Program developed following the hiring of three summer interns, created a buddy/mentor program and customized a full summer schedule full of professional development sessions, networking opportunities (including other CCAs) and project presentation events.



Staff Report – Item 4

Item 4: Adopt Resolution Authorizing the Chief Executive Officer to Execute the Power Supply Contract with the California Community Choice Financing Authority and Related Supporting Agreements

From: Monica Padilla, CEO

Prepared by: Amrit Singh, CFO
Zakary Liske, Deputy Director of Power Resources

Date: 8/13/2025

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors (“Board” or “BOD”) adopt Resolution 2025-16 authorizing the CEO to execute the Power Supply Contract with the California Community Choice Financing Authority (CCCFA) and execute or approve¹ the related supporting agreements to enable SVCE to enter an approximately 30-year energy prepayment transaction. These contracts and agreements are in substantially negotiated form, and staff requests that the Board authorize the CEO to make any minor clarifying modifications necessary that do not change the intent or economics of the transaction.

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

1. The Bonds, issued by CCCFA, will not be guaranteed obligations of SVCE but will be limited obligations of CCCFA payable solely from the revenues and other amounts pledged under the Indenture as the Trust Estate, including amounts owed by SVCE under the Power Supply Contract.
2. The aggregate principal amount of the Bonds shall not exceed \$1,250,000,000.
3. The energy savings to SVCE under the Power Supply Contract for the initial Bond Reset Period, including the Annual Refund (as defined in the Power Supply Contract), shall be at least 8 percent.²
4. The energy Service Revenue fee in the transaction shall not exceed \$1.10 per MWh.
5. The commodity swap counterparty fee in the transaction shall not exceed \$0.50 per MWh.
6. If any floating rate bonds are issued, Morgan Stanley shall charge no more than six basis points on the interest rate swap spread to mid-market.

Staff also requests that the Board authorize the CEO to enter into agreements with credit rating agencies to provide a credit rating for the bonds.

FINANCE AND ADMINISTRATION COMMITTEE RECOMMENDATION

At its meeting on June 2, 2025, the Finance and Administration Committee voted unanimously to recommend that the Board approve the staff’s request to engage in a fourth Power Prepay transaction by authorizing the

¹ The CCCFA will be a counterparty to many of these agreements.

² The 8 percent saving is relative to a fixed price for energy deliveries under the power supply contract that will be established at the time of the pricing of the bonds using available energy market prices and other information that will be reviewed and approved by SVCE’s financial advisor, PFM Financial Advisors LLC.

Agenda Item: 4**Agenda Date: 8/13/2025**

CEO to execute or approve contracts with firms³ providing services enabling the execution of the Prepay transaction and to engage with Morgan Stanley as the Prepay Supplier. At the August 4, 2025, meeting, the Finance and Administration Committee unanimously approved staff's request to recommend the Board adopt a resolution to authorize the CEO to execute the Power Supply Contract with CCCFA and related supporting agreements, as well as enter into agreements with credit rating agencies.

BACKGROUND

At the June 11, 2025 meeting, the Board approved the Finance and Administration Committee's recommendation to authorize staff's request to pursue a fourth prepay transaction. At that meeting, SVCE staff provided an overview of SVCE's prior prepay transactions along with the new proposed transaction. The staff report is available [here](#) and the presentation is available [here](#).

ANALYSIS & DISCUSSION

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

The risks to SVCE are minimal as the debt will not be recourse to SVCE. If, for any reason, the structure falls apart, the energy contract(s) assigned to the Prepay will revert to SVCE, and the loss to SVCE will be the staff time spent on the project and the future savings expected to be generated by the prepayment transaction. The initial consultant and attorney fees are all contingent upon the execution of the transaction and will be financed from the bond proceeds. These fees, excluding underwriting fees, are estimated to be about \$1.1 million (see Attachment 15).

The transaction is expected to cover about 12 percent of our load. Combined with the first three Prepays, on average, the total load coverage is expected to be around 51 percent.

When the Board approves the Prepay transaction, it will include a commodity swap agreement with a Swap counterparty. SVCE expects the swap counterparty fee to be no more than \$0.50 MWh.

In June 2025, the Board authorized the CEO to pay for a credit rating from Moody's Investor Service Inc. While Moody's has rated SVCE's prior transactions, it is possible that other rating agencies may rate the bonds for a fee not to exceed the prior authorization of \$321,500.

SUMMARY OF THE TRANSACTION DOCUMENTS

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

Power Supply Contract – The agreement is between SVCE and CCCFA, and it provides for the sale of clean energy from CCCFA to SVCE for the term of the prepayment (Attachment 2).

Assigned PPA Payments Custodial Agreement – This agreement is by and among SVCE, CCCFA, Morgan Stanley, MSCG and the Custodian Bank on handling cashflows among the parties and making the required payments to the energy/PPA supplier (Attachment 3).

³ These firms were PFM Financial Advisors LLC & PFM Swap Advisors, Chapman & Cutler (Disclosure/Issuer's Counsel), Ballard Spahr (Bond and Tax Counsel), and Moody's Investor Service Inc (Credit Rating).

Agenda Item: 4**Agenda Date: 8/13/2025**

Forms of Limited Assignment Agreement – These agreements, by and among (i) SVCE, the counterparty to the power purchase agreement described therein, and MSCG or (ii) SVCE, the counterparty to the power purchase agreement described therein, CCCFA and the Prepaid Supplier (Attachment 4).

Letter Agreement Regarding PPA Assignments – The agreement is by and among SVCE, CCCFA, and MSCG and the Prepaid Supplier, and it details the terms of assigning PPAs that SVCE has with a current or future energy supplier (Attachment 5).

Project Administration Agreement – This agreement is between SVCE and CCCFA. The agreement sets the terms for SVCE to act on behalf of the issuer such as scheduling for the energy (Attachment 6).

Memorandum of Understanding between SVCE, Morgan Stanley and CCCFA indemnifying CCCFA against certain ratings fees should the transaction not close (Attachment 7).

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

Trust Indenture – This agreement is between CCCFA and the Trustee and sets forth the terms of bond issuance, rights of bondholders, and security of the cashflows of CCCFA to ensure principal and interest payments to the bondholders (Attachment 8).

Prepaid Agreement – This agreement is between CCCFA and Morgan Stanley, and it details the terms of prepayment by CCCFA to Morgan Stanley and the flow of energy from Morgan Stanley to CCCFA. The terms of this agreement largely mirror those of the Power Supply Contract between SVCE and CCCFA (Attachment 9).

Re-pricing agreement – This agreement is between CCCFA and Morgan Stanley and sets the terms for remarketing and repricing of bonds at future bond repricing periods and the terms for calculation of future energy price discounts that will be offered to SVCE (Attachment 10).

Also attached is the Preliminary Official Statement (POS) that will be used to market the bonds and provides information on the energy prepayment transaction, including the key terms of the transaction. The Appendix A of this document includes background information on SVCE, including the formation of SVCE, service area, customers, sources of clean energy, and other information to inform bondholders on the financial and operational strength of the organization (Attachment 11).

STRATEGIC PLAN

Entering a Prepayment transaction will further Goals #4, #5, and #6 of the SVCE Strategic Plan:

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

Goal #5: Manage and optimize power supply resources to meet affordability, GHG reduction, and reliability objectives.

Goal #6: Maintain a healthy financial position; avoid failures in management of market risk, credit risk, liquidity risk, operational risk, and enterprise risk.

FISCAL IMPACT

The proposed prepayment transaction could save SVCE about \$4 to \$6 million per year during the initial term of the bonds. The actual savings will depend on the spread between taxable and tax-exempt rates. Actual savings will not be known until the deal closes.

ATTACHMENTS

1. Resolution 2025-16 authorizing the execution and delivery of a power supply contract and certain other documents in connection with the issuance of the California Community Choice Financing Authority clean energy project revenue bonds; and certain other actions in connection therewith
2. Power Supply Contract

Agenda Item: 4**Agenda Date: 8/13/2025**

3. Assigned PPA Payments Custodial Agreement
4. Limited Assignment Agreement
5. Letter Agreement Regarding PPA Assignments
6. Project Administration Agreement
7. Memorandum of Understanding
8. Trust Indenture
9. Prepaid Agreement
10. Repricing Agreement
11. Preliminary Official Statement
12. Timeline of SVCE's First Prepay Transaction
13. Summary of the Details of the First Prepay Transaction and Transaction Cost Breakdown
14. Overview of the Prepay structure
15. Estimated Cost Breakdown

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION 2025-16

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

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

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

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

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

WHEREAS, SVCE is requesting that the Issuer agree to purchase certain quantities of clean energy from a Delaware limited liability company (the “Prepaid Supplier”), the sole member of which is Morgan Stanley Capital Group Inc., a Delaware corporation (“MSCG”), on a prepaid basis (the “Project”) and to sell such clean energy to SVCE, as described herein;

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

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

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

1. Power Supply Contract between SVCE and the Issuer;
2. Custodial Agreement by and among SVCE, CCCFA Morgan Stanley Capital Group Inc., a Delaware corporation (“MSCG”), Morgan Stanley Energy Structuring, L.L.C., and the custodian to be named therein;
3. Forms of Limited Assignment Agreements, by and among (i) SVCE, the counterparty to the power purchase agreement described therein, and MSCG or (ii) SVCE, the counterparty to the power purchase agreement described therein, CCCFA and the Prepaid Supplier;
4. Letter Agreement among SVCE, the Prepaid Supplier, CCCFA and MSCG regarding matters relating to Assignment Agreements; and
5. Prepaid Energy Project Administration Agreement, by and between SVCE and the Issuer; and
6. Memorandum of Understanding between SVCE and the Issuer indemnifying Issuer against certain ratings fees.

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

1. Trust Indenture (the “Indenture”) between the Issuer and the trustee to be named therein, providing for, among other things, the issuance of and security for the Bonds;
2. Prepaid Energy Sales Agreement (the “Prepaid Agreement”) between the Issuer and the Prepaid Supplier, providing for the delivery of the prepaid energy supply to the Issuer;
3. Re-pricing Agreement (the “Re-pricing Agreement”) between the Issuer and the Prepaid Supplier providing for the remarketing or refunding of the Bonds from time to time and the establishment of the Monthly Discount available to SVCE under the Power Supply Agreement from time to time during the term of the transaction; and
4. Preliminary Official Statement (the “Preliminary Official Statement”), to be used in connection with the offering and sale of the Bonds, including the information relating to SVCE included in Appendix A thereto (the

Indenture, the Prepaid Agreement, the Re-pricing Agreement and the Preliminary Official Statement, together with the SVCE Documents, the “Project Documents”);

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

Section 1. The proposed forms of the SVCE Documents, as made available to the Board of Directors for this meeting, are hereby approved. The form of Limited Assignment Agreement may be used, in substantially the same form, for the initial assignments of SVCE power purchase agreements, and in a similar form for additional power purchase agreements as needed to maintain the transactions approved hereby, with such changes as may be necessary to conform to the requirements of such power purchase agreement or as may be necessary to effect such assignment, and any such Limited Assignment Agreements shall be included in the SVCE Documents hereby approved. Subject to the parameters set forth in Section 4 of this Resolution, any of the Chief Executive Officer, Chief Operations Officer, Chair of the Board, the Director of Finance (each an “Authorized Officer”) is hereby authorized and directed, for and on behalf of SVCE, to execute and deliver the SVCE Documents in substantially said form, with such changes and insertions therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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

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

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

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

(b) the aggregate principal amount of the Bonds shall not exceed \$1,250,000,000;

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

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

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

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

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

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

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

Section 8. This Resolution shall take effect immediately.

ADOPTED AND APPROVED at a regular meeting of the SVCE Board of Directors on this 13th day of August, 2025.

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola				
City of Cupertino	Director Fruen				
City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Barbadillo				
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

SM Draft 23 July 2025

POWER SUPPLY CONTRACT

between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

SILICON VALLEY CLEAN ENERGY AUTHORITY

Dated as of [____], 2025

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POWER SUPPLY CONTRACT

This Power Supply Contract (hereinafter, this “Agreement”) is made and entered into as of [____], 2025 (the “Execution Date”), by and between California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 *et seq.* of the California Government Code, as amended) (“Issuer”) and Silicon Valley Clean Energy Authority, a joint powers authority and a community choice aggregator organized under the Laws of the State of California (“Purchaser”).

W I T N E S S E T H:

WHEREAS, Issuer has planned and developed a project to acquire long-term Energy supplies from Energy Prepay IX, LLC (“Prepay LLC”) pursuant to a Prepaid Energy Sales Agreement (as amended, restated, supplemented or otherwise modified from time to time, the “Prepaid Agreement”) to meet a portion of the Energy supply requirements of Purchaser through an energy prepayment project (the “Clean Energy Project”); and

WHEREAS, Issuer will finance the prepayment under the Prepaid Agreement, and the other costs of, the Clean Energy Project by issuing the Bonds; and

WHEREAS, Purchaser is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities Code with authority to sell electricity to retail electric consumers within its service area; and

WHEREAS, Purchaser is agreeable to purchasing a portion of its Energy requirements from Issuer under the terms and conditions set forth in this Agreement and Issuer is agreeable to selling to Purchaser such supplies of Energy under the terms and conditions set forth in this Agreement; and

WHEREAS, concurrently with the execution of this Agreement, Purchaser has assigned to Prepay LLC certain Assigned Rights and Obligations, including the right to receive Assigned Product, which Assigned Product will be delivered to Issuer under the Prepaid Agreement and then resold by Issuer hereunder; and

WHEREAS, as a condition precedent to the effectiveness of the Parties’ obligations under this Agreement, Issuer shall have entered into the Prepaid Agreement and shall have issued the Bonds.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency

of which are hereby acknowledged, Issuer and Purchaser (the “Parties” hereto; each is a “Party”) agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Affiliate” means, with respect to either Party, any entity which is a direct or indirect parent or subsidiary of such Party or which directly or indirectly (i) owns or controls such Party, (ii) is owned or controlled by such Party, or (iii) is under common ownership or control with such Party. For purposes of this definition, “control” of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or Persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

“Agreement” has the meaning specified in the preamble and shall include exhibits, recitals and attachments referenced herein and attached hereto and all amendments, supplements and modifications hereto and thereto.

“Annual Quantity” means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth on Exhibit A-3; provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate amount of any quantities of Base Energy required to be remarketed under this Agreement for any given Contract Year.

“Annual Refund” means the annual refund, if any, provided to Purchaser and calculated pursuant to the procedures specified in Section 3.2(c).

“Applicable Rating Agencies” means, at any given time, each Rating Agency then rating the Bonds.

“Assigned Delivery Point” has the meaning specified in the applicable Assignment Agreement.

“Assigned Energy” has the meaning specified in the applicable Assignment Agreement; provided that any Assigned Energy shall be EPS Compliant Energy as set forth in the Assignment Letter Agreement.

“Assigned Paygo Quantity” means any Assigned Products delivered under this Agreement in excess of the Annual Quantity for any Contract Year.

“Assigned PPA” has the meaning specified in the Participant Custodial Agreement.

“Assigned PPA Index Adder” means the amount (in \$/MWh) specified in Exhibit A-2 for each Month of the Delivery Period.

“Assigned Product” means, as applicable, PCC1 Product, Long-Term PCC1 Product, PCC2 Product, Assigned Energy, Assigned RECs and any other product included in an Assignment Agreement.

“Assigned RECs” means any RECs to be delivered to MSCG or Prepay LLC pursuant to any Assigned Rights and Obligations.

“Assigned Rights and Obligations” means a portion of Purchaser’s rights and obligations under a power purchase agreement assigned pursuant to an Assignment Agreement.

“Assignment Agreement” means the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

“Assignment Letter Agreement” means that certain Letter Agreement, dated as of [the date hereof], by and among MSCG, Prepay LLC, Issuer and Purchaser.

“Assignment Period” has the meaning specified in the applicable Assignment Agreement.

“Available Discount” means, for each Reset Period, the amount, expressed in cents per MWh (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to the Re-Pricing Agreement for such Reset Period. The Available Discount shall equal the sum of the Monthly Discount and any anticipated Annual Refunds for the applicable Reset Period.

“Balancing Authority” has the meaning specified in the CAISO Tariff.

“Base Energy” means Firm (LD) Energy.

“Billing Date” has the meaning specified in Section 14.1(b).

“Billing Statement” has the meaning specified in Section 14.1(b).

“Bond Closing Date” means the first date on which the Bonds are issued pursuant to the Bond Indenture.

“Bond Indenture” means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Issuer and the Trustee, as supplemented and amended from time to time in accordance with its terms, and (ii) any trust indenture entered into in connection with the commencement of any Interest Rate Period after the initial Interest Rate Period between Issuer and the Trustee containing substantially the same terms as the indenture described in clause (i) and which is intended to replace the indenture described in clause (i) as of the commencement of such Interest Rate Period.

“Bonds” means the bonds issued pursuant to the Bond Indenture.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks in either New York,

New York or the State of California are authorized or required by Law to close, or (iv) any other day excluded pursuant to the Bond Indenture.

“CAISO” means California Independent System Operator or its successor.

“CAISO Tariff” means CAISO’s FERC-approved tariff, as modified, amended or supplemented from time to time.

“Calculation Agent” has the meaning specified in the Re-Pricing Agreement.

“California Long-Term Contracting Requirements” means the long-term contracting requirement set forth in the Clean Energy and Pollution Reduction Act of 2015 (SB 350), California Public Utilities Code section 399.13(b), and CPUC Decision 17-06-026 and CPUC Decision 18-05-026, as may be modified by subsequent decision of the California Public Utilities Commission or by other Law.

“CCA Revenues” means all charges received for, and all other income and receipts derived by Purchaser from, the operation of its CCA System, including income derived from the sale of electric energy by its CCA System.

“CCA System” means Purchaser’s community choice aggregation program that provides electric energy supply service to retail customers located within its service area.

“Claiming Party” has the meaning specified in Section 11.1.

“Claims” means all claims or actions, threatened or filed, that directly or indirectly relate to the indemnities provided herein, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Clean Energy Project” has the meaning specified in the recitals.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

“Contract Price” means (i) with respect to Monthly Projected Quantities, (A) the Day-Ahead Average Price, minus (B) the Monthly Discount; and (ii) with respect to Monthly Excess Quantities and Assigned Paygo Quantities, the Day-Ahead Average Price. For the avoidance of doubt, the Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

“Contract Quantity” means (i) with respect to Assigned Energy, the Annual Quantity of Assigned Energy for each Contract Year of the Delivery Period; and (ii) with respect to Base Energy, the Hourly Quantity of Base Energy set forth in Exhibit A-1 for any Month, as such Exhibits A-1 and A-2 shall be updated from time to time in accordance with Section 6.2.

“Contract Year” means each period of 12 Months from [____] until [____] during the Delivery Period.

“Day-Ahead Average Price” means, for any Assigned Energy in any EPS Energy Period, the result of (i) (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 plus (ii) the Assigned PPA Index Adder for the relevant Month. As used in this definition, “Pricing Interval” means each unit of time for which CAISO establishes a separate price.

“Day-Ahead Market Price” means The Day Ahead Market or Locational Marginal Price for the Energy Delivery Point for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

“Default Rate” means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the “Money Rates” section as the “Prime Rate” for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

“Delivery Hours” means each Hour commencing at 00:00 (PPT) on the first day of the Delivery Period, and each Hour thereafter during the Delivery Period.

“Delivery Period” means the period beginning on [____], 20[____] and ending on [____], 20[____]; provided that the Delivery Period shall end immediately upon the effective termination date of the Prepaid Agreement or early termination of this Agreement pursuant to Article XVII hereof.

“Delivery Point” means (i) the applicable Assigned Delivery Point(s) for Assigned Energy and (ii) the applicable Energy Delivery Point for Base Energy (as set forth in Exhibits A-1 and A-2).

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in MWhs.

“Energy Delivery Point” has the meaning specified in Exhibit A-1.

“EPS” means California’s Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

“EPS Compliant Energy” means Energy that Purchaser can contract for and purchase in compliance with EPS requirements that are applicable to Purchaser.

“EPS Energy Period” means the Initial EPS Energy Period and any subsequent Assignment Period established by a future assignment of a power purchase agreement consistent with the Assignment Letter Agreement.

“Execution Date” has the meaning specified in the preamble.

“Federal Tax Certificate” means the executed Federal Tax Certificate delivered by Purchaser in the form attached as Exhibit D.

“FERC” means the Federal Energy Regulatory Commission and any successor thereto.

“Firm (LD)” means, with respect to the obligation to deliver Energy, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Purchaser’s markets; (ii) Purchaser’s inability economically to use or resell the Energy purchased hereunder; (iii) the loss or failure of Issuer’s supply except if such loss or failure results from curtailment by a Transmission Provider; or (iv) Issuer’s ability to sell the Energy at a higher price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (a) such Party has contracted for firm transmission with such Transmission Provider for the Energy to be delivered to or received at the Delivery Point and (b) such curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the Transmission Provider’s tariff; *provided*, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that Force Majeure as defined in the first sentence hereof has occurred. Notwithstanding the foregoing or anything to the contrary herein, (I) any invocation of Force Majeure by Prepay LLC under the Prepaid Agreement shall constitute Force Majeure in respect of Issuer hereunder; (II) to the extent that (x) a PPA Supplier fails to deliver any Assigned Energy and claims force majeure with respect to such failure to deliver or (y) a PPA Supplier otherwise is unable to deliver any portion of the Annual Quantity due to an event that would be considered Force Majeure under this Agreement if it affected Issuer directly, then such event shall be deemed to constitute Force Majeure in respect of Issuer hereunder; and (III) to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Issuer until the earlier of (A) the commencement of an “Assignment Period” under a replacement Assignment Agreement, (B) the commencement of the delivery of EPS Compliant Energy procured by MSCG

consistent with the Assignment Letter Agreement or (C) the end of the second Month following the Month in which such early termination occurs.

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Hour” means each 60-minute period commencing at 00:00 PPT during the Delivery Period. The term “Hourly” shall be construed accordingly.

“Hourly Quantity” means, with respect to each Delivery Hour during the Delivery Period, the quantity (in MWh) of Base Energy set forth on Exhibit A-1 for the Month in which such Delivery Hour occurs (as such Exhibit A-1 may be updated from time to time in accordance with Section 6.2).

“Initial Assignment Agreement” means that certain Limited Assignment Agreement dated as of [____], 20[____], by and among Purchaser, MSCG and the Initial PPA Supplier, as from time to time amended, restated, supplemented or otherwise modified.

“Initial EPS Energy Period” means the “Assignment Period” as defined in the Initial Assignment Agreement.

“Initial PPA Supplier” means [____].

“Initial Reset Period” means the period beginning on [____], 20[____] and ending on [____], 20[____].

“Interest Rate Period” has the meaning specified in the Bond Indenture.

“Issuer” has the meaning specified in the preamble.

“Issuer Default” has the meaning specified in Section 17.1.

“Law” means any statute, law, rule or regulation or any judicial or administrative interpretation thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time in the future.

“Long-Term PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to MSCG, Prepay LLC or any successors thereto pursuant to any Assigned Rights and Obligations.

“Minimum Discount” means no less than \$[____] per MWh for each Reset Period after the Initial Reset Period. Such amount is inclusive of any projected Annual Refund.

“Month” means, during the Delivery Period, a calendar month. The term “Monthly” shall be construed accordingly.

“Monthly Discount” means (i) for the Initial Reset Period, an amount (when taken together with any Annual Refund) that is not less than the Minimum Discount and is specified in Exhibit F, which Exhibit F shall be provided by Issuer to Purchaser on the Bond Closing Date, and (ii) for each subsequent Reset Period, a portion of the Available Discount for such Reset Period determined by the Calculation Agent pursuant to the Re-Pricing Agreement and set forth in an updated Exhibit F provided by Issuer after such determination.

“Monthly Excess Quantity” means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered under an Assigned PPA in such Month exceeds the Monthly Projected Quantity for such Assigned PPA for such Month.

“Monthly Projected Quantity” means, with respect to each Assigned PPA and each Month of the Assignment Period for each Assigned PPA, the quantity (in MWh) of Assigned Product for such Month as set forth on Exhibit A-2 for such Assigned PPA (as such Exhibit A-2 may be updated from time to time in accordance with Section 6.2).

“MSCG” means Morgan Stanley Capital Group Inc., a Delaware corporation.

“MWh” means megawatt-hour.

“Non-Priority Energy” means Energy that is not Priority Energy.

“Participant Custodial Agreement” means that certain [Second Consolidated, Amended and Restated Custodial Agreement], dated as of [____], 2025, by and among Purchaser, Issuer, Morgan Stanley Energy Structuring, L.L.C., MSCG and the Participant Custodian, as from time to time amended, restated, supplemented or otherwise modified.

“Participant Custodian” means The Bank of New York Mellon Trust Company, N.A., a national banking association or any successor thereto.

“Party” has the meaning specified in the recitals.

“PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to MSCG, Prepay LLC or any successors thereto pursuant to any Assigned Rights and Obligations.

“PCC2 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 2 to be delivered to MSCG, Prepay LLC or any successors thereto pursuant to any Assigned Rights and Obligations.

“Person” means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

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

“Portfolio Content Category 2” 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.

“Potential Remarketing Event” has the meaning specified in Section 3.4(b).

“PPA Supplier” means the Initial PPA Supplier and any subsequent supplier who enters into an Assignment Agreement consistent with the terms of the Assignment Letter Agreement.

“PPT” means Pacific Prevailing Time.

“Prepaid Agreement” has the meaning specified in the recitals.

“Prepay LLC” has the meaning specified in the recitals.

“Priority Energy” means the Contract Quantity to be purchased by Purchaser under this Agreement, together with Energy that Purchaser is obligated to take under a long-term agreement, which Energy either (i) has been purchased by Purchaser or a joint action agency in a prepayment transaction using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from gross income for federal income tax purposes, or (ii) is generated using capacity that was constructed using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from gross income for federal income tax purposes (provided that, with respect to clause (ii), Priority Energy shall not include Energy that is generated using capacity that was wholly or partially financed through the monetization of renewable tax credits, whether such monetization is accomplished through a tax equity investment or otherwise, or that is generated from federally owned and operated hydroelectric facilities, including through the United States Army Corps of Engineers and the United States Bureau of Reclamation, and marketed by the Bonneville Power Administration or the Western Area Power Administration).

“Project Participant” has the meaning specified in the Bond Indenture.

“Purchaser” has the meaning specified in the preamble.

“Purchaser Default” has the meaning specified in Section 17.2.

“Purchaser’s Statement” has the meaning specified in Section 14.1(a).

“Qualifying Use Requirements” means, with respect to any Energy delivered under this Agreement, such Energy is used (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any “private business use” within the meaning of Section 141 of the Code, and (iii) in a manner that is consistent with the Federal Tax Certificate attached as Exhibit D.

“Rating Agency” has the meaning specified in the Bond Indenture.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the Bond Closing Date, by and between Issuer and Prepay LLC.

“Remarketing Termination Deadline” means, for any Reset Period, the last date and time by which the Purchaser may provide a Remarketing Termination Notice, which shall be 4:00 p.m. PPT on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first delivery Month of a Reset Period with respect to which a Potential Remarketing Event has occurred.

“Remarketing Termination Notice” has the meaning specified in Section 3.4(b).

“Renewable Energy Credit” or “REC” has the meaning specified for “Renewable Energy Credit” in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

“Reset Period” means each “Reset Period” under the Re-Pricing Agreement.

“Reset Period Notice” has the meaning specified in Section 3.4(a).

“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.

“Schedule”, “Scheduled” or “Scheduling” means the actions of Issuer, Purchaser and/or their designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

“Transmission Provider(s)” means any entity or entities transmitting or transporting Energy on behalf of Issuer or Purchaser to or from the Delivery Point.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association, and its successors as Trustee under the Bond Indenture.

“Voided Remarketing Termination Notice” has the meaning specified in Section 3.4(b).

“WREGIS” means the Western Renewable Energy Generation Information System or its successor.

Section 1.2 Definitions; Interpretation. References to “Articles,” “Sections,” “Schedules” and “Exhibits” shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural,

depending on the reference. The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the scope of such general statement, term or matter. Any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

ARTICLE II

EXECUTION DATE AND DELIVERY PERIOD; NATURE OF CLEAN ENERGY PROJECT

Section 2.1 Execution Date; Delivery Period. Unless this Agreement is terminated pursuant to Article XVII, delivery of Energy under this Agreement shall commence and continue for the Delivery Period.

Section 2.2 Termination Due to Failure to Issue Bonds. Each Party shall have a right to terminate this Agreement with the effect that this Agreement shall be of no further force or effect and the Parties shall have no rights or obligations hereunder if the Bonds are not issued on or before the Prepayment Outside Date (as defined in the Prepaid Agreement).

Section 2.3 Nature of Clean Energy Project. Purchaser acknowledges and agrees that Issuer will meet its obligations to provide Energy to Purchaser under this Agreement exclusively through its purchase of long-term supplies of Energy from Prepay LLC pursuant to the Clean Energy Project and that Issuer is financing its purchase of such long-term supplies through the issuance of the Bonds.

Section 2.4 Pledge of this Agreement. Purchaser acknowledges and agrees that Issuer will pledge its right, title, and interest under this Agreement and the revenues to be received under this Agreement to secure Issuer’s obligations under the Bond Indenture.

ARTICLE III

SALE AND PURCHASE

Section 3.1 Sale and Purchase of Energy. Issuer agrees to sell and deliver or cause to be delivered to Purchaser, and Purchaser agrees to purchase and take or cause to be taken from Issuer, in each case, on a Firm (LD) basis, the Contract Quantity of Energy pursuant to the terms and conditions set forth in this Agreement. The Parties acknowledge and agree that Issuer’s delivery obligation for (i) Assigned Products will be measured on an annual basis and (ii) Base Energy will be measured on an Hourly basis, as reflected in the definition of Contract Quantity and further set forth in the terms of this Agreement.

Section 3.2 Payments.

(a) For each MWh of Assigned Product delivered to Purchaser, Purchaser shall pay Issuer the applicable Contract Price, provided that (x) Issuer shall owe a payment to Purchaser to the extent that the Contract Price for Energy delivered is negative and (y) Purchaser's payment of the Retained Payment Amount (as defined in the Participant Custodial Agreement) to the Participant Custodian consistent with the terms of the Participant Custodial Agreement shall satisfy Purchaser's obligations hereunder with respect to Monthly Excess Quantities and Assigned Paygo Quantities, as applicable.

(b) [RESERVED]

(c) During the term of this Agreement, promptly following completion of the annual audit of Issuer's financial statements at the end of each fiscal year (currently the twelve-month period ending December 31), Issuer shall compare its revenues (as determined in accordance with the Bond Indenture) and expenses under the Clean Energy Project for that fiscal year. If this annual comparison demonstrates that such revenues exceeded such expenses during the applicable fiscal year and there are amounts on deposit in the fund established by the Bond Indenture available for such purpose, then Issuer shall make refunds to Purchaser in the amount available after making allowances for any necessary and appropriate reserves and contingencies (including but not limited to amounts deemed reasonably necessary by Issuer to fund any working capital reserve and to reserve or account for unfunded liabilities, including future sinking fund or other principal amortization of the Bonds). As of the Execution Date, the projected Annual Refund for the Initial Reset Period is \$[_____] per MWh.

Section 3.3 No Obligation to Take Base Energy. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be required to purchase and receive any Base Energy hereunder, and Issuer shall cause Prepay LLC to remarket any portion of the Contract Quantity that is Base Energy pursuant to the provisions of Exhibit C to the Prepaid Agreement.

Section 3.4 Reset Period Remarketing.

(a) Reset Period Notice. For each Reset Period, Issuer shall provide to Purchaser, at least ten (10) days prior to the Remarketing Termination Deadline, formal written notice (a "Reset Period Notice") setting forth (i) the duration of such Reset Period, (ii) the Estimated Available Discount (as defined in the Re-Pricing Agreement) for such Reset Period, and (iii) the applicable Remarketing Termination Deadline. Issuer may thereafter update such notice at any time prior to the Remarketing Termination Deadline and may extend the Remarketing Termination Deadline only to the extent consented to in writing by Prepay LLC.

(b) Remarketing Termination. If the Reset Period Notice (or any update thereto) indicates that the Available Discount in such notice is not at least equal to the Minimum Discount for that Reset Period, then: (i) a "Potential Remarketing Termination Event" shall be deemed to exist, and (ii) Purchaser may, not later than the Remarketing Termination Deadline, issue a written notice in the form attached hereto as Exhibit C (a "Remarketing Termination Notice") to Issuer, Prepay LLC and the Trustee electing for this Agreement and the Assignment Agreements to be terminated; *provided*, however, if the Issuer and Prepay LLC are able to achieve an actual Available Discount, as finally determined under the Re-Pricing Agreement, that is equal to or greater than the Minimum Discount, then Purchaser's Remarketing Termination Notice shall

be void (any such notice, a “Voided Remarketing Termination Notice”), and this Agreement and the Assignment Agreements shall remain in full force and effect for such Reset Period. For the avoidance of doubt, in the event that Purchaser issues a Remarketing Termination Notice (other than a Voided Remarketing Termination Notice), any rights and obligations assigned to Prepay LLC or MSCG, as applicable, under the Initial Assignment Agreement or a subsequent Assignment Agreement including, without limitation, the right to receive Assigned Energy, shall revert to Purchaser as of the end of the Initial Reset Period or the then-current Reset Period, as applicable.

(c) Final Determination of Available Discount. The Parties acknowledge and agree that the final Available Discount for any Reset Period following the Initial Reset Period will be determined on the applicable Re-Pricing Date (as defined in the Re-Pricing Agreement), and that such Available Discount may differ from the estimate or estimates of such Available Discount provided to Purchaser prior to the applicable Remarketing Termination Deadline. Accordingly, the Parties agree that:

(i) the Available Discount for any Reset Period will not be less than the Minimum Discount applicable to such Reset Period, unless Issuer has provided notice of a Potential Remarketing Event to Purchaser in accordance with Section 3.4(b); and

(ii) if Purchaser receives notice of a Potential Remarketing Event and has not provided a Remarketing Termination Notice prior to the applicable Remarketing Termination Deadline, Purchaser shall be deemed to have elected to continue to purchase and receive its Contract Quantity at a Contract Price that reflects the Monthly Discount portion of the Available Discount as finally determined on the applicable Re-Pricing Date, plus Purchaser’s right to its share of Annual Refunds, if any, and all delivery and purchase obligations under this Agreement shall continue in full force and effect for the applicable Reset Period.

(d) Reduction of Contract Quantity. The Parties recognize and agree that the Contract Quantity may be reduced in a Reset Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement if necessary to achieve a successful remarketing of the Bonds. The Parties agree further that if, pursuant to the Re-Pricing Agreement, Issuer and the Calculation Agent determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) Issuer will notify Purchaser, (B) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and (C) the Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

ARTICLE IV

FAILURE TO DELIVER OR TAKE ENERGY

Notwithstanding anything herein to the contrary, neither Purchaser nor Issuer shall have any liability or other obligation to one another for any failure to Schedule, take, or deliver Assigned Product.

ARTICLE V TRANSMISSION AND DELIVERY; COMMUNICATIONS

Section 5.1 Delivery of Energy. All Assigned Energy delivered under this Agreement shall be Scheduled at the applicable Assigned Delivery Point and in accordance with the terms of the applicable Assignment Agreement. All other Assigned Product shall be delivered consistent with the terms of the applicable Assignment Agreement. Except as set forth in the two foregoing sentences, Purchaser and Issuer shall have no liability or obligations under this Article V with respect to Assigned Product.

Section 5.2 Scheduling. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Section 5.3 Title and Risk of Loss. Title to the Energy delivered under this Agreement and risk of loss shall pass from Issuer to Purchaser at the Assigned Delivery Point. The transfer of title and risk of loss for all Assigned Product other than Assigned Energy shall be in accordance with the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with WREGIS.

Section 5.4 PCC1 Product, Long-Term PCC1 Product, and PCC2 Product. To the extent that any Assigned Product is PCC1 Product, Long-Term PCC1 Product, or PCC2 Product the following provisions apply:

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Clean Energy Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Clean Energy Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009]**. As used above, "Seller" means "Issuer", Buyer means "Purchaser", and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

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

reasonable efforts to comply with such change in law. **[STC REC-1, Non-modifiable. D.11-01-025]**. As used above, “Seller” means “Issuer”, Buyer means “Purchaser”, and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(c) Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. **[STC REC-2, Non-modifiable. D.11-01-025]**. As used above, “Seller” means “Issuer”, Buyer means “Purchaser”, and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(d) Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]**

(e) Issuer Representations and Warranties.

Issuer represents and warrants:

- (i) Issuer has the right to sell the Assigned Product from the Applicable Project;
- (ii) Issuer has not sold the Assigned Product or any REC or other attributes of the Assigned Product to be transferred to Purchaser to any other person or entity;
- (iii) the Energy component of the Assigned Product produced by the Applicable Project for PCC2 Product and purchased by Issuer for resale to Purchaser hereunder is not being sold by Issuer back to the Applicable Project or PPA Supplier;
- (iv) Assigned Energy and Assigned RECs to be purchased and sold pursuant to this Agreement are not committed to another party;
- (v) the Assigned Product is free and clear of all liens or other encumbrances;
- (vi) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for PCC1 Product in compliance with the requirements set forth in California Public Utilities Code 399.16(b)(1) and the California RPS compliance requirements for Portfolio Content Category 2 as set forth in CPUC Decision 11-12-052, if applicable;
- (vii) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for PCC2 Product in compliance with the requirements set forth in California Public Utilities Code 399.16(b)(2) and the California RPS compliance

requirements for Portfolio Content Category 2 as set forth in CPUC Decision 11-12-052, if applicable;

- (viii) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for Long-Term PCC1 Product in compliance with the California Long-Term Contracting Requirements, if applicable;
- (ix) the Assigned Product supplied to Purchaser under this Agreement that is Long-Term PCC1 Product will be sourced solely from Applicable Projects that have an Assignment Period of ten (10) years or more in length, or otherwise in compliance with the California Long Term Contracting Requirements; and
- (x) Issuer will cooperate and work with Purchaser, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product's classification as Portfolio Content Category 1 or Portfolio Content Category 2, as applicable, as set forth in California Public Utilities Code Section 399.16(b)(1) or 399.16(b)(2), as applicable, and compliance with the California Long-Term Contracting Requirements, if applicable.

Issuer further represents and warrants to Purchaser that, to the extent that the PCC1 Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below during the Assignment Period and throughout the generation period:

- (i) the original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1);
- (ii) this Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;
- (iii) the electricity transferred by this Agreement is transferred to Purchaser in real time; and
- (iv) if the Applicable Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

Issuer further represents and warrants to Purchaser that, to the extent that the PCC2 Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale complies with the following conditions in (i) through (v) below during the Assignment Period and throughout the generation period:

- (i) the original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(2);
- (ii) this Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;
- (iii) this Agreement transfers the original arrangement for substitute electricity (e.g., source and quantity);
- (iv) this Agreement retains the scheduling of the substitute electricity into a California balancing authority as set out in the original firming and shaping transaction; and
- (v) this Agreement continues to provide incremental electricity scheduled into a California balancing authority.

(f) Subsequent Changes in Law. In the event that the qualifications or requirements of the RPS program, PCC1 Product, PCC2 Product or the California Long-Term Contracting Requirements change, Issuer shall take commercially reasonable actions to meet the amended qualifications or requirements of the RPS Law, PCC1 Product, PCC2 Product or the California Long-Term Contracting Requirements but will not be required to incur any unreimbursed costs to comply with the RPS Law, PCC1, PCC2 or the California Long-Term Contracting Requirements, collectively.

(g) Limitations. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree as follows:

- (i) Issuer has relied exclusively upon the representations and warranties of each respective seller set forth in the Assignment Agreements in making the representations and warranties set forth in this **Error! Reference source not found.** and has not performed any independent investigation with respect thereto;
- (ii) Prepay LLC has agreed under the Prepaid Agreement to terminate or cause MSCG to terminate the applicable Assignment Period in the event that any representation or warranty in this **Error! Reference source not found.** proves to be incorrect in any respect; and
- (iii) Purchaser agrees that its sole recourse for any breach of the provisions of this **Error! Reference source not found.** shall be the termination of the applicable Assignment Period and Purchaser shall have no other recourse against Issuer or remedies under this Agreement.

Section 5.5 Deliveries within CAISO or Another Balancing Authority. The Parties acknowledge that Energy delivered by Issuer at a Delivery Point within CAISO or another Balancing Authority will be delivered in accordance with the CAISO Tariff and rules of the Balancing Authority as applicable. Scheduling such Energy in accordance with the requirements

of the applicable Energy into the applicable Balancing Authority shall constitute delivery of such Energy to Purchaser hereunder.

Section 5.6 Assigned Products. Notwithstanding anything to the contrary herein, the Parties shall have no liability under this Article V with respect to any Assigned Products.

ARTICLE VI PARTIAL ASSIGNMENTS OF PPAS

Section 6.1 Future PPA Assignments. In connection with the expiration or termination of an EPS Energy Period, each of the Parties agrees to satisfy its obligations under the Assignment Letter Agreement, including but not limited to (a) Purchaser's obligation to exercise Commercially Reasonable Efforts to assign a portion of Purchaser's rights and obligations under a power purchase agreement under which Project Participant is purchasing EPS Compliant Energy to MSCG or Prepay LLC pursuant to an Assignment Agreement and (b) the Parties' obligations to cooperate in good faith with MSCG and Prepay LLC with respect to any proposed assignments.

Section 6.2 Updates to Exhibits A-1 and A-2.

(a) To the extent that an EPS Energy Period terminates or expires and Assigned Energy is not available for delivery immediately following (i) the end of the period for which Force Majeure is deemed to occur in the event of an early termination of an EPS Energy Period or (ii) the expiration of an EPS Energy Period, the Parties shall update (A) Exhibit A-1 to reflect an increase in the Hourly Quantities of Base Energy and (B) Exhibit A-2 to reflect a decrease in the Monthly Projected Quantities associated with the relevant Assigned PPA, in each case, in an amount equal to the Assigned Energy associated with the EPS Energy Period that terminated or expired. For the avoidance of doubt, any updates to Exhibits A-1 and A-2 due to an early termination of an EPS Energy Period shall be effective as of the earlier of (1) the commencement of an Assignment Period under a replacement Assignment Agreement or (2) the start of the third Month following the Month in which such early termination occurs.

(b) In connection with the execution of any subsequent Assignment Agreement, the Parties shall update Exhibits A-1 and A-2 to reflect any changes in the Hourly Quantities of Base Energy and Monthly Projected Quantities of Assigned Energy and any other changes in connection therewith.

ARTICLE VII USE OF ENERGY

Section 7.1 Tax Exempt Status of the Bonds. Purchaser acknowledges that the Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Purchaser agrees that it will (a) provide such information with respect to its CCA System as may be requested by Issuer in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as Issuer may provide from time to time in order to maintain the tax-exempt status of the Bonds. Purchaser further agrees that it will not at any time take any action, or fail to take any action, that would adversely affect the tax-exempt status of the Bonds.

Section 7.2 Priority Energy. Subject to Section 7.5(a), Purchaser agrees to take the Contract Quantities to be delivered under this Agreement (a) in priority over and in preference to all Non-Priority Energy; and (b) on at least a pari passu and non-discriminatory basis with other Priority Energy.

Section 7.3 Remarketing Sales.

(a) Remarketing of Assigned Product. If notwithstanding Purchaser's compliance with Section 7.2, a quantity of Assigned Product less than the Annual Quantity is delivered hereunder in any Contract Year for any reason other than Force Majeure, then MSCG shall be deemed to remarket such undelivered quantity of Assigned Product consistent with Section 5(a) of Exhibit C to the Prepaid Agreement. For the avoidance of doubt, Purchaser will not have any payment obligation with respect to Assigned Energy that is remarketed pursuant to the foregoing sentence.

(b) Remarketing of Base Energy. Consistent with Section 3.3, to the extent any portion of the Contract Quantity is Base Energy, Issuer shall cause Prepay LLC to remarket or purchase such Energy for the account of Prepay LLC under the remarketing provisions of the Prepaid Agreement, and Issuer shall credit against the amount owed by Purchaser for such Contract Quantities the amounts received from Prepay LLC for such remarketing services, less all directly incurred costs or expenses, including but not limited to remarketing administrative charges paid to Prepay LLC under the Prepaid Agreement, but in no event shall the amount of such credit be more than the Contract Price. For the avoidance of doubt, Purchaser will not have any payment obligation with respect to Base Energy that is remarketed pursuant to the foregoing sentence.

(c) Prepay LLC Remarketing Fees. Purchaser shall not in any case have an obligation to make a payment to Issuer with respect to any Remarketing Fee (as defined in the Prepaid Agreement) charged by Prepay LLC under the Prepaid Agreement.

Section 7.4 Qualifying Use. Subject to Section 7.5, Purchaser agrees that, without limiting Purchaser's other obligations under this Article VII, it will use all of the Energy purchased under this Agreement in compliance with the Qualifying Use Requirements. Purchaser agrees that it will provide such additional information, records and certificates as Issuer may reasonably request to confirm Purchaser's compliance with this Section 7.4.

Section 7.5 Remediation. To the extent that (a) all or a portion of the Contract Quantity is remarketed under Section 7.3(a) or Section 7.3(b) and (b) Purchaser is not otherwise in default under this Agreement, then:

(a) Prepay LLC shall be obligated under the remarketing provisions of the Prepaid Agreement to purchase the remarketed Energy for its own account at the applicable price specified in Exhibit C to the Prepaid Agreement (the proceeds of any such purchases, "Disqualified Remarketing Proceeds"), which Disqualified Remarketing Proceeds are for the benefit of Purchaser in that such proceeds reduce its payment obligations hereunder;

(b) Purchaser shall (i) exercise Commercially Reasonable Efforts to use an amount equivalent to such Disqualified Remarketing Proceeds to purchase Non-Priority Energy and use such Non-Priority Energy in compliance with the Qualifying Use Requirements in order

to remediate such Disqualified Remarketing Proceeds and (ii) apply its purchases of Non-Priority Energy to remediate Disqualified Remarketing Proceeds under this Agreement prior to remediating such proceeds under any other contract that provides for the purchase of Priority Energy;

(c) in order to track compliance with Purchaser's obligations under Section 7.5(b) above, Purchaser shall deliver a Remediation Certificate in the form of Exhibit H hereto to Issuer and Prepay LLC by the tenth (10th) day of the Month subsequent to any relevant Non-Priority Energy purchases (which may include purchases of Energy from CAISO to the extent such Energy is used in compliance with the Qualifying Use Requirements);

(d) for Disqualified Remarketing Proceeds remediated under this Section 7.5, Issuer shall pay Purchaser any portion of Monthly Discount associated with such Disqualified Remarketing Proceeds and available for distribution under the Bond Indenture on the last Business Day of the Month following the Month in which Purchaser provides a certificate under clause (c) evidencing such remediation; and

(e) to the extent any Disqualified Remarketing Proceeds are not remediated within twelve (12) Months of the date on which such proceeds were received by Issuer, then Prepay LLC shall be obligated under the Prepaid Agreement to exercise Commercially Reasonable Efforts to remediate such Disqualified Remarketing Proceeds under the Prepaid Agreement and Purchaser's ability to remediate such remarketing proceeds shall be subject to Prepay LLC's successful remediation of such proceeds through sales to other purchaser(s);

provided that, for the avoidance of doubt, to the extent Special Tax Counsel (as defined in the Bond Indenture) determines at any time that Purchaser has failed to exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for delivery hereunder consistent with the Assignment Letter Agreement, then Purchaser shall not be entitled to remediate any Disqualified Remarketing Proceeds related to the resulting remarketing of Base Energy by Prepay LLC.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

Section 8.1 Representations and Warranties of the Parties. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party as of the Execution Date as follows:

(a) for Issuer as the representing Party, Issuer is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code;

(b) for Purchaser as the representing Party, Purchaser is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities Code, duly organized and validly existing under the Laws of the State of California;

(c) it has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement;

(d) there is no litigation, action, suit, proceeding or investigation pending or, to the best of such Party's knowledge, threatened, before or by any Government Agency, which could reasonably be expected to materially and adversely affect the performance by such Party of its obligations under this Agreement or that questions the validity, binding effect or enforceability hereof, any action taken or to be taken by such Party pursuant hereto, or any of the transactions contemplated hereby;

(e) the execution, delivery and performance of this Agreement by such Party has been duly authorized by all necessary action on the part of such Party and does not require any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party;

(f) this Agreement has been duly executed and delivered on behalf of such Party by an appropriate officer or authorized Person of such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity;

(g) the execution, delivery and performance of this Agreement by such Party shall not violate any provision of any Law, decree or other legal or regulatory determination applicable to it;

(h) the execution, delivery and performance by such Party of this Agreement, and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its financial obligations under this Agreement, shall not result in any violation of any term of any material contract or agreement applicable to it, or any of its charter or bylaws or of any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, Law or ordinance applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties or obligations are bound or affected, or of any determination or award of any arbitrator applicable to it, and shall not conflict with, or cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets, except with respect to Issuer, the lien of the Bond Indenture;

(i) to the best of the knowledge and belief of such Party, no consent, approval, order or authorization of, or registration, declaration or filing with, or giving of notice to, obtaining of any license or permit from, or taking of any other action with respect to, any Government Agency is required in connection with the valid authorization, execution, delivery and performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those that have been obtained; and

(j) it enters this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by both Parties, considers this Agreement a legally enforceable contract.

Section 8.2 Warranty of Title. Issuer warrants that it will have the right to convey and will transfer good and merchantable title to all Energy sold under this Agreement and delivered by it to Purchaser, free and clear of all liens, encumbrances, and claims.

Section 8.3 Disclaimer of Warranties. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY ISSUER IN THIS ARTICLE VIII, ISSUER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 8.4 Continuing Disclosure. Purchaser agrees to provide to Issuer: (a) such financial and operating information as may be requested by Issuer including its most recent audited financial statements for use in Issuer's offering documents for the Bonds; and (b) annual updates to such information and statements to enable Issuer to comply with its continuing disclosure undertakings under Rule 15(c)2-12 of the United States Securities and Exchange Commission. Failure by Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle Issuer or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

ARTICLE IX TAXES

Issuer shall (i) be responsible for all ad valorem, excise and other taxes assessed with respect to Energy delivered pursuant to this Agreement upstream of the Delivery Point, and (ii) indemnify Purchaser and its Affiliates for any such taxes paid by Purchaser or its Affiliates. Purchaser shall (i) be responsible for all such taxes assessed at or downstream of the Delivery Point, and (ii) indemnify Issuer and its Affiliates for any such taxes paid by Issuer or its Affiliates.

ARTICLE X DISPUTE RESOLUTION

Section 10.1 Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures. Within 15 days after the commencement of arbitration, each of the Parties shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "chairperson") within 30 days of the commencement of the arbitration. If either Party is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the Party-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by either Party or have any direct pecuniary interest in either Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by each of the Parties. The Parties shall maintain

the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party, if any, the costs and attorneys' fees reasonably incurred in seeking to enforce the application of this Section 10.1 and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 10.1, any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

Section 10.2 Judicial Reference.

(a) Judicial Reference. Without limiting the provisions in Section 10.1, if Section 10.1 is ineffective or unenforceable, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "Dispute") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections (a "Reference Proceeding"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 10.2(b).

(b) Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "Disputing Party") shall provide the other Party (the "Responding Party") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "Notice of Dispute"). Within ten (10) days after receiving the Notice of Dispute, the Responding Party shall provide the Disputing Party with a written notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "Dispute Response"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by mutual agreement within 60 days after receipt of the Dispute Response, then either Party may provide to the other Party written notice of intent for judicial reference (the "Impasse Notice") in accordance with the further provisions of this Section 10.2.

(c) Applicability; Selection of Referees.

(i) The Party that provides the Impasse Notice shall nominate one (1) referee at the same time it provides the Impasse Notice. The other Party shall nominate one referee within 10 days of receiving the Impasse Notice. The two (2) referees (the “Party-Appointed Referees”) shall appoint a third referee (the “Third Referee”, together with the Party-Appointed Referees, the “Referees”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least 10 years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of either Party and of the other referees and not employed by any of the Parties in any prior matter.

(ii) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “Court”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each Party shall have one (1) peremptory challenge to the referee selected by the Court.

(d) Discovery; Proceedings.

(i) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(ii) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(iii) Any matter before the Referees shall be governed by the substantive law of California, its Code of Civil Procedure, Rules of Court, and Evidence Code, except as otherwise specifically agreed by the Parties and approved by the Referees. Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(iv) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

(e) Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

(f) Expenses. Each Party shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between the Parties.

ARTICLE XI FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall mitigate the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party’s non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Section 11.2 Settlement of Labor Disputes. Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance, and the failure of a Party to settle such strikes, lockouts or other industrial disturbances shall not prevent the existence of Force Majeure or of reasonable dispatch to remedy the same.

ARTICLE XII GOVERNMENTAL RULES AND REGULATIONS

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction over this Agreement or the transactions to be undertaken hereunder, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with such Laws; *provided*, however, that nothing herein shall be construed to restrict or limit either Party’s right to object to or contest any such Law, or its application to this Agreement or the

transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance by either Party of this Agreement or any provision hereunder.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would otherwise materially affect the rights or obligations of the Parties under this Agreement.

ARTICLE XIII ASSIGNMENT

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; *provided*, however, that, subject to Section 18.14, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party. Prior to assigning this Agreement, Purchaser shall deliver to Issuer (i) written confirmation from each of the Applicable Rating Agencies, *provided* that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by the Applicable Rating Agencies to the Bonds; or (ii) written confirmation from each of the Applicable Rating Agencies, that the assignee has an outstanding long-term senior, unsecured, unenhanced debt rating equivalent to or higher than the ratings assigned by the Applicable Rating Agencies to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly agree to assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

ARTICLE XIV PAYMENTS

Section 14.1 Monthly Statements.

(a) No later than the fifth (5th) day of each Month during the Delivery Period (excluding the first (1st) Month of the Delivery Period) and the first (1st) Month following the end of the Delivery Period, Purchaser shall deliver to Issuer a statement (a "Purchaser's Statement")

listing any amounts due to Purchaser in connection with this Agreement with respect to the prior Month(s).

(b) No later than the tenth (10th) day of each Month during the Delivery Period (excluding the first (1st) Month of the Delivery Period) and the first (1st) Month following the end of the Delivery Period (the “Billing Date”), Issuer shall deliver a statement (a “Billing Statement”) to Purchaser indicating (i) the total amount due to Issuer for Energy delivered in the prior Month, (ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Month(s), and (iii) the net amount due to Issuer or Purchaser; provided that invoicing for Monthly Excess Quantities and Assigned Paygo Quantities shall occur under the Participant Custodial Agreement. Additionally, if a Participant Monthly Statement (as defined in the Participant Custodial Agreement) for an Assigned PPA has not been delivered by the tenth (10th) day of the Month following deliveries, Issuer shall provisionally prepare or cause to be prepared a Billing Statement for this Agreement that assumes all of the Monthly Projected Quantities were delivered under the applicable Assigned PPA for such Month, and any subsequent resettlements required with respect thereto shall occur under the Participant Custodial Agreement.

(c) Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing as such requesting Party may reasonably request.

Section 14.2 Payment.

(a) If the Billing Statement indicates an amount due from Purchaser, then Purchaser shall remit such amount to the Trustee for the benefit of the Issuer by wire transfer (pursuant to the Trustee’s instructions for amounts due under this Agreement, provided that amounts due from Purchaser with respect to Monthly Excess Quantities and Assigned Paygo Quantities, as applicable, shall be paid pursuant to the terms of the Participant Custodial Agreement), in immediately available funds, on or before the twentieth (20th) day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the preceding Business Day. If the Billing Statement indicates an amount due from Issuer, then Issuer shall remit such amount to Purchaser by wire transfer (pursuant to Purchaser’s instructions), in immediately available funds, on or before the twenty-eighth (28th) day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the following Business Day.

(b) If Purchaser fails to issue a Purchaser’s Statement with respect to any Month, Issuer shall not be required to estimate any amounts due to Purchaser for such Month, provided that Purchaser may include any such amount on subsequent Purchaser’s Statements issued within the next sixty (60) days. The sixty (60) day deadline in this subsection (b) replaces the two (2) year deadline in Section 14.5(b) with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

Section 14.3 Payment of Disputed Amounts; Correction of Index Price.

(a) If Purchaser disputes any amounts included in the Issuer’s Billing Statement, Purchaser shall (except in the case of manifest error) nonetheless pay any amount required by the Billing Statement in accordance with Section 14.2 without regard to any right of

set-off, counterclaim, recoupment or other defenses to payment that Purchaser may have; *provided*, however, that Purchaser shall have the right, after payment, to dispute any amounts included in a Billing Statement or otherwise used to calculate payments due under this Agreement pursuant to Section 14.5. If Issuer disputes any amounts included in the Purchaser's Statement, Issuer may withhold payment to the extent of the disputed amount; *provided*, however, that interest shall be due at the Default Rate for any withheld amount later found to have been properly due.

(b) If a value published for any rate or index used or to be used in this Agreement is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within thirty (30) days after the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any other applicable provisions of this Agreement, to the other Party that amount, together with interest on that amount at the Default Rate for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

Section 14.4 Late Payment. If Purchaser fails to remit the full amount payable within one (1) Business Day of when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

(a) A Party shall have the right, at its own expense, upon reasonable notice to the other Party and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party to the extent reasonably necessary, but only to such extent, to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement.

(b) Each Purchaser's Statement and each Billing Statement shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such Purchaser's Statement or Billing Statement is objected to in writing, with adequate explanation and/or documentation, within two (2) years after the applicable Month of Energy delivery.

(c) All retroactive adjustments shall be paid in full by the Party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. If the Parties are unable to agree upon any retroactive adjustments requested by either Party within the time period specified in Section 14.5(b), then either Party may pursue any remedies available with respect to such adjustments at law or in equity. Retroactive adjustments for payments made based on an incorrect Billing Statement shall bear interest at the Default Rate from the date such payment was made.

Section 14.6 Netting; No Set-Off. The Parties shall net all amounts due and owing, including any past due amounts (which, for the avoidance of doubt, shall include any accrued interest), arising under this Agreement such that the Party owing the greater amount shall make a single payment of the net amount to the other Party in accordance with this Article XIV. Notwithstanding the foregoing, payment for all amounts set forth in a Billing Statement provided to Purchaser shall be made without set-off or counterclaim of any kind.

Section 14.7 Source of Purchaser's Payments. Purchaser covenants and agrees to make payments due hereunder from CCA Revenues, and only from such CCA Revenues, as an operating expense of its CCA System; *provided*, however, that Purchaser may apply any legally available monies to the payment of amounts due hereunder.

Section 14.8 Rate Covenant. Purchaser hereby covenants and agrees that it will establish, fix, prescribe, maintain, and collect rates, fees, and charges from the customers of its CCA System so as to provide CCA Revenues sufficient to enable Purchaser to pay any other amounts legally payable from CCA Revenues, and to maintain any required reserves for Purchaser's CCA System. Purchaser further covenants and agrees that it shall not furnish or supply Energy services free of charge to any Person, except any such service free of charge that Purchaser is supplying on the date hereof as has been specifically identified by Purchaser to Issuer in writing, and it shall promptly enforce the payment of any and all accounts owing to Purchaser for the sale of Energy to its customers. Notwithstanding anything herein to the contrary, Purchaser shall not be obligated to make any payments hereunder except from CCA Revenues.

Section 14.9 Pledge of CCA Revenues. Purchaser shall not grant any lien on or security interest in, or otherwise pledge or encumber, the CCA Revenues if the terms or effect of such lien, pledge or other encumbrance results in such lien, pledge or other encumbrance having priority over the obligations of Purchaser to pay the Contract Price, which obligations constitute operating expenses of Purchaser.

Section 14.10 Financial Responsibility. In the event the Issuer receives notice from Prepay LLC pursuant to [Section 2.12] of the [Receivables Purchase Provisions (as defined in the Bond Indenture)] that it requires adequate assurance of performance from the Issuer, Issuer shall provide notice thereof to Purchaser and Purchaser shall (a) notify the Issuer of its agreement to provide such adequate assurance within forty-eight (48) Hours but at least one (1) Business Day of Purchaser's receipt of such notice and (b) provide such adequate assurance to Issuer within seventy-two (72) Hours but at least two (2) Business Days of Purchaser's receipt of such notice. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by Prepay LLC pursuant to Section 2.12 of the Receivables Purchase Provisions, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. In the event Issuer is entitled to demand adequate assurance of performance under this Section 14.10, Issuer may demand at a minimum a prepayment by Purchaser of an amount equal to (i) the amount owed by Purchaser with respect to all Energy delivered by Issuer to Purchaser as of the date of the demand for adequate assurance of performance, plus (ii) the amount, as determined and adjusted from time to time by Issuer (with the input of Prepay LLC pursuant to the Receivables Purchase Provisions (as defined in the Bond Indenture)) in a Commercially Reasonable manner, expected to be owed by Purchaser with respect to the Energy to be delivered by Issuer to Purchaser during the

remainder of the then-current Month and the following Month. The Parties agree that in the event Purchaser fails to provide such adequate assurance as demanded, Issuer shall have the right to suspend its performance under this Agreement, including the making of deliveries of Energy to Purchaser, immediately upon written notice and shall not be obligated to restore such performance until the later of (A) the first day of the Month after such demand has been satisfied, and (B) the completion of the term of deliveries to any replacement sales customer to which Prepay LLC has remarketed the Energy on behalf of Issuer.

ARTICLE XV [RESERVED]

ARTICLE XVI NOTICES

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to the other Party (or to a third party) shall be in writing and shall either be sent by electronic means, courier, or personally delivered (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) on the date it is delivered by electronic means or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon ten (10) days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Party that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

ARTICLE XVII DEFAULT; REMEDIES; TERMINATION

Section 17.1 Issuer Default. Each of the following events shall constitute an "Issuer Default" under this Agreement:

- (a) any representation or warranty made by Issuer in this Agreement proves to have been incorrect in any material respect when made; or
- (b) Issuer fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following the earlier of (i) receipt by Issuer of notice thereof or (ii) an officer of Issuer obtaining actual knowledge of such default.

Section 17.2 Purchaser Default. Each of the following events shall constitute a "Purchaser Default" under this Agreement:

(a) Purchaser fails to pay when due any amounts owed to Issuer pursuant to this Agreement and such failure continues for one (1) Business Day following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default;

(b) Purchaser (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(c) any representation or warranty made by Purchaser in this Agreement proves to have been incorrect in any material respect when made; or

(d) Purchaser fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than fifteen (15) days following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default.

Section 17.3 Automatic Non-Default Termination Event. Purchaser's issuance of a valid Remarketing Termination Notice (other than a Voided Remarketing Termination Notice) in accordance with Section 3.4(b) shall constitute an "Automatic Non-Default Termination Event" under this Agreement.

Section 17.4 Remedies Upon Default.

(a) Termination.

- (i) If an Automatic Non-Default Termination Event occurs, then (A) the Delivery Period shall end as of the end of then-current Reset Period (i.e., as of the end of the Reset Period preceding the Reset

Period for which Purchaser issues a valid Remarketing Termination Notice other than a Voided Remarketing Termination Notice), (B) this Agreement shall terminate upon payment by the Parties' of any outstanding amounts due under this Agreement and (C) Purchaser shall exercise its right to terminate any Assignment Agreements in effect.

- (ii) If at any time an Issuer Default or a Purchaser Default has occurred and is continuing, then the non-defaulting Party may do any or all of the following (i) by notice to the defaulting Party specifying the relevant Issuer Default or Purchaser Default, as applicable, terminate this Agreement effective as of a day not earlier than the day such notice is deemed given under Article XVI and/or (ii) declare all amounts due to the non-defaulting Party under this Agreement or any part thereof immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of intent to demand, protest or other formalities of any kind, all of which are hereby expressly waived by the defaulting Party; *provided*, however, this Agreement shall automatically terminate and all amounts due to the non-defaulting Party hereunder shall immediately become due and payable as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition that upon the occurrence of a Purchaser Default specified in Section 17.2(b)(iv) or, to the extent analogous thereto, Section 17.2(b)(viii). In addition, during the existence of an Issuer Default or a Purchaser Default, as applicable, the non-defaulting Party may exercise all other rights and remedies available to it at Law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of this Agreement.

(b) Additional Remedies. In addition to the remedies set forth in Section 17.4(a) (and without limiting any other provisions of this Agreement), during the existence of any Purchaser Default, Issuer may suspend its performance hereunder and discontinue the supply of all or any portion of the Energy otherwise to be delivered to Purchaser by it under this Agreement. If Issuer exercises its right to suspend performance under this Section 17.4(b), Purchaser shall remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement. Deliveries of Energy may only be reinstated, at a time to be determined by Issuer, upon (i) payment in full by Purchaser of all amounts then due and payable under this Agreement and (ii) payment in advance by Purchaser at the beginning of each Month of amounts estimated by Issuer to be due to Issuer for the future delivery of Energy under this Agreement for such Month. Issuer may continue to require payment in advance from Purchaser after the reinstatement of Issuer's supply services under this Agreement for such period of time as Issuer in its sole discretion may determine is appropriate. In addition, and without limiting any other provisions of or remedies available under this Agreement, if Purchaser fails to accept from Issuer any Energy tendered for delivery under this Agreement, Issuer shall have the

right to sell such Energy to third parties on any terms that Issuer, in its sole discretion, determines are appropriate.

(c) Effect of Early Termination. As of the effectiveness of any termination date in accordance with clause (i) of Section 17.4(a), (i) the Delivery Period shall end, (ii) the obligation of Issuer to make any further deliveries of Energy to Purchaser under this Agreement shall terminate, and (iii) the obligation of Purchaser to receive deliveries of Energy from Issuer under this Agreement will terminate. Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII. Without prejudice to any payment obligation in respect of periods prior to termination, no payments will be due from either Party in respect of periods occurring after the effective termination date of this Agreement.

Section 17.5 Termination of Prepaid Agreement. Purchaser acknowledges and agrees that (i) in the event an Energy Delivery Termination Event occurs under and as defined in the Prepaid Agreement for any reason prior to the end of the Delivery Period, this Agreement shall terminate on the Energy Delivery Termination Date (which date shall be the last date upon which deliveries are required under the Prepaid Agreement, subject to all winding up arrangements) and (ii) Issuer's obligation to deliver Energy under this Agreement shall terminate upon the termination of deliveries of Energy to Issuer under the Prepaid Agreement. Issuer shall provide notice to Purchaser of any early termination date of the Prepaid Agreement. The Parties recognize and agree that, in the event that the Prepaid Agreement terminates because of a Failed Remarketing (as defined in the Bond Indenture) of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Energy under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, no Monthly Discount or Annual Refunds shall be associated with such deliveries and the Contract Price shall be adjusted accordingly.

Section 17.6 Limitation on Damages. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A

REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN COMMODITY PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN.

ARTICLE XVIII MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. Contemporaneously with this Agreement (unless otherwise specified): Each Party shall deliver to the other Party evidence reasonably satisfactory to it of (i) such Party's authority to execute, deliver and perform its obligations under this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement on behalf of such Party;

(a) as of the Bond Closing Date, Purchaser shall deliver to Issuer a fully executed Federal Tax Certificate in the form attached hereto as Exhibit D;

(b) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion of counsel to Purchaser in the form attached hereto as Exhibit E;

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer a Closing Certificate in substantially the form set forth hereto as Exhibit G.

Section 18.3 Entirety; Amendments. This Agreement, including the exhibits and attachments hereto, constitutes the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter

other than those expressed herein. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no amendment, modification, supplement or change hereto shall be enforceable unless reduced to writing and executed by both Parties.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAW.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party against whom such waiver is claimed. No waiver of any breach shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationships of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Each Party represents and covenants to and agrees with the other Party that it is not entitled to and shall not assert the defense of sovereign immunity or governmental immunity with respect to its obligations or any Claims under this Agreement, and

each hereby waives any such defense of sovereign or governmental immunity to the full extent permitted by Law.

Section 18.11 Rates and Indices. If the source of any publication used to determine the index or other price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, an alternative index or other price will be used based on the determinations made by Issuer and Prepay LLC under Section 18.11 of the Prepaid Agreement. Issuer shall provide Purchaser the opportunity to provide its recommendations and other input to Issuer for Issuer's use in the process for selecting such alternative index or other price under Section 18.11 of the Prepaid Agreement.

Section 18.12 Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

Section 18.13 Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

Section 18.14 Third Party Beneficiaries; Rights of Trustee. Purchaser acknowledges and agrees that (a) Issuer will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Purchaser under this Agreement to secure Issuer's obligations under the Bond Indenture, (b) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Purchaser's obligations under this Agreement, (c) the Trustee or any receiver appointed under the Bond Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (d) in the event of any Purchaser Defaults under Section 17.2(a), (i) Prepay LLC may, to the extent provided for in, and in accordance with, the Receivables Purchase Provisions (as defined in the Bond Indenture), take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and Prepay LLC or any third party who takes transfer of such receivables shall thereafter have all rights of collection with respect to such receivables, and (ii) if such receivables are not so assigned, the Commodity Swap Counterparty (as defined in the Bond Indenture) shall have the right to pursue collection of such receivables to the extent of any non-payment by Issuer to the Commodity Swap Counterparty that was caused by Purchaser's payment default. Pursuant to the terms of the Bond Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and as directed under the Bond Indenture, to take any

other actions that Issuer is required or permitted to take under this Agreement. Purchaser may rely on notices or other actions taken by Issuer or the Trustee and Purchaser has the right to exclusively rely on any notices delivered by the Trustee, regardless of any conflicting notices that it may receive from Issuer.

Section 18.15 Waiver of Defenses. Purchaser waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to Purchaser with regard to Purchaser's obligations pursuant to the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Power Supply Contract to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Separate Signature Page(s) Attached]

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

Signature Page to Power Supply Contract

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name: _____
Title: _____

Signature Page to Power Supply Contract

EXHIBIT A-1
BASE ENERGY HOURLY QUANTITIES

[To be attached.]

EXHIBIT A-2
EPS ENERGY PERIOD MONTHLY PROJECTED QUANTITIES

[To be attached.]

EXHIBIT A-3
ANNUAL QUANTITY

[To be attached.]

EXHIBIT B
NOTICES

IF TO ISSUER: California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: notices@cccfa.org

Invoicing/Payments: invoices@cccfa.org

IF TO PURCHASER: Silicon Valley Clean Energy Authority
333 W. El Camino Real Suite 330
Sunnyvale, CA 94087
Attention: Monica Padilla, CEO
Phone: (408) 721-5301
Email: [REDACTED]

Energy Related: SVCE Power Settlements
Phone: (408) 721-5301
Email: [REDACTED]

Invoicing/Payments: SVCE Power Settlements
Phone: (408) 721-5301
Email: [REDACTED]

EXHIBIT C
FORM OF REMARKETING ELECTION NOTICE

[_____]

Energy Prepay IX, LLC
c/o Morgan Stanley & Co. LLC
[1585 Broadway
New York, NY 10036-8293]

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256

To the Addressees:

The undersigned, duly authorized representative of Silicon Valley Clean Energy Authority (the “Purchaser”), is providing this notice (the “Remarketing Termination Notice”) pursuant to the Power Supply Contract, dated as of [____], 2025 (the “Supply Contract”), between California Community Choice Financing Authority and Purchaser, as from time to time amended, restated, supplemented or otherwise modified. Capitalized terms used herein shall have the meanings set forth in the Supply Contract.

Pursuant to Section 3.4(b) of the Supply Contract, the Purchaser has elected to terminate this Agreement unless Issuer and Prepay LLC are able to achieve an Available Discount equal to or greater than the Minimum Discount.

Given this [____] day of [____], 20[____].

SILICON VALLEY CLEAN ENERGY
AUTHORITY

By: _____
Printed Name:
Title:

EXHIBIT D

FORM OF FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the Power Supply Contract dated as of [____], 2025 (the “Supply Contract”), by and between California Community Choice Financing Authority (“Issuer”) and Silicon Valley Clean Energy Authority (“Purchaser”). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Supply Contract or in the Bond Indenture.

WHEREAS Purchaser acknowledges that Issuer is issuing the Bonds to fund the prepayment price under the Prepaid Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Purchaser’s use of Energy acquired pursuant to the Supply Contract and certain funds and accounts of Purchaser will affect the Bonds’ qualification for such tax exemption.

NOW, THEREFORE, PURCHASER HEREBY CERTIFIES AS FOLLOWS:

1. Purchaser is a community choice aggregator organized as a joint powers authority under the laws of the State of California. As a community choice aggregator, the Purchaser is a load-serving entity providing electricity to customers within the boundaries of cities and/or counties that have elected to participate in Purchaser’s community choice aggregation program. For purposes of this Certificate, the term “service area” of the Purchaser means the boundaries of the cities and/or counties that have elected to participate in the Purchaser’s community choice aggregation program, as well as any other area recognized as the service area of the Purchaser under state or federal law.
2. Purchaser will resell all of the Energy acquired pursuant to the Supply Contract to its retail Energy customers within its service area, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs or under authorized requirements contracts.
3. From [____, ____] to [____, 2025] the annual average amount of Energy purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser is [_____] MWh. Over the term of the Supply Contract, the Purchaser expects the annual average amount of Energy purchased (other than for resale) by customers of the Purchaser who are located within the service area of the Purchaser to be at least [_____] MWh. The maximum annual amount of Energy in any year being acquired pursuant to the Supply Contract is [_____] MWh. The annual average amount of Energy which Purchaser otherwise has a right to acquire as of the Bond Closing Date (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) is [_____] MWh. The sum of (a) the maximum amount of Energy in any year being acquired pursuant to the Supply Contract, and (b) the amount of Energy that Purchaser otherwise has a right to acquire (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) in the year described in the foregoing clause

(a), is [] MWh. Accordingly, the amount of Energy to be acquired under the Supply Contract by Purchaser, supplemented by the amount of Energy otherwise available to Purchaser as of the Bond Closing Date, during any year does not exceed []% of the expected annual average amount of Energy to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser.

3. In the event of the expiration or termination of an EPS Energy Period, Purchaser agrees to comply with its obligations under the Assignment Letter Agreement, including but not limited to its obligations to (a) exercise Commercially Reasonable Efforts to assign a portion of Purchaser's rights and obligations under a power purchase agreement under which Purchaser is purchasing EPS Compliant Energy to MSCG or Prepay LLC pursuant to an Assignment Agreement and (b) cooperate in good faith with Issuer, MSCG and Prepay LLC with respect to any proposed assignments.

4. Purchaser expects to pay for Energy acquired pursuant to the Supply Contract solely from funds derived from its operations as a community choice aggregator. Purchaser expects to use current CCA Revenues of its CCA System to pay for current Energy acquisitions. Neither the Purchaser nor any person who is a related party to the Purchaser will hold any funds or accounts in which monies are set aside and invested and which are reasonably expected to be used to pay for Energy more than one year after such monies are set aside. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Purchaser or any persons who are related Persons to Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

_____, 2025

By: _____
[Name]
[Title]

EXHIBIT E
FORMS OF OPINION OF COUNSEL TO PURCHASER

[INSERT SVCE LETTERHEAD]

[_____] , 2025

California Community Choice Financing Authority
San Rafael, California

Morgan Stanley & Co. LLC
New York, NY

Re: California Community Choice Financing Authority Clean Energy Project Revenue
Bonds, Series [2025[X]]

Ladies and Gentlemen:

I am general counsel to Silicon Valley Clean Energy (“SVCE”). This opinion is being provided in connection with the issuance by the California Community Choice Financing Authority (the “Issuer”) of its Clean Energy Project Revenue Bonds, Series 2025[X]. This opinion is rendered in connection with the Bond Purchase Contract, dated [_____] , 2025 (the “Bond Purchase Contract”), by and between Morgan Stanley & Co. LLC, as underwriter, and the Issuer. Capitalized terms used herein shall have the meanings given to them in the Bond Purchase Contract.

In rendering this opinion, I have examined or reviewed copies of such records and other documents as I have deemed necessary and relevant for purposes of this opinion. In my examination, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals, and the conformity of all original documents submitted to me as copies. In basing the opinion set forth in this letter on “my knowledge”, the words “my knowledge” signify that no facts have come to my attention that would give me actual knowledge or actual notice that such opinion is not accurate. Except as otherwise stated in this opinion, I have undertaken no investigation or verification of such matters.

The opinion or conclusions herein may be affected by actions taken or omitted or events occurring after the date hereof. I have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to my attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. In reviewing the documents and matters referred to above, I have assumed the due and legal execution and delivery thereof by, and the validity against, any parties other than SVCE. I have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in such documents. I have further assumed compliance with all covenants and agreements contained in such documents.

Based upon and subject to the foregoing and in reliance thereon, as of the date hereof, to my knowledge, after due inquiry, there is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to my knowledge, threatened against SVCE, affecting the existence of SVCE or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Power Supply Contract, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of SVCE or any authority for the execution and delivery of the Power Supply Contract, nor, to my knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Power Supply Contract.

I express no opinion as to any matter other than as expressly set forth above, and I express no opinion on the laws of any jurisdiction other than the State of California and the United States of America. I disclaim any obligation to update this letter.

Very truly yours,

[_____]
General Counsel

[_____] , 2025

To the Addressees on
Schedule I attached hereto

We have acted as counsel to Silicon Valley Clean Energy Authority (the “Project Participant”) in connection with the issuance by the California Community Choice Financing Authority (the “Issuer”) of its Clean Energy Project Revenue Bonds, Series 2025[X] (the “Bonds”). This opinion is rendered pursuant to the Bond Purchase Contract, dated [_____] , 2025 (the “Bond Purchase Contract”), by and between Morgan Stanley & Co. LLC, as underwriter (the “Underwriter”) and the Issuer.

In rendering this opinion, we have examined executed copies of the following documents in the form approved by the Board of Directors of the Project Participant pursuant to Project Participant Resolution (collectively, the “Project Participant Documents”):

- (a) Resolution No. 2025-[_____] adopted by the Board of Directors of the Project Participant on [_____] (the “Project Participant Resolution”);
- (b) Power Supply Contract between the Project Participant and the Issuer;
- (c) Consolidated, Amended and Restated Custodial Agreement by and among the Project Participant, Morgan Stanley Energy Structuring, L.L.C. (the “Energy Supplier”), Morgan Stanley Capital Group Inc. (“MSCG”) and The Bank of New York Mellon Trust Company, N.A., as custodian;
- (d) Limited Assignment Agreement by and among the Project Participant, the Energy Supplier and MSCG, as seller under the power purchase agreement to which such assignment relates;
- (e) Letter Agreement by and among the Project Participant, the Issuer, the Energy Supplier and MSCG regarding matters relating to Limited Assignment Agreements; and
- (f) Project Administration Agreement relating to the Project, by and between the Project Participant and the Issuer;

We have also reviewed copies of such records and other documents as we have deemed necessary and relevant for purposes of this opinion. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity of all original documents submitted to us as copies.

As to factual matters, we have relied solely upon our review of the foregoing, the representations and warranties of the Project Participant contained in the Project Participant Documents, the Preliminary Official Statement, the Official Statement, the joint powers agreement of the Project Participant, and various certificates and other documents furnished to us by authorized officers of the Project Participant. In basing the opinions set forth in this letter on “our knowledge”, the words “our knowledge” signify that, in the course of our representation, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters.

We are of the opinion that:

1. The Project Participant is a joint powers authority created and existing under the laws of the State of California (the “State”), specifically the Joint Exercise of Powers Act, constituting

Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended and supplemented from time to time (the “Act”), and has full legal right, power and authority under the Act to (a) enter into, execute and deliver the Project Participant Documents, and (b) carry out and consummate the transactions contemplated by the Project Participant Documents.

2. By all necessary official action, the Project Participant has duly authorized all necessary action to be taken by it for (a) the adoption of the Project Participant Resolution, (b) the approval, execution and delivery of, and the performance by the Project Participant of the obligations on its part, contained in the Project Participant Documents, and (c) the consummation by it of all other transactions contemplated by the Preliminary Official Statement, the Official Statement and the Project Participant Documents.

3. The Project Participant Resolution was duly and validly adopted by the Project Participant in compliance with all applicable procedural requirements of the Project Participant and in compliance with the Act, and the Project Participant Resolution is in full force and effect and has not been amended.

4. The Project Participant Documents have been duly authorized, executed and delivered by the Project Participant, and constitute legal, valid and binding obligations of the Project Participant enforceable against the Project Participant in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors’ rights.

5. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Project Participant of its obligations under the Project Participant Documents have been obtained.

6. The execution and delivery of the Project Participant Documents and compliance by the Project Participant with the provisions thereof, under the circumstances contemplated therein, will not conflict with or constitute on the part of the Project Participant a material breach of or a default under any agreement or instrument to which the Project Participant is a party, or violate any existing law, administrative regulation, court order, or consent decree to which the Project Participant is subject.

7. To our knowledge, the statements contained in the Preliminary Official Statement as of its date and in the Official statement under the captions “INTRODUCTION – THE PROJECT PARTICIPANT,” “COMMUNITY CHOICE AGGREGATORS,” in the second paragraph under the caption “LITIGATION,” and in Appendix A – “THE PROJECT PARTICIPANT – Silicon Valley Clean Energy” are true and correct in all material respects.

Notwithstanding anything to the contrary contained above, the foregoing opinion is expressly made subject to the following exceptions, qualifications, and assumptions:

- (i) We express no opinion with respect to the validity or enforceability of any provisions of the Project Participant Documents or any other documents that may be read to require the Project Participant to indemnify any party.
- (ii) We express no opinion with respect to regulatory compliance by the Project Participant under any applicable law, including the California Public Utilities Code, as amended or supplemented from time to time, as determined by any governmental authority, including

the California Public Utilities Commission, regarding the purchase of Energy by the Project Participant under the Power Supply Contract.

- (iii) We express no opinion as to the enforceability of provisions waiving, directly or indirectly, expressly or impliedly, defenses to obligations or rights granted by law, where such waivers are prohibited by law or are against public policy.
- (iv) Our opinion as to enforceability is limited by standards of good faith, fair dealing, materiality, and reasonableness that may be applied by a court to the exercise of certain rights and remedies; limitations based on statutes or on public policy limiting a person's right to waive the benefit of statutory provisions or of a common law right; and limitations releasing a party from or indemnifying a party against liability for its own wrongful or negligent act when such release or indemnification is contrary to public policy.
- (v) Our opinion is limited to the matters stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein. The opinions expressed in this letter are given solely for your use and benefit in connection with the transactions referred to herein and no other person may use or rely on this opinion letter, nor may it be used or relied upon in any other transaction which is not related to transactions referred to herein, without our prior express written consent. This opinion is provided to you as a legal opinion only and not as a warranty or guarantee with respect to the matter described herein or in the documents referred to herein.
- (vi) The scope of this opinion is limited to those issues and parties specifically considered herein and no further or more expansive opinion is implied or should be inferred from any opinion expressed herein. On such basis, any variation or difference in the facts upon which this opinion is based might affect our conclusions in an adverse manner and make them inaccurate.

This opinion is rendered solely for the use and benefit of the parties listed on Schedule I hereto and may not be relied upon other than in connection with the transactions contemplated by the Project Participant Documents, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Respectfully submitted,

[]

EXHIBIT F
MONTHLY DISCOUNT

Monthly Discount:	\$[]/MWh

**EXHIBIT G
FORM OF CLOSING CERTIFICATE**

CLOSING CERTIFICATE OF PURCHASER

_____, 2025

Re: California Community Choice Financing Authority
Clean Energy Project Revenue Bonds, Series 2025[X]

The undersigned _____ of Silicon Valley Clean Energy Authority (the "*Purchaser*"), hereby certifies as follows in connection with the Power Supply Contract dated as of _____, 2025 (the "*Agreement*") between the Purchaser and California Community Choice Financing Authority ("*Issuer*") and the issuance and sale by Issuer of the above-referenced bonds (the "*Bonds*") (capitalized terms used and not defined herein shall have the meanings given to them in the Agreement):

1. Purchaser is a community choice aggregator, duly created and validly existing as a joint powers authority, and is in good standing, under the laws of the State of California (the "*State*"), and has the corporate power and authority to enter into and perform its obligations under the Agreement.

2. By all necessary official action on its part, the Purchaser has duly authorized and approved the execution and delivery of, and the performance by the Purchaser of the obligations on its part contained in the Agreement, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Agreement constitutes the legal, valid and binding obligation of the Purchaser.

4. The authorization, execution and delivery of the Agreement and compliance with the provisions on the Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default under (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

5. The Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Purchaser is a party or to which the Purchaser or any of its property or

assets are subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Purchaser under any of the foregoing.

6. Payments to be made by the Purchaser under the Agreement shall constitute operating expenses of the Purchaser's CCA System (as defined in the Agreement) payable solely from the revenues and other available funds of Purchaser's CCA System as a cost of purchased electricity. The application of the revenues and other available funds of the Purchaser's CCA System to make such payments is not subject to any prior lien, encumbrance or other restriction.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against the Purchaser in any court or administrative body which would (a) contest the right of the officials of the Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Purchaser, (c) contest the validity, due authorization and execution of the Agreement or (d) attempt to limit, enjoin or otherwise restrict or prevent the Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of the Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of the Purchaser contained in the Agreement were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to the Purchaser contained in the Official Statement dated _____, 2025 with respect to the Bonds, including Appendix B thereto (the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of the Purchaser for the periods shown therein, and such statements and information did not as of the date of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. No event affecting the Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with respect to the Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

12. The Board of Directors of Purchaser is composed of [____] members] who are elected pursuant to the terms of the Act and the Joint Powers Agreement, dated [____], 20[____] as amended from time to time (the "Joint Powers Agreement"). The names of the current members of the Board of Directors are [[____], [____], [____] and [____]].

13. On [____], 20[___], Purchaser held a meeting at which, among other matters, approval was granted for Purchaser to complete a prepaid energy transaction with Issuer and Energy Prepay IX, LLC. Reference is made to the minutes of said meeting, including the resolution attached thereto, for further detail regarding approval of the prepaid energy transaction (the “Authorizing Resolution”).

[Remainder of Page Left Blank Intentionally]

14. The below-named persons have been duly elected or appointed, as applicable, and this day hold the offices or positions of the Purchaser set opposite their names, and any of them are authorized to execute any and all documents in connection with the prepaid energy transaction. The below-named persons further certify that their respective name, title, and email address set forth opposite their respective electronic signature below is correct, and that their respective digital signature is under their respective control.

<u>Name</u>	<u>Title</u>	<u>Email Address</u>	<u>Signature</u>
[]	[]	[]	

[]	[]	[]	

[Remainder of Page Left Blank Intentionally]

15. The persons named below are now, and at all times since [____], 2025 have been, duly elected and qualified officers of the Purchaser holding the offices of the Purchaser set forth opposite their respective names, and each of the undersigned certifies that the signature of each of the others is the genuine manual signature of such person.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
[____]	[____]	

[____]	[____]	

[Remainder of Page Left Blank Intentionally]

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

SILICON VALLEY CLEAN ENERGY
AUTHORITY

By _____

Name:

Title:

EXHIBIT H
FORM OF REMEDIATION CERTIFICATE

[____], 20__

[_____]

Energy Prepay IX, LLC
c/o Morgan Stanley & Co.
[1585 Broadway
New York, NY 10036-8293]
Attn: Miscellaneous Notices
Email: CCCFA_2025[X]_ms_notices@morganstanley.com

Re: Power Supply Contract with California Community Choice Financing Authority: Section 7.5 (Remediation)

To the addressees:

The undersigned, duly authorized representative of Silicon Valley Clean Energy Authority (“Purchaser”), hereby certifies as follows in connection with the Power Supply Contract, dated as of [____], 2025 (the “Contract”), between Purchaser and California Community Choice Financing Authority and remediation of Disqualified Remarketing Proceeds pursuant to Section 7.5 of the Contract. Capitalized terms used herein shall have the meanings set forth in the Contract.

Set forth as Attachment 1 hereto is a copy of Purchaser’s invoice for the Month of [____] for purchases of Energy from [____] ***[NOTE: Insert reference to supplier.]*** pursuant to that certain [____] ***[NOTE: Insert reference to full requirements supply agreement in effect at the time].*** Purchaser hereby certifies that (x) all of such Energy was used in compliance with the Qualifying Use Requirements and (y) none of such Energy is (i) Priority Energy or (ii) has been or will be utilized to remediate any remarketing proceeds for Priority Energy other than the Disqualified Remarketing Proceeds referenced in the first paragraph above.

In witness whereof the undersigned has executed this Certificate on and as of the date first written above.

SILICON VALLEY CLEAN ENERGY
AUTHORITY

By _____
[Name]
[Title]

SM Draft 10 June 2025

SECOND CONSOLIDATED, AMENDED AND RESTATED CUSTODIAL AGREEMENT

This Second Consolidated, Amended and Restated Custodial Agreement (this “Agreement”) is made and entered into as of [____], 2025, by and among California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (defined below) (“Issuer”), Silicon Valley Clean Energy Authority, a joint powers authority and a community choice aggregator organized under the laws of the State of California (“Participant”), Morgan Stanley Capital Group Inc., a Delaware corporation (“MSCG”), Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company (“MSES”), and The Bank of New York Mellon Trust Company, N.A., a national banking association, (the “Custodian” and together with Issuer, Participant, MSES and MSCG, the “Parties”, and each individually, a “Party”).

RECITALS:

WHEREAS, in connection with the issuance of one or more series of bonds by Issuer, MSCG (or MSES with respect to power purchase agreements with MSCG as seller), Issuer and Participant will enter into a series of Assignment Agreements (the “Assignment Agreements”, which definition shall include any new Assignment Agreement identified by MSCG’s delivery of an updated Exhibit A consistent with Section 3(c)) with the sellers under certain power purchase agreements (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, which definitions shall include any new PPA Seller identified by MSCG’s delivery of an updated Exhibit A consistent with Section 3(c)), pursuant to which Participant will partially assign its rights and obligations under its Power Supply Agreements (“Assigned PPAs”) to MSCG or a Prepay Seller (as defined below, as applicable, for redelivery under the Prepay Contract Chains;

WHEREAS, the Parties previously entered into that certain Consolidated, Amended and Restated Custodial Agreement, dated as of July 1, 2024 (the “Existing Custodial Agreement”) for the administration of payments to be received by the sellers under the Assigned PPAs (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, and which definitions shall include any new PPA Seller identified by MSCG’s delivery of an updated Exhibit A consistent with Section 3(c) of this Agreement) for each of the Prepay Contract Chains identified in Exhibit B as updated from time to time in accordance with Section 3(c) of this Agreement; and

WHEREAS, the Parties propose to amend and restate the Existing Custodial Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Section 1. Defined Terms.

(a) Any capitalized term used herein and not otherwise defined herein (including in the recitals) shall have the meaning assigned to such term in the Power Supply

Agreements. The following additional terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Annual Quantity” has, with respect to any Prepay Contract Chain, the meaning specified in the relevant Prepay Contract Chain.

“Assigned Product Price” has, with respect to any Assigned PPA, the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

“Assignment Period” has, with respect to any Assigned PPA, the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

“Custodial Agreement Payment Date” means, with respect to any Assigned PPA, the last Business Day preceding the PPA Monthly Statement Payment Date.

“Delivered Product Payment Amount” means, in respect of each PPA Monthly Statement, an amount equal to the lesser of (a) (i) the Monthly Projected Quantity under the relevant Assigned PPA for such Month with respect to an Undivided Assigned PPA or (ii) the sum of the Monthly Projected Quantities for the relevant Assigned PPA with respect to a Divided Assigned PPA, as applicable, multiplied by the Assigned Product Price for such Assigned PPA, and (b) the actual quantity of Assigned Product reflected in such PPA Monthly Statement multiplied by the Assigned Product Price then in effect under the relevant Assigned PPA, minus in all cases the face amount of any Receivables (as defined in the relevant Prepaid Agreement(s)) that is delivered by PPA Assignee to the Custodian in respect of such Assigned PPA pursuant to Section 4(e). Notwithstanding the foregoing or anything to the contrary herein, there shall be no Delivered Product Payment Amount with respect to any Assigned PAYGO Quantities or Monthly Excess Quantities.

“Divided Assigned PPA” means an Assigned PPA that has been allocated to more than one Prepay Contract Chain pursuant to Section 3(d).

“Energy Management Agreements” mean each of the Energy Management Agreements by and between a Prepay Seller and MSCG as set forth in Exhibit B to this Agreement, which Exhibit B may be updated from time to time in accordance with Section 3(c).

“Issuer Negative Pricing Payment Amount” means the positive difference, if any, for any Month between (a) amounts due from Issuer to Participant under Section 3.2(a) of a Power Supply Agreement with respect to negatively priced Energy and (b) amounts due from Participant to Issuer under Section 3.2(a) of a Power Supply Agreement with respect to positively priced Energy.

“Monthly Gross Amount” means, in respect of each PPA Monthly Statement, an amount equal to the total net amount due to the applicable PPA Seller in respect of such PPA Monthly Statement and shall consist of the following components: (a) the Delivered Product Payment Amount and (b) the Retained Payment Amount (if such amount is a positive number for such Month).

“Monthly Projected Quantity” has, with respect to each Assigned PPA and each Prepay Contract Chain, the meaning specified in the Power Supply Agreement for such Prepay Contract Chain.

“Participant Monthly Statement” has the meaning set forth in Section 3(a).

“Power Supply Agreements” means each of the Power Supply Contracts by and between Participant and Issuer as set forth in Exhibit B to this Agreement, which Exhibit B may be updated from time to time in accordance with Section 3(c).

“PPA Assignee” means MSCG or, to the extent that MSCG is a PPA Seller under the applicable Assigned PPA, a Prepay Seller, in each case, in its capacity as the limited assignee under the applicable Assignment Agreement.

“PPA Assignee Resettlement Amount” means, in respect of any PPA Monthly Statement that (a) is delivered after the delivery of the Billing Statement under the relevant Power Supply Agreement(s) for such Month and (b) reflects that a quantity of Assigned Product less than the total Monthly Projected Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to the product of (i) the total Monthly Projected Quantity for such Month minus the quantity of Assigned Products actually delivered under the Assigned PPA in such Month, multiplied by (ii) the Day-Ahead Market Price during the Initial EPS Energy Period and the Day-Ahead Average Price during any EPS Energy Period subsequent to the Initial EPS Energy Period. Notwithstanding the foregoing or anything to the contrary herein, there shall be no PPA Assignee Resettlement Amount or any other obligations of PPA Assignee with respect to any Assigned PAYGO Quantities or Monthly Excess Quantities.

“PPA Monthly Statement” means, for each Assigned PPA, the monthly consolidated invoice delivered to PPA Assignee and Participant consistent with the terms of the applicable Assignment Agreement.

“PPA Monthly Statement Payment Date” means the last Business Day on which payment with respect to a PPA Monthly Statement may be made before any incremental interest arises thereon or any default or breach arises under the Assigned PPA.

“Prepaid Agreements” mean each of the Prepaid Energy Sales Agreements by and between a Prepay Seller and Issuer as set forth in Exhibit B to this Agreement, which Exhibit B may be updated from time to time in accordance with Section 3(c).

“Prepay Contract Chain” means, with respect to each bond issuance by Issuer detailed in Exhibit B, the Energy Management Agreement, Prepaid Agreement and Power Supply Agreement relating thereto.

“Prepay Seller” means the “Seller” as defined in a Prepaid Agreement and specified in Exhibit B hereto for the relevant Prepay Contract Chain.

“Provisional Payment” has the meaning specified in the Prepaid Agreements.

“Responsible Officer” means any vice president, assistant secretary or any other officer or other Person within the corporate office of the Custodian having direct responsibility for the administration of this Agreement or to whom any matter is referred because of his or her knowledge of and familiarity with the particular situation, who is authorized to act for the Custodian in matters relating to, and binding upon, the Custodian and who has direct responsibility for the administration of this Agreement.

“Retained Payment Amount” means, in respect of each PPA Monthly Statement, an amount equal to (a) all amounts owed to the applicable PPA Seller for such Month, less (b) the sum of the Delivered Product Payment Amount and the PPA Assignee Resettlement Amount, if any; provided that, to the extent the Retained Payment Amount is negative in any Month, then the absolute value of such amount shall represent an amount to be paid by the Custodian to Participant pursuant to Section 4(c)(ii) hereof; provided furthermore that all amounts due with respect to any Assigned PAYGO Quantities and Monthly Excess Quantities for the relevant Prepay Contract Chain(s) shall be Participant’s sole responsibility as a portion of the Retained Payment Amount.

“Undivided Assigned PPA” means any Assigned PPA other than a Divided Assigned PPA.

(b) Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

Section 2. Appointment of Custodian. Participant, MSES and MSCG hereby appoint The Bank of New York Mellon Trust Company, N.A. as Custodian under this Agreement, with such rights and obligations as are specifically set forth herein. The Custodian hereby accepts such appointment under the terms and conditions set forth herein.

Section 3. Payment Instructions to Custodian; Assigned PPA Exhibits.

(a) Participant Monthly Statements. No later than seven days following Participant’s receipt of a PPA Monthly Statement from a PPA Seller, Participant shall deliver a statement to the other Parties hereto listing the following: the Delivered Product Payment Amount, the Retained Payment Amount, the Monthly Gross Amount, the PPA Monthly Statement Payment Date, the Custodial Agreement Payment Date, the PPA Assignee Resettlement Amount, if any, the Monthly Excess Quantities, if any (including the allocation of Monthly Excess Quantities for a Divided Assigned PPA), the Assigned Paygo Quantities, if any (including the allocation of Assigned Paygo Quantities for any Divided Assigned PPA), reflected in such PPA Monthly Statement and any Issuer Negative Pricing Payment Amount for such Month under the relevant Power Supply Agreement(s) (such notice from the Participant, the “Participant Monthly Statement”), as determined, in each case, based on the relevant PPA Monthly Statement for such Month. The Parties agree to exercise commercially reasonable efforts to implement a test billing period for a period of at least two Months prior to the effectiveness of any Assignment Agreement after the Initial Assignment Agreement.

(b) Verification. PPA Assignee shall notify Participant and each other Party promptly following Participant's delivery of a Participant Monthly Statement if PPA Assignee believes any information included on such PPA Monthly Statement is incorrect. Following receipt and verification of the information included in any such notice from PPA Assignee, Participant shall, to the extent appropriate and in consultation with PPA Assignee, issue a corrected PPA Monthly Statement to all Parties.

(c) Assigned PPA and Prepay Contract Chain Details.

(i) Exhibit A to this Agreement sets forth certain information regarding the Assigned PPAs as of the date hereof, including the Assignment Periods, Assigned Product Prices, the relevant Prepay Contract Chain for each Assigned PPA (including any percentage allocation of any such Assigned PPA to more than one Prepay Contract Chain), the PPA Sellers thereunder and the payment instructions for payments to the PPA Sellers. MSCG shall deliver an updated Exhibit A to each of the other Parties hereto to reflect any changes to the information set forth therein, including due to the expiration, extension or termination of an Assignment Period, the commencement of a new Assignment Period or a reallocation of Assigned Products under an Assigned PPA pursuant to Section 3(d).

(ii) Exhibit B to this Agreement sets forth certain information regarding the Prepay Contract Chains in effect as of the date hereof. MSCG shall deliver an updated Exhibit A to each of the other Parties hereto to reflect any changes to the information set forth therein, including due to the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(d) Assigned PPA Allocations. MSCG and Participant may mutually agree in writing to establish multiple Monthly Projected Quantities for a single Assigned PPA with the effect that the Assigned Products delivered thereunder during the Assignment Period are allocated on a percentage basis (as specified in the written agreement of MSCG and Participant) to more than one Prepay Contract Chain, which percentage allocations (x) shall be subject to the requirements of tax counsel, howsoever defined in the Bond Indenture for the relevant Prepay Contract Chain, and (y) in all cases shall provide for an aggregate percentage allocation equal to 100% of the maximum Monthly Projected Quantities permitted by tax counsel for such Assigned PPA for an assignment to a single Prepay Contract Chain. In such case, the quantity of Assigned Products actually delivered under any such Assigned PPA shall be allocated to the applicable Prepay Contract Chain consistent with the percentage allocation specified in MSCG and Participant's written agreement regarding the allocation of the Assigned Product under such Assigned PPA. Furthermore, MSCG and Participant may modify the allocation of the Assigned Products for an Assigned PPA by written agreement from time to time but not more than twice per calendar year, which modifications (i) must take effect on the first day of a Month specified in such written agreement of MSCG and Participant and may not in case have retroactive effect and (ii) may include without limitation (A) an allocation of an Assigned PPA to multiple Prepay Contract Chains for an Assigned PPA previously allocated to one Prepay Contract Chain and (B) an allocation of an Assigned PPA to a single Prepay Contract Chain for an Assigned PPA previously allocated to one Prepay Contract Chain. The Parties acknowledge and agree that, notwithstanding anything to the contrary in the Prepay Contract Chains, the terms thereof

relating to the Monthly Projected Quantities, Monthly Excess Quantities and Assigned Paygo Quantities shall be construed in accordance with this Section 3(d) to the extent that an Assigned PPA is allocated to more than one Prepay Contract Chain.

(e) Execution of New Prepay Contract Chains. MSCG and Participant shall promptly notify the Custodian in writing upon the subsequent execution of new Prepay Contract Chains for which Assigned PPA payments will be administered under this Agreement.

Section 4. Assigned PPA Payments Account.

(a) Custodial Account. With respect to payments required to be made by PPA Assignee and Participant to the PPA Sellers under the Assigned PPAs, there is hereby established with the Custodian at its office located at 333 S. Hope Street, Suite 2525, Los Angeles, California 90071, the custodial account detailed below (the “Assigned PPA Payments Account”) and all payments made by PPA Assignee and Participant hereunder shall be wired to such Assigned PPA Payments Account:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
ABA: 021000018
Account No.: 1074978400
FBO: CCCFA SVCE ASSIGNED PPA PAYMENT AC
ATTN: Jane Thang (213) 553-4343

(b) PPA Assignee and Participant Monthly Payments.

(i) PPA Assignee shall make payment of the Delivered Product Payment Amount and any PPA Assignee Resettlement Amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date for each Month of any Assignment Period; provided that, to the extent that (i) the Delivered Product Payment Amount and any PPA Assignee Resettlement Amount are due and (ii) PPA Assignee pays some portion of such amounts but less than the total amount due, PPA Assignee’s partial payment shall be applied first to the Delivered Product Payment Amount.

(ii) For each Month of any Assignment Period for which the Retained Payment Amount is a positive number, Participant shall make payment of such amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date. For each Month of any Assignment Period for which the Retained Payment Amount is a negative number, Participant shall have no payment obligation for such Month with respect to the Retained Payment Amount and the Custodian will pay the absolute value of such amount to Participant consistent with Section 4(c)(ii).

(iii) For each Month, if any, of an Assignment Period for which there is an Issuer Negative Pricing Payment Amount under the relevant Power Supply Agreement(s), Participant shall make payment of such amount(s) into the Assigned PPA Payments Account on the Custodial Agreement Payment Date; provided that, notwithstanding the foregoing, Participant shall have no payment obligation hereunder with respect to an Issuer Negative Pricing Payment Amount to the extent that PPA

Assignee receives such amount from the PPA Seller pursuant to the terms of the applicable Assignment Agreement.

(c) Transfers by Custodian.

(i) For any Month in an Assignment Period for which the Retained Payment Amount is equal to or greater than zero (0), the Custodian shall withdraw the amounts on deposit in the Assigned PPA Payments Account to make payment of the Monthly Gross Amount on the PPA Monthly Statement Payment Date by a single wire transfer to the applicable PPA Seller of the amounts received from each of PPA Assignee and Participant.

(ii) For any Month in an Assignment Period for which the Retained Payment Amount is a negative number, the Custodian shall withdraw amounts on deposit in the Assigned PPA Payments Account (A) first to make payment of the Monthly Gross Amount to the applicable PPA Seller in respect of each PPA Monthly Statement on the relevant PPA Monthly Statement Payment Date pursuant to the payment instructions set forth on Exhibit A; and (B) immediately thereafter to make payment of the absolute value of such Retained Payment Amount to Participant pursuant to the payment instructions set forth on Exhibit B. If the amounts on deposit in the Assigned PPA Payments Account are insufficient to pay the entirety of either such amounts, the Custodian shall apply the amounts available in the order specified in the preceding sentence.

(iii) For any Month in an Assignment Period for which an Issuer Negative Pricing Payment Amount is due from Participant with respect to the relevant Power Supply Agreement(s), the Custodian shall, after application of amounts on deposit in the Assigned PPA Payments Account pursuant to clause (i) or (ii) above, as applicable, withdraw amounts on deposit in the Assigned PPA Payments Account to make payment of Issuer Negative Pricing Payment Amount(s) to PPA Assignee.

(d) Amounts deposited in the Assigned PPA Payments Account shall be held in trust for the benefit of Participant until applied as set forth in Section 4(c) and Section 14, as applicable, and there is hereby granted to Participant a lien on and security interest in the Assigned PPA Payments Account pending such application. Except for any amounts due and payable to Participant pursuant to Section 4(c)(ii), the Custodian shall not be required to comply with any orders, demands, or other instructions from Participant with respect to the Assigned PPA Payments Account, including, without limitation, items presented for payment, or any order or instruction directing the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, and Participant agrees that, except as set forth in Section 4(c)(ii), prior to the termination of this Agreement in accordance with the terms hereof, it shall have no right to direct the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, or to withdraw or otherwise obtain funds or other assets held in or credited to the Assigned PPA Payments Account, whether by order or instruction to the Custodian or otherwise.

(e) With respect to each PPA Monthly Statement, to the extent PPA Assignee has purchased Receivables (as defined in the Prepaid Agreements) for amounts owed by Participant for the Month to which such PPA Monthly Statement relates, PPA Assignee may, at its option,

(i) notify the Custodian that it intends to transfer all or any portion of such Receivables to the PPA Seller, and (ii) reduce the Delivered Product Payment Amount by the face amount of such Receivables to be transferred. To the extent PPA Assignee has notified the Custodian of its intent to transfer any such Receivables, PPA Assignee shall cause such Receivables to be transferred to the PPA Seller not later than the relevant PPA Monthly Statement Payment Date.

Section 5. Provisional Payments Account.

(a) Custodial Account. With respect to Provisional Payments required to be made by a Prepay Seller to Issuer under a Prepaid Agreement, as reflected in the Billing Statement (as defined in the Prepaid Agreements) which shall be delivered by each Prepay Seller to each of the parties hereto consistent with Section 14.1(b) of the Prepaid Agreements, there is hereby established with the Custodian at its office located at 333 S. Hope Street, Suite 2525, Los Angeles, California 90071, the custodial account listed below (the “Provisional Payments Account”) and all Provisional Payments made by a Prepay Seller hereunder shall be wired to such Provisional Payments Account:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
ABA# 021000018
ACCOUNT NUMBER: 7598448400
ACCOUNT NAME: CCCFA SVCE PROVISIONAL PAYMENT AC
ATTN: Jane Thang (213) 553-4343

(b) Prepay Seller Monthly Payments. For each Month of the Delivery Period under a Prepaid Agreement, the relevant Prepay Seller shall make payment of the Provisional Payment, if any, due under such Prepaid Agreement for such Month into the Provisional Payments Account on or before the payment due date set forth in such Prepaid Agreement for each Month of the Delivery Period. The Parties acknowledge and agree that any Provisional Payment due shall be reflected in the Billing Statement (as defined in the Prepaid Agreements) delivered by the relevant Prepay Seller under Section 14.1(b) of the relevant Prepaid Agreement, which each Prepay Seller has agreed to deliver to each of the Parties hereunder.

(c) Transfers by Custodian; Segregation and Application of Discount Dollars.

(i) Upon receipt of any Provisional Payment under Section 5(b), the Custodian shall promptly (x) withdraw the portion of such Provisional Payment that represents the Net Participant Price (as defined in the relevant Prepaid Agreement) that would otherwise be payable by Participant to Issuer with respect thereto under the relevant Power Supply Agreement, as reflected in the Billing Statement delivered by the relevant Prepay Seller pursuant to Section 14.1(b) of the relevant Prepaid Agreement, and (y) transfer such amount to Issuer’s Revenue Fund under and as defined in the relevant Bond Indenture.

(ii) The portion of any Provisional Payment in excess of the Net Participant Price (such portion, the “Discount Dollars”) shall be segregated by the Custodian and applied as set forth below:

(A) the Custodian shall create separate subaccounts for each Prepay Contract Chain and deposit the Discount Dollars associated with a particular Prepay Contract Chain in the relevant subaccount;

(B) to the extent that (i) there is a positive balance of Discount Dollars being held by the Custodian in the subaccount relating to a Prepay Contract Chain and (ii) any Participant Monthly Statement reflects that Monthly Excess Quantities were delivered under an Assigned PPA relating to such Prepay Contract Chain for any given Month, the Custodian shall withdraw an amount equal to the Monthly Discount under the relevant Power Supply Agreement(s) per MWh of Monthly Excess Quantities on the relevant PPA Monthly Statement Payment Date and transfer such amount(s) to Participant pursuant to the payment instructions set forth for payments to Participant on Exhibit A; and

(C) The relevant Prepay Seller shall notify the Custodian and each of the other Parties hereto if less than the Annual Quantity under a Prepay Contract Chain is delivered for any Contract Year, and, promptly following receipt of any such notice, the Custodian shall transfer any related Discount Dollars to the Trustee for deposit in the Energy Remarketing Reserve Fund under and as defined in the relevant Bond Indenture(s).

Section 6. Custodian. The Custodian shall have (a) no liability under any agreement other than this Agreement and (b) no duty to inquire as to the provisions of any agreement other than this Agreement and the Assigned PPAs. The Custodian may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction or request furnished to it hereunder in accordance with the terms hereof and believed by it to be genuine and to have been signed or presented by the proper Party or Parties. The Custodian shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Custodian shall have no duty to solicit or compel any payments which may be due to it, or to take any action to compel PPA Assignee or Participant to make the deposits required under Section 4. The Custodian shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Custodian's gross negligence or willful misconduct was the primary cause of any loss to any other Party hereto. In connection with the execution of any of its powers or the performance of any of its duties hereunder, the Custodian may consult with counsel, accountants and other skilled persons selected and retained by it. The Custodian shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons, provided the Custodian exercised due care and good faith in the selection of such person. The permissive rights of the Custodian to take actions enumerated under this Agreement shall not be construed as duties. In the event that the Custodian shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other Parties hereto or by a final order or judgment of a court of competent jurisdiction. The Custodian may interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain

circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or non-action based on such declaratory judgment. Anything in this Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect, incidental, consequential or punitive damages, losses or penalties of any kind whatsoever (including but not limited to lost profits), regardless of the form of action. The Custodian may engage and act through agents and attorneys and shall not be liable for the misconduct or negligence of any such agent or attorney appointed with due care. Nothing herein shall obligate or be construed to obligate the Custodian to advance its own funds, or to expend or risk its own funds. The Custodian shall not be liable for any action taken by it in good faith in accordance with instruction received in accordance with this Agreement, or for the application of funds by other actions or omissions of other persons. The Custodian shall be responsible only for funds actually received by it for deposit into the Assigned PPA Payments Account, and the Custodian shall not be obliged to advance or risk its own funds to make any payments required hereunder. The Custodian shall have only those duties expressly set forth in this Agreement and no implied duties shall be read into this Agreement against the Custodian. The Parties hereto acknowledge and agree that the Custodian is not a fiduciary by virtue of accepting and carrying out its obligations under this Agreement and has not accepted any fiduciary duties, responsibilities or liabilities with respect to its services hereunder. The Custodian shall not be responsible for the perfection of any security interest granted hereunder.

Section 7. Succession. The Custodian may resign and be discharged from its duties or obligations hereunder by giving not less than 30 days' advance notice in writing of such resignation to the other Parties hereto specifying a date when such resignation shall take effect; and such resignation shall take effect upon the day specified in such notice unless a successor shall not have been appointed by the other Parties hereto on such date, in which event such resignation shall not take effect until a successor is appointed. The other Parties hereto shall use their commercially reasonable efforts to make such appointment in a timely fashion, provided that any custodian appointed in succession to the Custodian shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$50,000,000 and shall be a bank with trust powers or trust company willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Agreement. Any corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the Custodian's corporate trust line of business may be transferred, shall be the Custodian under this Agreement without further act. Notwithstanding the foregoing, if no appointment of a successor Custodian shall be made pursuant to the foregoing provisions of this Section 7 within 30 days after the Custodian has given written notice to the other Parties of its resignation as provided in this Section 7, the Custodian may, in its sole discretion, apply to any court of competent jurisdiction to appoint a successor Custodian. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Custodian.

Section 8. Fees. MSES agrees to (a) pay the Custodian reasonable compensation for the services to be rendered hereunder, which compensation shall be \$1,500 for each year that this Agreement is in effect and (b) reimburse the Custodian for its reasonable attorneys' fees incurred in connection with the execution of this Agreement. The parties hereto acknowledge that this

provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 9. Reimbursement. Issuer, MSCG, MSES and Participant agree, jointly and severally (subject to the second proviso of this Section 9), to reimburse the Custodian and its directors, officers, agents and employees for any and all loss, liability or expense (including the fees and expenses of in-house or outside counsel and experts and their staffs and all expense of document location, duplication and shipment) arising out of or in connection with (a) its acting as the Custodian under this Agreement, except to the extent that such loss, liability or expense is finally adjudicated to have been caused primarily by the gross negligence or willful misconduct of the Custodian or such director, officer, agent or employee seeking reimbursement, or (b) its following any instructions or other directions from MSCG, MSES or Participant, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof; provided, however, that any amounts due under this Section 9 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 15 hereof; provided further, however, that, notwithstanding the joint and several nature of the obligations under this Section 9, any amounts due under clause (b) of this sentence resulting from instructions or directions that are not expressly provided for in this Agreement and are given to the Custodian by only one Party shall be the sole obligation of such Party. The Parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 10. Taxpayer Identification Numbers; Tax Matters. MSCG, MSES and Participant represent that their correct taxpayer identification numbers assigned by the Internal Revenue Service or any other taxing authority is set forth on the signature page hereof. Any tax returns or reports required to be prepared and filed in connection with the Assigned PPA Payments Account will be prepared and filed by Participant, and the Custodian shall have no responsibility for the preparation and/or filing of any tax return with respect to any income earned on the Assigned PPA Payments Account. In addition, any tax or other payments required to be made pursuant to such tax return or filing shall be paid by Participant. The Custodian shall have no responsibility for making such payment unless directed to do so in writing by the appropriate authorized Party and fully indemnified to the Custodian's satisfaction.

Section 11. Notices.

(a) Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing and shall either be sent by email transmission or other Electronic Means (defined below), courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service); provided that, if a Party delivers a notice, demand or request by any means other than email transmission or other Electronic Means (defined below), such notice shall not be effective unless and until the Party also delivers a copy thereof to the other Parties' email address specified in Exhibit B. Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any

time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, any Party may at any time notify the others that any notice, demand, statement or request to it must be provided by email transmissions for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective. In the event that the Custodian, in its sole discretion, shall determine that an emergency exists, the Custodian may use such other means of communication as the Custodian deems appropriate.

(b) Exhibit A shall include each PPA Seller's notice and payment information as set forth in the Assigned PPAs, and MSCG and Participant promptly shall cause such information to be updated to the extent there are any changes to such information under the Assigned PPAs.

(c) The Custodian shall have the right to accept and act upon instructions or directions given pursuant to this Custodial Agreement, or any other document reasonably relating to the matters described herein, delivered using Electronic Means (defined below); provided, however, that each party giving directions to the Custodian hereunder shall provide to a Responsible Officer of the Custodian an incumbency certificate, substantially in the form attached hereto as Exhibit C, listing persons with the authority to provide such instructions or directions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended, with written notice to a Responsible Officer of the Custodian, whenever a person is to be added or deleted from the listing. If a party elects to give the Custodian directions or instructions using Electronic Means (defined below) and the Custodian in its discretion elects to act upon such directions, the Custodian's understanding of such directions shall be deemed controlling. The parties understand and agree that the Custodian cannot determine the identity of the actual sender of such directions and that the Custodian shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided by a party to a Responsible Officer of the Custodian have been sent by such Authorized Officer. The party giving such instructions shall be solely responsible for ensuring that only Authorized Officers transmit such directions to the Custodian and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys issued by the Custodian as confidential and with extreme care. The Custodian shall not be liable for any losses, costs or expenses arising directly or indirectly from the Custodian's reliance upon and compliance with such directions notwithstanding that such directions conflict or are inconsistent with a subsequent written direction. The party giving such directions agrees: (i) to assume all risks arising out of the use of Electronic Means (defined below) to submit directions to the Custodian, including without limitation the risk of the Custodian acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Custodian and that there may be more secure methods of transmitting directions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Custodian immediately upon learning of any compromise or unauthorized use of the security procedures.

(d) As used herein, "Electronic Means" shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes,

passwords and/or authentication keys issued by the Custodian, or another method or system specified by the Custodian as available for use in connection with its services hereunder.

Section 12. Miscellaneous.

(a) The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the Parties hereto.

(b) Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any Party, except as provided in Section 7, without the prior written consent of the other Parties.

(c) THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED, AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF THE LAWS ANOTHER JURISDICTION; PROVIDED, HOWEVER, THAT THE AUTHORITY OF PARTICIPANT TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(d) EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION ON THE GROUNDS OF VENUE, FORUM NON-CONVENIENS OR ANY SIMILAR GROUNDS AND IRREVOCABLY CONSENTS TO SERVICE OF PROCESS BY MAIL OR IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW AND CONSENTS TO THE EXCLUSIVE JURISDICTION OF (A) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK OR (C) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA IN ANY OTHER STATE WHERE AN OFFICE OF THE CUSTODIAN IS LOCATED. THE PARTIES FURTHER HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LAWSUIT OR JUDICIAL PROCEEDING ARISING OR RELATING TO THIS AGREEMENT.

(e) No Party to this Agreement shall be liable to any other Party hereto for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, war, terrorism, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control; provided that a Party affected by any such event shall exercise commercially reasonable efforts to resume performance as quickly as possible.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties to this Agreement may be transmitted by digital pdf transmission, and such pdf will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party. All signatures of the parties to this Agreement may be transmitted by digital pdf transmission under the terms set forth in this Section 12(f). The parties agree that the electronic signature of a party to this Agreement,

including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent via the Internet as a pdf (portable document format) or other replicating image attached to an e mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. Paper copies or “printouts”, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

(g) The Custodian shall not be under any obligation to invest or pay interest on amounts held in the Assigned PPA Payments Account from time to time.

(h) Issuer shall have only such duties under this Agreement as are expressly set forth herein as duties on its part to be performed, and no implied duties shall be read into this Agreement against Issuer.

(i) Nothing in this Agreement is intended to create any liabilities between Issuer, MSES, MSCG and Participant. This Agreement is intended solely to allocate payments that are actually made by MSES, MSCG and Participant in respect of amounts owed for physically settled Energy under the Assigned PPAs and the Prepay Contract Chains.

(j) As a material inducement to entering into this Agreement, Issuer, with respect to itself, hereby represents and warrants to the other Parties as of the date hereof that the amendments set forth herein do not in any manner materially impair or materially adversely affect the collection of Revenues or the rights or security of Bondholders or the Interest Rate Swap Counterparty under the Bond Indentures (as such terms are defined under the Bond Indentures).

Section 13. Compliance with Court Orders. In the event that any amount held by the Custodian hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court affecting the property deposited under this Agreement, the Custodian is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing are binding upon it, whether with or without jurisdiction, and in the event that the Custodian obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other person, firm or corporation, by reason of such

compliance notwithstanding that such writ, order or decree may be subsequently reversed, modified, annulled, set aside or vacated.

Section 14. Term; Winding Up. This Agreement will expire concurrently with the receipt of written notice from Participant, with a copy to the other Parties, that the Power Supply Agreement has terminated in accordance with its terms. Following the Custodian's payment of any Monthly Gross Amount due in respect of the final Month of power deliveries prior to such a termination, any remaining balance in the Assigned PPA Payments Account shall be paid to Participant.

Section 15. Indemnification. Issuer, MSCG, MSES and Participant, jointly and severally, agree to protect, indemnify, defend and hold harmless, the Custodian, and its affiliates, and each person who controls the Custodian (and each of their respective directors, officers, agents and employees) from and against all claims, damages, losses, liabilities, actions, suits, costs, judgments and expenses (including, without limitation, court costs and reasonable attorneys' fees) arising from its acting as Custodian hereunder (including, for the avoidance of doubt, any costs, expenses and reasonable attorneys' fees incurred in enforcing any payment obligation of an indemnifying Party), except for any claim, damage, loss, liability, action, suit, cost, judgment or expense resulting from the gross negligence or willful misconduct of the Custodian; provided, however, that any amounts due under this Section 15 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 9 hereof. The obligations of this Section 15 shall survive any resignation or removal of the Custodian and the termination of this Agreement. In addition, notwithstanding anything herein to the contrary, the Custodian shall have all of the rights (including the indemnification rights), benefits, privileges and immunities under this Agreement as are granted the Trustee under the Bond Indenture, all of which are incorporated, mutatis mutandis, into this Agreement.

Section 16. Patriot Act. Issuer, MSCG, MSES and Participant acknowledge that the Custodian is subject to federal laws, including the Customer Identification Program ("CIP") requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Custodian must obtain, verify and record information that allows the Custodian to identify MSCG, MSES and Participant. Accordingly, prior to opening the Assigned PPA Payments Account described in Section 4 of this Agreement, the Custodian will ask Issuer, MSCG, MSES and Participant to provide certain information including but not limited to name, physical address, tax identification number and other information that will help the Custodian identify and verify Issuer, MSCG, MSES and Participant's identities, such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. Issuer, MSCG, MSES and Participant agree that the Custodian cannot open any account hereunder unless and until the Custodian verifies Issuer, MSCG, MSES and Participant's identities in accordance with its CIP.

Section 17. Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estates (as such term is defined in the Bond Indentures) as and to the extent provided in the Bond Indentures, including with respect to Operating Expenses (as such term is defined in the Bond Indentures). The Issuer shall not be required to advance any moneys derived

from any source other than the Revenues (as such term is defined in the Bond Indentures) and other assets pledged under the Bond Indentures for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indentures) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indentures.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

SILICON VALLEY CLEAN ENERGY
AUTHORITY

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

MORGAN STANLEY CAPITAL GROUP
INC.

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

MORGAN STANLEY ENERGY
STRUCTURING, L.L.C.

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., AS CUSTODIAN

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A
ASSIGNED PPAs

[To come.]

EXHIBIT B

**PREPAY CONTRACT CHAINS AND RELATED NOTICE AND PAYMENT
INFORMATION**

[To come.]

EXHIBIT C

FORM OF CERTIFICATE OF INCUMBENCY

The undersigned, a duly Authorized Officer of [____], in connection with the Second Consolidated, Amended and Restated Custodial Agreement by and among Silicon Valley Clean Energy Authority, a joint powers authority and a community choice aggregator organized under the laws of the State of California, a joint powers authority and a community choice aggregator organized under the laws of the State of California (“Participant” or “Participant”), Morgan Stanley Capital Group Inc., a Delaware corporation (“MSCG”), Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company (“MSES”), and The Bank of New York Mellon Trust Company, N.A., a national banking association, (the “Custodian”) dated as of [____], as from time to time amended, restated, supplemented or otherwise modified (the “Custodial Agreement”), HEREBY CERTIFIES that the persons whose names, titles and signatures appear below are duly qualified and acting representatives of [____] (“Authorized Representatives”) on the date hereof. Each holds the office set forth beside his/her name, and the signature appearing opposite his/her name is the genuine signature of such Authorized Representative. Only those individuals, or such additional individuals as the undersigned may designate prior to written notice to the Custodian in the future, shall execute and deliver any written instructions, confirmations or certificates on behalf of [____] in connection with the Custodial Agreement. Custodian shall not be obligated to accept any written instructions, confirmations or certificates executed by an individual other than those listed below or so designated in the future.

NAME	TITLE	PHONE NO.	SIGNATURE

Capitalized terms used herein and not otherwise defined shall have the meaning assigned in the Custodial Agreement.

[____] acknowledges that Custodian will accept notices by Electronic Means only if [____] acknowledges and assumes all risks relating to the use of such notices. [____] hereby acknowledges and assumes all risks relating to the sending of notices by Electronic Means.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed for and on behalf of [____] this ____ day of _____.

[NAME OF PARTY]

By: _____
Name:

Exhibit C

Title:

Exhibit C

Draft Second Consolidated, Amended and Restated Custodial Agreement

SVCE Draft
6-19-2025

LIMITED ASSIGNMENT AGREEMENT

(Project Name)

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [____], 2025 (the “**Assignment Agreement Effective Date**”) by and among [____], a [____] (“**PPA Seller**”), Silicon Valley Clean Energy Authority, a California joint powers authority (“**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 Energy transactions entered into between the 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 during the Assignment Period;

WHEREAS, pursuant to this Agreement, during the Assignment Period, MSCG will receive the Assigned Products specified in any and all Assignment Appendices in effect from time to time and MSCG will deliver such Assigned Products to Prepay Seller(s), which will deliver such Assigned Products 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 and each individually 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 [the Product] under and as defined in the PPA.

“Assigned Rights and Obligations” means (i) the right 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, 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 Agreement Effective Date” has the meaning set forth in the first paragraph above.

“Assignment Appendix” means each Assignment Appendix in the form attached hereto as Appendix 2 and delivered by MSCG hereunder pursuant to Section 11(f).

“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 5(b).

“Assignment Period” has the meaning specified in Section 5(a).

“Assignment Period End Date” means 11:59:59 p.m. pacific prevailing time on [____], 20[____].

“Assignment Period Start Date” means [____] 1, 20[____].

“Business Day” has the meaning specified in the Prepaid Agreement.

“Claims” means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Product Payment Obligation.

“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.

“Day-Ahead Average Price” has the meaning specified in Appendix 1.

“Delivered Product Payment Obligation” has the meaning specified in Section 3(a).

“Delivery Point” has the meaning specified in Appendix 1.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours (“MWh”).

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Issuer” has, with respect to each Assignment Appendix, the meaning specified therein.

“Month” means a calendar month.

“MSCG” has the meaning specified in the first paragraph of this Agreement.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“PPA Buyer” has the meaning specified in the first paragraph of this Agreement.

“PPA Seller” has the meaning specified in the first paragraph of this Agreement.

“Prepaid Agreement” has, 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 and PPA Seller's rights and obligations arising under the PPA, and that all rights and obligations arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be "**Retained Rights and Obligations**", and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer and PPA Seller 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 pay the Floating Price Payments into the Custodial Account as such terms are defined in and described on Appendix 1 (the "**Delivered Product Payment Obligation**"), which Delivered Product Payment Obligation shall credit against and reduce the amounts otherwise due from PPA Buyer to PPA Seller under the PPA for each Month of the Assignment Period. 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 specified in any and all Assignment Appendices then in effect on each applicable payment date under the "Payment" section of the PPA. PPA Buyer shall remain responsible for any payment obligations under the PPA during the Assignment Period specified in any and all Assignment Appendices then in effect, including in the event that either (i) MSCG does not make the payments into the Custodial Account 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 (other than the Delivered Product Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or MSCG, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA. For the avoidance of doubt, the Parties acknowledge and agree that any invoice adjustments or reconciliations occurring after the initial settlement of amounts due under a monthly invoice shall be resolved solely between PPA Seller and PPA Buyer pursuant to the terms of the PPA.

(c) **Invoicing.** During the Assignment Period specified in any and all Assignment Appendices then in effect, 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 specified in any and all Assignment Appendices then in effect and, in any event, no later than five (5) Business Days thereafter, PPA Buyer shall deliver (i) a copy of such monthly invoice and the related supporting data to MSCG and (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 “**Retained Payment Obligation**”, which shall be an amount equal to the Monthly Gross Amount minus the Delivered Product Payment Obligation. 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 (x) the liability of MSCG hereunder to PPA Seller is limited as described on Appendix 1 [and (y) the Monthly Gross Amount payable to PPA Seller shall be reduced to the extent that PPA Buyer disputes any of the invoiced amounts pursuant to Section [] of the PPA]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 Energy included in the Assigned Products 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 any Assignment Period specified in any and all Assignment Appendices then in effect (i) PPA Buyer will provide copies of all billing statements and generation reports provided by PPA Seller to PPA Buyer in accordance with the PPA delivered during the Assignment Period specified in any and all Assignment Appendices then in effect to MSCG and Issuer promptly upon PPA Buyer’s receipt; (ii) 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; (iii) immediately thereafter, title to such Assigned Products will pass to one or more Prepay Sellers (as set forth in the applicable Assignment Appendix), Issuer (as set forth in the applicable Assignment Appendix) and then to PPA Buyer upon delivery by MSCG at the same point where title is passed to MSCG pursuant to clause (ii) above; and (iv) PPA Buyer will be deemed to be acting as MSCG’s agent with regard to scheduling Assigned Products.

(e) **Amendments.** PPA Buyer will provide written notice (including copies thereof) of any proposed or actual 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 applicable Prepaid Agreement(s), Prepay Seller(s) has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer

¹ NTD: For inclusion to the extent the PPA includes a provision allowing SVCE to withhold payment for disputed amounts.

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 Obligation; 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 Obligation then due and owed to PPA Seller and (2) at all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA. To effect such transfer, MSCG shall deliver to PPA Seller a notice of intent to transfer Receivables not later than the payment due date for the Delivered Product Payment Obligation and shall deliver to PPA Seller a bill of sale signed by MSCG not later than five Business Days thereafter.

4. Forward Contract.

The Parties acknowledge and agree that this Agreement is intended to constitute a “forward contract” and that the Parties are intended to constitute “forward contract merchants” within the meaning of the United States Bankruptcy Code.

5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period.** The “**Assignment Period**” under an Assignment Appendix shall begin on the Assignment Appendix Start Date and extend until the Assignment Appendix End Date or as otherwise terminated early pursuant to Section 5(b); provided that in no event shall the Assignment Period extend beyond an Assignment Early Termination Date with respect to such Assignment Appendix; provided further that the Assignment Period under an Assignment Appendix will automatically terminate upon the expiration or early termination of either the Delivery Period (as defined in the PPA) or the PPA.

(b) **Early Termination.** An “**Assignment Early Termination Date**” will occur under the following circumstances and as of the dates and for the applicable Assignment Appendices specified below:

- (1) the assignment of a Prepay Power Supply Contract by PPA Buyer or Issuer pursuant to Article XIII thereof shall result in an Assignment Early Termination Date for the Assignment Period under the relevant Assignment Appendix, which Assignment Early Termination Date for the applicable Assignment Period(s) shall occur immediately as of the time of such assignment;
- (2) the suspension, expiration, or termination of performance of the PPA by either PPA Buyer or PPA Seller for any reason other than the occurrence of an Uncontrollable Force, Force Majeure, or Force Majeure Event (as applicable) under and as defined in the PPA shall result in an Assignment

Early Termination Date for all Assignment Appendices then in effect, which Assignment Early Termination Date shall occur immediately as of the time of PPA Seller's last performance under the PPA following such suspension, expiration, or termination;

- (3) the election of MSCG in its sole discretion to declare an Assignment Early Termination Date as a result of (a) any event or circumstance that would give either PPA Buyer or PPA Seller the right to terminate or suspend performance under the PPA (regardless of whether PPA Buyer or PPA Seller exercises such right) or (b) the execution of an amendment, waiver, supplement, modification or other change to the PPA that affects the Assigned Rights and Obligations or MSCG's rights or obligations under this Agreement (provided that MSCG shall not have a right to terminate under this Section 5(b)(3) to the extent that MSCG (i) receives prior notice of such change and (ii) provides its written consent thereto), which Assignment Early Termination Date shall occur under all Assignment Appendices then in effect upon the date set forth in a written notice of such election delivered by MSCG to PPA Buyer and PPA Seller;
- (4) termination or suspension of deliveries for any reason other than a Force Majeure under and as defined in the applicable Prepaid Agreement or the applicable Prepay Power Supply Contract shall result in an Assignment Early Termination Date for the Assignment Period under the relevant Assignment Appendix, which Assignment Early Termination Date for the applicable Assignment Period(s) shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;
- (5) the election of PPA Seller in its sole discretion to declare an Assignment Early Termination Date if MSCG fails to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for five Business Days following receipt by MSCG of written notice thereof, which Assignment Early Termination Date shall occur under all Assignment Appendices then in effect upon the date set forth in a written notice of such election delivered by PPA Seller to MSCG and PPA Buyer; or
- (6) the election of PPA Seller in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against MSCG seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued

unstayed and in effect, in any such event, for a period of 60 days, or (b) MSCG commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or MSCG consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of MSCG or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur under all Assignment Appendices then in effect immediately on the date of PPA Seller's delivery of notice of its election to MSCG and PPA Buyer.

(c) **Reversion of Assigned Rights and Obligations.** The Parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations under each applicable Assignment Appendix will revert from MSCG to PPA Buyer. Any Assigned Rights and Obligations under an Assignment Appendix that would become due for payment or performance on or after such Assignment Early Termination Date with respect to such Assignment Appendix 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 Products delivered to MSCG prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

6. Representations and Warranties.

(a) **Copy of the 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 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) **Other.** As of the Assignment Agreement Effective Date, each of PPA Buyer and PPA Seller represents and warrants to each other and to MSCG that:

- (1) it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and

- (2) all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations.** Each Party represents to each of the other Parties as of the Assignment Agreement Effective Date:

- (1) **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;
- (2) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance;
- (3) **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;
- (4) **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;
- (5) **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));

- (6) **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;
- (7) **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; and
- (8) **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by email), each of which will be deemed an original.

8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by electronic transmission) and executed by each of the Parties.

10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 3 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon written 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

11. Miscellaneous.

(a) **Governing Law.** This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; *provided*, however, that the authority of PPA Buyer to enter into and perform its obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(b) **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 11(b) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 11(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 11(b), if Section 11(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 11(c)(1).

(1) 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 11.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(e) **U.S. Resolution Stay Protocol.** 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 inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(f) **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 Contract Quantity under and as defined in the PPA. As set forth in Appendix 1 hereto, MSCG’s payment obligations are limited to any Assigned Products delivered pursuant to the Assignment Appendices then in effect. Each Assignment Appendix will set 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 Products 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 Contract Quantity under and as defined in the PPA 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” that certain [____], together with any and all exhibits, schedules or supplements thereto or incorporated therein by reference, by and between PPA Buyer and PPA Seller, as may be amended from time to time.

“**Delivery Point**” has the definition set forth in the PPA.

Floating Price Payments. MSCG has separately agreed with PPA Buyer and Custodian pursuant to the Custody Agreement to pay the “Day-Ahead Average Price” as defined below into the custodial account specified in the Custody Agreement (the “**Custodial Account**”) for the portion of the Assigned Products delivered to the Delivery Point during each Month of the Assignment Period pursuant to all Assignment Appendices then in effect (the “**Floating Price Payments**”). MSCG agrees 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, which also provides for payment by (i) PPA Buyer of any other amounts due under the PPA for each Month of the Assignment Period and (ii) the Custodian of the net amount due to PPA Seller for each Month of the Assignment Period from the amounts received from MSCG and PPA Buyer, as applicable. MSCG’s Floating Price Payments shall credit against and reduce the amounts otherwise due from PPA Buyer to PPA Seller under the PPA for each Month of the Assignment Period for all Assignment Appendices then in effect; provided that PPA Seller and PPA Buyer acknowledge and agree that the making of Floating Price Payments into the Custodial Account by MSCG shall not entitle (A) MSCG to any payments from PPA Seller or (B) PPA Seller to payments in excess of the net amount that would otherwise be due from PPA Buyer to PPA Seller pursuant to the terms of the PPA. At all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA. For the avoidance of doubt, MSCG’s obligations hereunder are limited to only the Assignment Appendices then in effect.

“**Day-Ahead Average Price**” means the result of (i) (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 plus (ii) the Index Adder (as set forth in the table immediately below) for the relevant Month. As used in this definition, “**Pricing Interval**” means the unit of time for which CAISO (or other entity that publishes such prices) establishes a separate price; and “**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.

Month	Index Adder (\$/MWh)
[____]	[____]
[____]	[____]
[____]	[____]
[____]	[____]

Month	Index Adder (\$/MWh)
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]
[]	[]

Appendix 2

Assignment Appendix - [A][B][C]

Date: [_____]

“**Assignment Appendix End Date**” means 11:59:59 p.m. pacific prevailing time on [____], 20[____].

“**Assignment Appendix Start Date**” means [____] 1, 20[____].

“**Custodian**” means The Bank of New York Mellon Trust Company, N.A., a national banking association.

“**Custody Agreement**” means the [Second Consolidated, Amended and Restated Custodial Agreement] dated as of [____], among the Issuer, PPA Buyer, MSCG, each applicable Prepay Seller and the Custodian, as from time to time amended, restated, supplemented or otherwise modified.

“**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 [____], 20[____] by and between Prepay Seller and Issuer, as from time to time amended, restated, supplemented or otherwise modified.

“**Prepay Power Supply Contract**” means that certain Power Supply Contract, dated as of [____], 20[____] by and between Prepay Seller and Issuer, as from time to time amended, restated, supplemented or otherwise modified.

“**Prepay Seller**” means [____], a [____], or any other Person that is the prepay seller under the terms of the Prepaid Agreement from time to time.

Assigned Products subject to this Assignment Appendix: As set forth immediately below, [the percentage of Assigned Products]/[the monthly quantities of Assigned Products] delivered to the Delivery Point: [____].

Appendix 3

Notice Information

IF TO MSCG: Morgan Stanley Capital Group Inc.
Attention: Commodities Sales & Trading
1585 Broadway
New York, NY 10036-8293
Email: energyprepay@morganstanley.com

IF TO PPA SELLER: As set forth in the PPA.

IF TO PPA BUYER: As set forth in the PPA.

Appendix 4
Copy of the PPA
[To be attached.]

SVCE Draft
6-19-2025

LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [____], 2025 by and among Morgan Stanley Capital Group Inc., a Delaware corporation (“**PPA Seller**”), Silicon Valley Clean Energy Authority, a California joint powers authority (“**PPA Buyer**”), California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“**Issuer**”), and Energy Prepay [____], LLC, a Delaware limited liability company (“**Prepay LLC**”).

RECITALS

WHEREAS, PPA Buyer and PPA Seller are parties to that certain Master Power Purchase and Sale Agreement dated [____] and the [Confirmation] thereunder dated as of [____] (the “**PPA**”);

WHEREAS, in connection with a prepaid electricity transaction between Issuer and Prepay LLC, and with effect from and including the Assignment Period Start Date (as defined below), PPA Buyer wishes to transfer by limited assignment to Prepay LLC, and Prepay LLC wishes to accept the transfer by limited assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below);

WHEREAS, pursuant to this Agreement, Prepay LLC will receive the Assigned Product and Prepay LLC will deliver the Assigned Product to Prepay LLC, which will redeliver the Assigned Product to Issuer for ultimate redelivery to PPA Buyer; and

WHEREAS, pursuant to this Agreement, Prepay LLC will assume responsibility for the Delivered Product Payment Obligation.

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Issuer, PPA Seller, PPA Buyer and Prepay LLC (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

AGREEMENT

1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

“**Assigned Delivery Point**” has the meaning specified in Appendix 1.

“**Assigned Products**” means all Products under and as defined in the PPA.

“Assigned Product Price” means the Energy Price (as defined in the PPA and specified in Appendix 1).

“Assigned Rights and Obligations” means (i) the rights of PPA Buyer under the PPA to receive the Assigned Products in each Month during the Assignment Period, as such rights may be limited or further described in Appendix 1, and (ii) the Delivered Product Payment Obligation, which right and obligation are transferred and conveyed to Prepay LLC hereunder.

“Assignment Early Termination Date” has the meaning specified in Section 5(b).

“Assignment Period” has the meaning specified in Section 5(a).

“Assignment Period End Date” means 11:59:59 p.m. pacific prevailing time on [____].

“Assignment Period Start Date” means 00:00 pacific prevailing time on [____].

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

“CAISO Tariff” means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by the Federal Energy Regulatory Commission.

“Claims” means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Product Payment Obligation.

“Delivered Product Payment Obligation” has the meaning specified in Section 3(a).

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours (MWh).

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

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

“Issuer” has the meaning specified in the first paragraph of this Agreement.

“Month” means a calendar month.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“PPA Buyer” has the meaning specified in the first paragraph of this Agreement.

“PPA Seller” has the meaning specified in the first paragraph of this Agreement.

“Prepaid Agreement” means that certain Prepaid Energy Sales Agreement dated as of the date hereof by and between Prepay LLC and Issuer.

“Prepay LLC” has the meaning specified in the first paragraph of this Agreement.

“Prepay Power Supply Contract” means that certain Prepay Power Supply Contract dated as of the date hereof by and between PPA Buyer and Issuer.

“Receivables” has the meaning given to such term in Section 3(e).

“Retained Rights and Obligations” has the meaning specified in Section 3.

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

2. Transfer and Undertakings.

(a) PPA Buyer hereby assigns, transfers and conveys to Prepay LLC all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Product during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to Prepay LLC the Assigned Rights and Obligations during the Assignment Period.

(b) PPA Seller hereby consents and agrees to PPA Buyer’s assignment, transfer and conveyance of all right, title and interest in and to the Assigned Product and Assigned Rights and Obligations to Prepay LLC and the exercise and performance by Prepay LLC of the Assigned Rights and Obligations during the Assignment Period.

(c) Prepay LLC hereby accepts such assignment, transfer and conveyance of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer’s rights and obligations under the PPA, and that all rights and obligations arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be **“Retained Rights and Obligations”**, and (ii) the Retained Rights and Obligations include all

rights and obligations of PPA Buyer arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Product Payment Obligation; Invoicing.** Prepay LLC's sole payment obligation hereunder will be to pay the Floating Price Payments into the Custodial Account as such terms are defined in and described on Appendix 1 (the "**Delivered Product Payment Obligation**"). Prepay LLC and PPA Buyer each agree to instruct the Custodian to pay PPA Seller for the Assigned Products delivered during each Month of the Assignment Period on each applicable payment date under the PPA. PPA Buyer shall remain responsible for any payment obligations under the PPA during the Assignment Period, including in the event that either (i) Prepay LLC 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 (other than the Delivered Product Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or Prepay LLC, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA.

(c) **Scheduling.** All scheduling of Energy associated with Assigned Product and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass to Prepay LLC upon delivery by PPA Seller at the Assigned Delivery Point in accordance with the PPA; (ii) immediately thereafter, title to such Assigned Product will pass to Prepay LLC, Issuer and then to PPA Buyer upon delivery by Prepay LLC at the same point where title is passed to Prepay LLC pursuant to clause (i) above; (iii) PPA Buyer will be deemed to be acting as Prepay LLC's agent with regard to scheduling Assigned Products; provided, however, that PPA Buyer shall be entitled to retain for its own account all CAISO revenues associated with delivery of the Assigned Product to CAISO, including where PPA Buyer is acting as Scheduling Coordinator for the Facility (as defined in the PPA) and through scheduling of ISTs; and (iv) (A) PPA Buyer and PPA Seller will provide copies to Prepay LLC of (I) any notice of Force Majeure delivered under the PPA and (II) any notice of a default or of a breach or other event that, if not cured within an applicable grace period, could result in a default; (B) PPA Seller will provide copies to Prepay LLC of annual forecasts and monthly forecasts and generation reports delivered under the PPA; and (C) PPA Buyer and PPA Seller, as applicable, will provide copies to Prepay LLC of any other information reasonably requested by Prepay LLC relating to Assigned Product.

(d) **Amendments.** PPA Buyer and PPA Seller will provide written notice (including copies thereof) of any amendment, waiver, supplement, modification, or other changes to the PPA to Prepay LLC 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 Prepay LLC's rights or obligations under this Agreement until and unless Prepay LLC receives written notice thereof.

(e) **Setoff of Receivables.** Pursuant to the Prepaid Agreement, Prepay LLC has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer under the Prepay Power Supply Contract (“**Receivables**”) in the case of non-payment by PPA Buyer. To the extent any such Receivables relate to Assigned Product purchased by Prepay LLC pursuant to the Assigned Rights and Obligations, Prepay LLC may transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Product Payment Obligations; provided, however, that at no time shall PPA Seller be required to pay Prepay LLC for any amounts by which such Receivables exceed any Delivered Product Payment Obligations then due and owed to PPA Seller.

(f) **Joinder to Intercreditor Agreement.** In connection with the execution of this Agreement and as a condition precedent to the effectiveness hereof, Issuer shall execute a joinder to that certain Intercreditor and Collateral Agency Agreement, dated as of December 15, 2016, by and among River City Bank, as Collateral Agent, the PPA Providers from time to time party thereto and Silicon Valley Clean Energy Authority (the “**Intercreditor and Collateral Agency Agreement**”), which will provide Issuer with certain rights as a PPA Provider and Secured Creditor under the Intercreditor and Collateral Agency Agreement, the Security Agreement (as defined in the Intercreditor and Collateral Agency Agreement), and the Control Agreement (as defined in the Intercreditor and Collateral Agency Agreement) (collectively, the “**Security Documents**”) for the portion of the payments under the Prepay Power Supply Contract with respect to the Assigned Products. The Prepay Power Supply Contract shall have the same meaning as “Power Purchase Agreement” under the Intercreditor and Collateral Agency Agreement. PPA Buyer agrees that it shall make payments with respect to the Assigned Products to Issuer under the Prepay Power Supply Contract on the 20th or preceding business day of the month following deliveries consistent with the terms thereof, and such payments will not be made through the Lockbox Account (as defined in the Security Agreement) but will be made from PPA Buyer’s available funds not pledged as Collateral (as defined in the Security Agreement); provided that, in the event PPA Buyer fails to make any such payment when due under Prepay Power Supply Contract with respect to the Assigned Products, upon written request of Issuer, PPA Buyer shall cause such payment due to Issuer to be included as Regular Charges (as defined in the Security Agreement) on the first Distribution Date Certificate (as defined in the Security Agreement) to be issued at least ten (10) or more Business Days thereafter. If PPA Buyer fails to do so, Issuer may dispute such Distribution Date Certificate and otherwise pursue its rights to payment thereon pursuant to the terms of the Intercreditor and Collateral Agency Agreement. To the extent Issuer receives any amounts under the Security Documents or Intercreditor and Collateral Agency Agreement in respect of any Receivables purchased by Prepay LLC, Issuer shall (i) hold such amounts in trust for the benefit of Prepay LLC, (ii) promptly notify Prepay LLC thereof and (iii) promptly remit such amounts directly to an account specified by Prepay LLC. Issuer’s rights as a Secured Creditor and PPA Provider under the Security Documents (x) are limited to amounts owed in connection with the Assigned Products, (y) shall terminate automatically following the end of the Assignment Period, subject to payment of any amounts then owing to Issuer pursuant to the Prepay Power Supply Contract in connection with the Assigned Products, and (z) upon written request from PPA Buyer, provided that PPA Buyer has no further obligations to Issuer, under the Prepay Power Supply Contract, Issuer shall provide a written termination statement as described under Section 7.12(d) of the Security Agreement consenting to termination of Issuer’s rights as a

Secured Creditor under the Security Documents, including with respect to the Collateral, and Issuer agrees that such written termination statement shall not be unreasonably withheld, delayed or conditioned.

4. Forward Contract.

The Parties acknowledge and agree that this Agreement constitutes a “forward contract” and that the Parties shall constitute “forward contract merchants” within the meaning of the United States Bankruptcy Code.

5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period.** The “Assignment Period” shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination.** An “Assignment Early Termination Date” will occur under the following circumstances and as of the dates specified below:

i. the assignment of the Prepay Power Supply Contract by PPA Buyer or Issuer pursuant to Article XIII thereof, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;

ii. the suspension, expiration, or termination of performance of the PPA by either PPA Buyer or PPA Seller for any reason other than the occurrence of a Force Majeure under and as defined in the PPA, which Assignment Early Termination Date shall occur immediately as of the time of PPA Seller’s last performance under the PPA following such suspension, expiration, or termination;

iii. the election of Prepay LLC in its sole discretion to declare an Assignment Early Termination Date as a result of (a) any event or circumstance that would give either PPA Buyer or PPA Seller the right to terminate or suspend performance under the PPA (regardless of whether PPA Buyer or PPA Seller exercises such right) or (b) the execution of an amendment, waiver, supplement, modification or other change to the PPA that adversely affects the Assigned Rights and Obligations or Prepay LLC’s rights or obligations under this Agreement (provided that Prepay LLC shall not have a right to terminate under this clause (b) to the extent that Prepay LLC (i) receives prior notice of such change and (ii) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by Prepay LLC to PPA Buyer and PPA Seller;

iv. termination or suspension of deliveries for any reason other than a Force Majeure under and as defined in the Prepaid Agreement or Prepay Power Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;

v. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if Prepay LLC fails to pay when due any amounts

owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for five Business Days following receipt by Prepay LLC of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to Prepay LLC, and with a copy to PPA Buyer or PPA Seller, as applicable;

vi. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against Prepay LLC seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) Prepay LLC commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or Prepay LLC consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of Prepay LLC or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur upon the earliest date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to Prepay LLC, and with a copy to PPA Buyer or PPA Seller, as applicable;

vii. either Prepay LLC or PPA Buyer may designate an Assignment Early Termination Date with written notice to the other Parties to the extent that Prepay LLC and PPA Buyer have mutually agreed upon a replacement Assignment Agreement (as defined in the Prepay Power Supply Contract) that will replace the Assigned Rights and Obligations hereunder immediately following the termination hereof, which Assignment Early Termination Date shall occur effective as of the end of the Month preceding the commencement of the "Assignment Period" under the replacement Assignment Agreement as specified in the notice from Prepay LLC or PPA Buyer to the other Parties; and

viii. PPA Buyer may deliver written notice of termination to the other Parties if any change, event or effect occurs, including but not limited a change in applicable laws or regulations, any issues with the PPA Seller or the PPA, a dispute under the PPA or other similar circumstance, that individually or collectively have or are reasonably expected by PPA Buyer to have a material adverse effect upon (A) the PPA Buyer, (B) its rights and obligations under this Agreement, the Prepay Power Supply Contract, or the PPA, or (C) the benefit the PPA Buyer is receiving by assigning the Assigned Rights and Obligations,

with such Assignment Early Termination Date to be the date set forth in a written notice delivered by PPA Buyer to the other Parties; provided that (x) PPA Buyer will provide notice to the other Parties as soon as is reasonably possible that PPA Buyer anticipates exercising this termination right, and (y) PPA Buyer shall exercise commercially reasonable efforts to propose and agree with Prepay LLC upon a replacement Assignment Agreement prior to exercising this termination right.

(c) **Reversion of Assigned Rights and Obligations.** The parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations will revert from Prepay LLC 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 Prepay LLC to PPA Buyer, provided that (i) Prepay LLC shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to Prepay LLC prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

6. Representations and Warranties.

(a) **Copy of PPA.** PPA Seller and PPA Buyer represent and warrant to Prepay LLC that a true, complete, and correct copy of the PPA is attached hereto as Appendix 3.

(b) **No Default.** PPA Seller and PPA Buyer represent and warrant to Prepay LLC that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder.

(c) **Other.** Each of PPA Buyer and PPA Seller represents and warrants to each other and to Prepay LLC that:

i. it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and

ii. all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations.** Each Party represents to each of the other Parties:

i. **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

ii. **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

iii. **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

iv. **Consents.** All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

v. **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

vi. **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

vii. **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

viii. **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by electronic transmission), each of which will be deemed an original.

8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by an electronic transmission) and executed by each of the Parties or confirmed by emails or electronic messages on an electronic messaging system.

10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, any Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

11. Miscellaneous.

(a) **Governing Law.** This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the state of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; *provided*, however, that the authority of PPA Buyer to enter into and perform its obligations under this agreement shall be determined in accordance with the laws of the state of California.

(b) **U.S. Resolution Stay.** The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol (“**ISDA U.S. Stay Protocol**”), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and this Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay Protocol, Prepay LLC and PPA Seller shall each be deemed to be a Regulated Entity, and PPA Buyer shall be deemed to be an Adhering Party. In the event of any inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(c) **Reserved.**

(d) **Arbitration.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. (“**JAMS**”) pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of PPA Seller and PPA Buyer shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the “**chairperson**”) within thirty (30) days of the commencement of the arbitration. If either PPA Seller or PPA Buyer is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the PPA Seller and PPA Buyer-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorney’s fees reasonably incurred in seeking to enforce the application of this Section 11(d) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 11(d), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(e) **Judicial Reference.** Without limiting the provisions in Section 11(d), if Section 11(d) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising

out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a “**Dispute**”) shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure (“**CCP**”), or their successor sections (a “**Reference Proceeding**”), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 11(e)i).

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the “**Disputing Party**”) shall provide the other Parties (the “**Responding Parties**”) with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the “**Notice of Dispute**”). Within 10 days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the “**Dispute Response**”). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within sixty 60 days after receipt of the Dispute Response, (the “**Negotiation Period**”), then any Party may provide to the other Parties written notice of intent for judicial reference (the “**Impasse Notice**”) in accordance with the further provisions of this Section 11.

ii. Applicability; Selection of Referees.

(A) Within 10 days of the delivery of an Impasse Notice, each of PPA Seller and PPA Buyer shall nominate one (1) referee. The two (2) referees (the “**Party-Appointed Referees**”) shall appoint a third referee (the “**Third Referee**”, together with the Party-Appointed Referees, the “**Referees**”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

(B) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “**Court**”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of PPA Buyer and PPA Seller shall have one (1) preemptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

iv. Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

v. Expenses. Each of PPA Seller and PPA Buyer shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between PPA Seller and PPA Buyer.

(f) **Limitation of Liability.** Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the

Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name: _____
Title: _____

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name: _____
Title: _____

ENERGY PREPAY [], LLC

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

Appendix 1
Assigned Rights and Obligations

PPA:

Assigned Delivery Point:

Assigned Product Price:

Appendix 2

Notice Information

IF TO PPA SELLER: As set forth in the PPA

IF TO PREPAY LLC: Energy Prepay [], LLC
1585 Broadway
New York, NY 10036-8293
Email: []

IF TO ISSUER: California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: []

IF TO PPA BUYER: As set forth in the PPA

Appendix 3
Copy of Power Sales Contract
[To be attached.]

SM Draft 10 June 2025

LETTER AGREEMENT

[____], 2025

Silicon Valley Clean Energy Authority
333 W. El Camino Real Suite 330
Sunnyvale, CA 94087
Email: girish@svcleanenergy.org

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: [_____]

Re: PPA Assignments for Delivery under Prepay Energy Agreements

Ladies and Gentlemen:

This Letter Agreement (this “Letter Agreement”) confirms our mutual agreement with respect to the matters set forth below and relates to (i) that certain Power Supply Contract (the “Power Supply Contract”), dated as of the date hereof, by and between California Community Choice Financing Authority (“Issuer”) and Silicon Valley Clean Energy Authority (“Project Participant”), (ii) that certain Prepaid Energy Sales Agreement (the “Prepaid Agreement”), dated as of the date hereof, by and between Energy Prepay [____], LLC, a Delaware limited liability company (“Prepay LLC”) and Issuer, and (iii) that certain Energy Management Agreement, dated as of the date hereof, by and between Morgan Stanley Capital Group Inc. (“MSCG”) and Prepay LLC (together with the Power Supply Contract and the Prepaid Agreement, the “Prepay Energy Agreements”). Any capitalized term used in this Letter Agreement and not otherwise defined herein shall have the meaning assigned to such term in the Power Supply Contract. In consideration of each party’s execution of the respective Prepay Energy Agreements, as well as the premises above and the mutual covenants and agreements set forth herein, Issuer, Project Participant, Prepay LLC and MSCG (collectively, the “Parties”) agree as follows:

1. PPA Assignments for Delivery under Prepay Energy Agreements.

(a) Initial Assignment. Concurrently with the execution of the Prepay Energy Agreements, Project Participant has assigned and Prepay LLC has agreed to assume a portion of Project Participant’s rights and obligations under the Initial Assigned PPA.

(b) Replacement Assignments. Commencing (i) six months prior to the expiration of any EPS Energy Period or the resumption of deliveries in a new Reset Period following Participant’s issuance of a Remarketing Election Notice pursuant to [Section 3.4] of the Power Supply Contract or (ii) otherwise immediately upon the early termination or anticipated early termination of an EPS Energy Period, Project Participant shall exercise Commercially Reasonable Efforts to assign a portion of Project Participant’s rights and obligations (the “Assigned Rights and Obligations”) under one or more power purchase agreements under which Project Participant is purchasing EPS Compliant Energy pursuant

to an Assignment Agreement substantially in the form of (A) the Limited Assignment Agreement set forth as Exhibit A hereto if the PPA Supplier is an unrelated third party or (B) the Limited Assignment Agreement set forth as Exhibit B hereto if the PPA Supplier is MSCG (each, an “Assignment Agreement”), and the Parties shall cooperate in good faith with respect to any proposed assignments; provided that

- (1) any subsequent Assignment Agreement shall provide (I) for the assignment by Project Participant to either (a) Prepay LLC if MSCG is the PPA Supplier or (b) MSCG if the PPA Supplier is an unrelated third party of its right to receive all of the Energy (and any associated products set forth in the Assignment Agreement) delivered under the applicable power purchase agreement for each Month of the applicable EPS Energy Period and (II) for payment by Prepay LLC or MSCG as applicable to the PPA Supplier under such subsequent power purchase agreement of the Day-Ahead Average Price for each Month of the applicable EPS Energy Period, with such amounts to be credited in the PPA Supplier’s monthly invoice to Project Participant against other amounts owed by Project Participant under the Assigned PPA during the EPS Energy Period;
 - (2) any third party PPA Supplier must satisfy MSCG’s internal credit and approval requirements and other requirements applied on a nondiscriminatory basis, including any “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies;
 - (3) any such assignment must be agreed and consented to by Project Participant, Prepay LLC and MSCG in their reasonable discretion; and
 - (4) the Parties recognize that MSCG will be obligated to sell and deliver Assigned Product it receives from a third-party PPA Supplier to Prepay LLC under the Energy Management Agreement; Prepay LLC will be obligated to deliver Assigned Product that it acquires to Issuer under the terms of the Prepaid Agreement; and Issuer will be obligated to deliver Assigned Product that it acquires to Project Participant under the terms of the Power Supply Contract.
- (c) MSCG Procurement of EPS Compliant Energy. To the extent that (i) Project Participant, Prepay LLC and MSCG have not agreed upon a replacement assignment of a power purchase agreement by the date that is seventy-five (75) days prior to (A) the end of any EPS Energy Period or (B) the resumption of deliveries in a new Reset Period following Participant’s issuance of a Remarketing Election Notice pursuant to [Section 3.4] of the Power Supply Contract, or (ii) an early termination of an EPS Energy Period has occurred and Project Participant, Prepay LLC and MSCG have not agreed upon a replacement assignment of a power purchase agreement, then MSCG shall exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for ultimate redelivery to Project Participant, provided that:

- (1) Project Participant must consent to MSCG's procurement of any such EPS Compliant Energy for ultimate redelivery to Project Participant, with such consent not to be unreasonably withheld;
 - (2) the Parties shall act in good faith and in a Commercially Reasonable manner to negotiate any necessary amendments to the Prepay Energy Agreements to facilitate the delivery of such EPS Compliant Energy; and
 - (3) the period of delivery for any such EPS Compliant Energy (any such period, a "MSCG EPS Energy Period") shall not exceed the length, as applicable, of (A) the then-current Reset Period if such EPS Compliant Energy is obtained for delivery for the remainder of a Reset Period and (B) the length of the next succeeding Reset Period if such EPS Compliant Energy is obtained for delivery commencing in a subsequent Reset Period.
- (d) Tax Opinion. The Parties acknowledge and agree that their ability to enter into a new Reset Period will be contingent on obtaining an Opinion of Bond Counsel (as defined in the Bond Indenture), which will be dependent on the availability of EPS Compliant Energy for delivery in such Reset Period.

2. **Failure to Obtain EPS Compliant Energy.** To the extent an EPS Energy Period terminates or expires and Project Participant and MSCG have been unable to obtain EPS Compliant Energy for delivery under the Prepay Energy Agreements pursuant to the provisions of Paragraph 1, then Prepay LLC shall remarket the Base Energy pursuant to the provisions of Exhibit C to the Prepaid Agreement, subject to the following:

- (a) the Parties' obligations set forth in Paragraph 1 shall continue to apply;
- (b) Project Participant shall not make any new commitment to purchase Priority Energy during such a remarketing; and
- (c) consistent with [Section 7.5] of the Power Supply Contract, Project Participant shall exercise Commercially Reasonable Efforts to remediate any Disqualified Remarketing Proceeds resulting from Prepay LLC's remarketing.

3. **Representations.** Each Party represents to each of the other Parties:

- (a) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.
- (b) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

(c) **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

(d) **Consents.** All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

(g) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

(h) **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

4. **Counterparts.** This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile or electronic transmission), each of which will be deemed an original.

5. **Costs and Expenses.** The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

6. **Amendments.** No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile or electronic transmission) and executed by each of the Parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

7. **Notices.** Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon written 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, any Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

8. **Dispute Resolution.**

(a) **Governing Law.** This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the state of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; *provided*, however, that the authority of Project Participant and Issuer to enter into and perform their obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(b) **Arbitration.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of MSCG and Project Participant shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the “**chairperson**”) within thirty (30) days of the commencement of the arbitration. If either MSCG or Project Participant is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If MSCG and Project Participant-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorneys’ fees reasonably incurred in seeking to enforce the application of this Section 8(b) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 8(b), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(c) **Judicial Reference.** Without limiting the provisions in Section 8(b), if Section 8(b) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a “**Dispute**”) shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure (“**CCP**”), or their successor sections (a “**Reference Proceeding**”), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 8(c)i.

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the “**Disputing Party**”) shall provide the other Parties (the “**Responding Parties**”) with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the “**Notice of Dispute**”). Within ten (10) Days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for

such position (the “**Dispute Response**”). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within sixty (60) Days after receipt of the Dispute Response, (the “**Negotiation Period**”), then any Party may provide to the other Parties written notice of intent for judicial reference (the “**Impasse Notice**”) in accordance with the further provisions of this Section 8(c).

ii. Applicability; Selection of Referees.

(A) Within ten days of the delivery of an Impasse Notice, each of MSCG and Project Participant shall nominate one (1) referee. The two (2) referees (the “**Party-Appointed Referees**”) shall appoint a third referee (the “**Third Referee**”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

(B) If the Party-Appointed Referees are unable to agree on the Third Referee within forty-five (45) Days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “**Court**”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of Project Participant and MSCG shall have one (1) peremptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within twenty (20) days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within one hundred eighty (180) days after the date of the conference, and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

iv. Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

v. Expenses. Each of MSCG and Project Participant shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between MSCG and Project Participant.

9. **Limitation of Liability**. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

[Signature Pages to Follow]

Very truly yours,

PREPAY LLC

ENERGY PREPAY [], LLC

By: Morgan Stanley Capital Group Inc., its Manager

By: _____
Name: _____
Title: _____

MSCG

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth
above:

PARTICIPANT

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name: _____
Title: _____

ISSUER

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A

**FORM OF LIMITED ASSIGNMENT AGREEMENT FOR THIRD PARTY AS PPA
SUPPLIER**

[To be attached.]

EXHIBIT B

**FORM OF LIMITED ASSIGNMENT AGREEMENT
FOR MSCG AS PPA SUPPLIER**

[To be attached.]

Chapman Draft 08.04.25

PREPAID ENERGY PROJECT ADMINISTRATION AGREEMENT

This Prepaid Energy Project Administration Agreement (this “Agreement”) is made and entered into as of [_____, 2025], by and between California Community Choice Financing Authority (“CCCFA”) and Silicon Valley Clean Energy Authority (“SVCE”), with respect to the Prepaid Energy Project (defined below). CCCFA and SVCE may be referred to individually herein as a “Party” and collectively as the “Parties”. Capitalized terms used herein (including in the following Recitals) have the meanings given to such terms in Section 1.

W I T N E S S E T H:

WHEREAS, SVCE is a “community choice aggregator” under the Public Utilities Code; and

WHEREAS, SVCE and certain other community choice aggregators have created CCCFA as a joint exercise of powers authority under and pursuant to the Act and the Joint Powers Agreement; and

WHEREAS, CCCFA’s purpose is to assist its Members (as defined in the Joint Powers Agreement), including SVCE, by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations on behalf of one or more of the Members by, among other things, issuing or incurring Bonds (as such term is defined in the Joint Powers Agreement) and entering into related contracts with Members; and

WHEREAS, CCCFA and SVCE are entering into a Power Supply Contract pursuant to which CCCFA has agreed to supply Energy to SVCE under the terms set forth therein; and

WHEREAS, in order to provide such Energy to SVCE under the Power Supply Contract, CCCFA is entering into the Prepaid Agreement with Energy Prepay IX, LLC, a Delaware limited liability company (the “Energy Supplier”), under which it will make a prepayment to the Energy Supplier for the purchase and delivery of such Energy; and

WHEREAS, CCCFA will finance the prepayment under the Prepaid Agreement and related costs by issuing the Bonds pursuant to the Indenture; and

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Defined Terms. Capitalized terms used herein shall have the meanings set forth below:

“Act” means Chapter 5 of Division 7 of Title 1 of the California Government Code, being Section 6500 and following, as amended.

“Annual Refund” means the annual refund, if any, to be provided to SVCE pursuant to Section 3.2(c) of the Power Supply Contract.

“Assigned Delivery Point” has the meaning specified in the Assignment Agreement.

“Assigned Energy” has the meaning specified in the Assignment Agreement.

“Assigned Product” means Assigned Energy and associated renewable energy credits, green energy attributes and any other product included in the Assignment Agreement.

“Assignment Agreement” means the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

“Assignment Letter Agreement” has the meaning specified in the Power Supply Contract.

“Base Energy” means Energy to be delivered to an Energy Delivery Point.

“Bonds” means the bonds issued by CCCFA pursuant to the Indenture on or about the date of this Agreement in order to finance the prepayment required to be made to the Energy Supplier under the Prepaid Agreement and related costs of the Prepaid Energy Project, and any bonds issued to refund such bonds.

“CCCFa” means California Community Choice Financing Authority, a joint exercise of powers authority created under and pursuant to the Act and the Joint Powers Agreement.

“CCCFa Commodity Swap” means the ISDA Master Agreement, Schedule and transaction Confirmation entered into by CCCFA and the swap counterparty named therein, and any replacement swap entered into pursuant to the Prepaid Agreement.

“Contract Quantity” means the quantity of Base Energy or Assigned Energy, as applicable, specified in Exhibits A-1 and A-2 of the Power Supply Contract, as such Exhibits A-1 and A-2 may be updated from time to time in accordance with the terms of the Power Supply Contract.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt-hours.

“Energy Delivery Point” means the delivery point for delivery of SVCE’s Contract Quantity as specified in the Power Supply Contract, and shall include, if applicable, any Assigned Delivery Point and any alternate Delivery Point for SVCE.

“Energy Supplier” means Energy Prepay IX, LLC, a Delaware limited liability company.

“Indenture” means the Trust Indenture, dated as of [_____] 1. 2025, between CCCFA and the Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“Initial Assignment Agreement” with respect to SVCE, the initial assignment agreement or agreements specified in the Power Supply Contract.

“Joint Powers Agreement” means the Joint Powers Agreement by and among the Members of CCCFA named therein, including SVCE, providing for the creation, purposes and powers of CCCFA, as the same may be amended or supplemented from time to time in accordance with its terms.

“Power Supply Contract” means the Power Supply Contract, dated [_____] 2025, between CCCFA and SVCE relating to the purchase by SVCE of Energy acquired by CCCFA pursuant to the Prepaid Agreement, as amended, restated, supplemented or otherwise modified from time to time.

“Prepaid Agreement” means the Prepaid Energy Sales Agreement, dated [_____] 2025, between CCCFA, as buyer, and the Energy Supplier, as seller, as amended, restated, supplemented or otherwise modified from time to time.

“Prepaid Energy Project” means the issuance of the Bonds by CCCFA pursuant to the Indenture, the acquisition of Energy and related undertakings of CCCFA under the Prepaid Agreement and the Indenture, and the sale to SVCE of such Energy and related undertakings of CCCFA under the Power Supply Contract.

“Public Utilities Code” means the Public Utilities Code of the State of California, as amended.

“Qualifying Use Requirements” has the meaning set forth in Section 1.1 of the Power Supply Contract.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the date of issuance of the Bonds, by and between CCCFA and the Energy Supplier.

“Schedule”, “Scheduled” or “Scheduling” means the actions of a Party and/or its designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

“SVCE” means Silicon Valley Clean Energy Authority, a community choice aggregator as defined in Section 331.1 of the Public Utilities Code.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement executed and delivered by CCCFA in connection with the issuance of the Bonds relating to certain federal income tax compliance requirements relating to the Prepaid Energy Project.

“Transmission Provider(s)” means any entity or entities transmitting or transporting Energy on behalf of a Party to or from an Energy Delivery Point.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., and its successors as Trustee under the Indenture.

Section 2. Assignment Agreements. With respect to any Assignment Agreement, the Parties acknowledge and agree as follows:

(a) as of the date of this Agreement, SVCE has entered into the Initial Assignment Agreement specified in the Power Supply Contract with respect to its entire Contract Quantity;

(b) subject to the terms of the applicable Assignment Letter Agreement, SVCE may from time to time enter into additional Assignment Agreements with respect to all or a portion of its Contract Quantity; and

(c) SVCE shall determine, independent of CCCFA, when and if any Assignment Agreement is entered into or terminated and the underlying agreement and portion of its Contract Quantity to which such Assignment Agreement relates.

Section 3. Scheduling and Delivery of Assigned Energy. Assigned Energy and any other Assigned Product delivered to CCCFA under the Prepaid Agreement that is attributable to an Assignment Agreement(s) entered into by SVCE shall be attributable to SVCE under the Power Supply Contract, and CCCFA shall have no responsibility for (a) any Scheduling or other operational requirements necessary for the delivery of Assigned Energy to SVCE’s Assigned Delivery Point and the transfer of other Assigned Product to SVCE, or (b) any accounting for under-deliveries or over-deliveries or other record-keeping requirements with respect to any Assigned Energy and other Assigned Product, all of which shall be the sole responsibility of SVCE pursuant to the related Assignment Agreement(s).

Section 4. Qualified Use; Remarketing of Base Energy. As provided in the Power Supply Contract, any portion of SVCE’s Contract Quantity that is not delivered as Assigned Energy is required to be delivered as Base Energy and simultaneously remarketed by the Energy Supplier pursuant to the Prepaid Agreement. SVCE shall be responsible for accounting for any portion of SVCE’s Contract Quantity deemed delivered as Base Energy and subsequently remarketed, including accounting for any remediation of any such remarketing sales as may be required pursuant to the Qualifying Use Requirements. SVCE agrees to provide to CCCFA any information reasonably requested by it in order to comply with any reporting or record-keeping requirements related to such deemed deliveries and remarketing of Base Energy, including such information relating to compliance with the Qualifying Use Requirements, as may be required pursuant to the Prepaid Agreement, the Indenture or the Tax Certificate and Agreement.

Section 5. CCCFA Commodity Swap. CCCFA shall not take any action to terminate or designate the early termination of the CCCFA Commodity Swap except in accordance with written instructions of SVCE or unless otherwise required under the terms of the Prepaid Agreement or the Indenture.

Section 6. Directions, Consents and Waivers. CCCFA may be requested or required from time to time to provide certain directions, consents, or waivers under the terms of the Prepaid Agreement, the Indenture and the Re-pricing Agreement. Provided no event of default has occurred and is continuing with respect to SVCE under the Power Supply Contract, such

direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions provided by SVCE.

Section 7. Re-pricing Information. CCCFA shall provide, or cause the Energy Supplier to provide, to SVCE such information as is required to be provided by the Energy Supplier to CCCFA in accordance the Re-pricing Agreement at such times as are required under the Re-pricing Agreement.

Section 9. Project Administration Fee; Reimbursement and Refund of Operating Expenses.

(a) Under the Bond Indenture, Operating Expenses (as defined in the Indenture) relating to the Clean Energy Project are to be paid from amounts deposited monthly into the Administrative Fee Fund for each annual period ending on [] 1 of each year. CCCFA agrees that amounts allocated on behalf of SVCE annually into the Administrative Fee Fund equal to \$[] in the aggregate for each such annual period (the “*Project Administration Fee*”), shall be allocated to pay such Operating Expenses as the same become due and payable. In the event such allocated amounts available in the Operating Fund are not sufficient to pay such Operating Expenses when due, SVCE agrees to pay such additional amounts for deposit into the Administrative Fee Fund as are necessary to pay such Operating Expenses upon receipt of notice of the amount due from the Trustee or CCCFA.

(b) As soon as practicable following the end of each annual period referred to in paragraph (a), CCCFA agrees that the amounts received in respect of the Project Administration Fee for such annual period shall be reconciled with the Operating Expenses paid or accrued for such period. In the event that, following each such reconciliation, it is determined that the amounts received in respect of the Project Administration Fee during the applicable annual period exceed Operating Expenses paid or accrued for such period, SVCE will be provided written notice thereof and the amount of such excess will be included in its Annual Refund under the Power Supply Contract.

Section 10. Notices. Notices and other information to be provided by a Party to any other Party under this Agreement shall be provided in accordance with Article XVI of the Power Supply Contract.

Section 11. Governing Law. This Agreement and the obligations of the Parties hereunder shall be governed by and determined in accordance with the laws of the State of California.

Section 12. Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: Garth Salisbury
Title: Treasurer/Controller

SILICON VALLEY CLEAN ENERGY
AUTHORITY

By: _____
Name: _____
Title: _____

MEMORANDUM OF UNDERSTANDING (“MOU”)

Date: [July [REDACTED], 2025]

To: Amrit Singh
Chief Financial Officer/Director of Administrative Services
Silicon Valley Clean Energy Authority
[REDACTED]
[REDACTED]

Garth Salisbury
Treasurer – Controller
California Community Choice Financing Authority
[REDACTED]
[REDACTED]

From: Morgan Stanley & Co. LLC (“Morgan Stanley”)

Re: California Community Choice Financing Authority Energy Prepayment Financing on behalf of Silicon Valley Clean Energy Authority

Overview

The California Community Choice Financing Authority (“CCCFA” or the “Issuer”) seeks to procure a 30-year supply of energy, through the issuance of Clean Energy Project Revenue Bonds (the “Bonds”) to be issued by CCCFA. The CCCFA will sell all the Prepaid Energy acquired from this transaction to Silicon Valley Clean Energy Authority (“SVCE”), the “Project Participant.”

Rating Agency Fee and SPO Fee

The rating agency fee and expenses (“Rating Agency Fee”) is paid from the proceeds of the Bonds. However, unlike most of the other fees associated with the issuance of the Bonds, payment of the Rating Agency Fee is not contingent upon the issuance of the Bonds.

In the event the Bonds are not issued due to market conditions, and there remains a Rating Agency Fee payable to Moody’s Investors Service or S&P Global Ratings (the “Rating Agency”), Morgan Stanley and CCCFA agree to split this Rating Agency Fee on an equal basis. If the Bonds are not issued due to the CCCFA or the Project Participant’s unwillingness or inability to proceed, other than due to an inability to achieve a minimum established target discount, the Rating Agency Fee will be their sole responsibility. To the extent CCCFA incurs any Rating Agency Fee if the bonds are not issued, the Project Participant agrees that it will be liable for such Rating Agency Fee and make direct payment to the Rating Agency therefor.

The Project Participant has or plans to engage Kestrel to provide a green bond second party opinion (the “SPO”). In the event the SPO is obtained and the Bonds are not issued (unless the Bonds are not issued due to the CCCFA or the Project Participant’s unwillingness or inability to proceed, other than due to an inability to achieve a minimum established target discount), the fee payable to Kestrel (the “SPO Fee”) shall be the responsibility of Morgan Stanley, and in such

event, to the extent the SPO Fee was already paid by the Project Participant or by CCCFA, Morgan Stanley agrees to reimburse the Project Participant or CCCFA, as appropriate. To the extent CCCFA incurs any SPO Fee if the bonds are not issued as a result of the Project Participant's unwillingness or inability to proceed, other than due to an inability to achieve a minimum established target discount, the Project Participant agrees that it will be liable for such SPO Fee and make direct payment to Kestrel therefor, or to CCCFA if the SPO Fee was already paid by CCCFA.

Morgan Stanley shall have no responsibility for any fees or expenses incurred by CCCFA or the Project Participant, or their agents, employees, advisors or counsel, in connection with the issuance of the Bonds and the purchase of the Prepaid Energy, other than the Rating Agency Fee and SPO Fee as described in this MOU and as further described in the Bond Purchase Agreement (as defined herein).

Miscellaneous

CCCFA and Project Participant each acknowledge and agree that: (i) the transaction contemplated by this MOU is, in each case, an arm's length, commercial transaction between the CCCFA and Morgan Stanley (in its role as "Underwriter" and/or the "Energy Supplier", as applicable) in which the Underwriter and the Energy Supplier are each acting solely as a principal and not acting as a municipal advisor, financial advisor or fiduciary to CCCFA or the Project Participant; and (ii) CCCFA and the Project Participant will consult their own legal, accounting, tax, financial and other advisors, as applicable, to the extent each has deemed appropriate.

CCCFA acknowledges and agrees that Morgan Stanley is not making a commitment to extend credit, make a loan or otherwise fund the Bonds beyond the obligations contained in a mutually satisfactory bond purchase agreement (the "Bond Purchase Agreement"). CCCFA acknowledges that the services provided under this MOU involve professional judgment on Morgan Stanley's part and that the results cannot be, and are not, guaranteed.

Nothing contained herein shall preclude the Underwriter from carrying on its customary and usual business activities. The Underwriter specifically reserves the right, but is not obligated, to bid for and maintain secondary markets on any of CCCFA's outstanding bonds subject to appropriate information barriers. Services provided by the Underwriter in connection with this MOU shall not limit the Underwriter from providing services for CCCFA or the Project Participant in conjunction with other services requested by CCCFA or the Project Participant except as limited by rule of law or regulation.

In connection with the services agreed to herein, it is understood that the Underwriter will render professional services as an independent contractor. Neither the Underwriter nor any of its agents or employees shall be deemed an employee of CCCFA or the Project Participant for any purpose.

Except as described in this paragraph, this MOU is intended to be, and shall be construed only as, a non-binding MOU, intent on summarizing and evidencing discussions between CCCFA, the Project Participant, and Morgan Stanley, as of the date hereof. Except as described below, any legally binding obligation of the parties with respect to the transaction described herein shall exist only upon the execution and delivery of definitive agreements related thereto, into which this MOU

Memorandum of Understanding
[July], 2025
Page 3

and all prior discussions shall merge. It is expressly understood that this MOU is not a contract to execute any definitive agreements or to otherwise consummate the transactions described herein. The parties will cooperate in negotiating definitive agreements providing for the transactions contemplated by this MOU, but each party reserves the right of final approval or disapproval, for any reason, of the documentation relating to such agreements. Notwithstanding the foregoing, the provisions above under the headings "Rating Agency Fee and SPO Fee" shall be binding upon the parties.

Sincerely,

Grant Fraunfelder, Executive Director
MORGAN STANLEY & CO. LLC

ACCEPTED AND AGREED:

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name: Amrit Singh
Title: Chief Financial Officer/Director of Administrative Services
Date: [July], 2025

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: Garth Salisbury
Title: Treasurer – Controller
Date: [July], 2025

TRUST INDENTURE

Between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee

\$[]
Clean Energy Project Revenue Bonds
Series 2025[] (Green Bonds) ([Term Rate])

Dated as of September 1, 2025

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Schedule I — Initial Project Participant
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Schedule III — Terms of Commodity Swaps
Schedule IV — Amortized Value of Series 2025[] Bonds

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of September 1, 2025 (this “*Indenture*”), is by and between California Community Choice Financing Authority, a joint powers authority and public entity of the State of California (the “*Issuer*”) and The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States and authorized to accept and execute trusts of the character herein, as trustee (the “*Trustee*”).

WITNESSETH:

WHEREAS, pursuant to the provisions of the Act (capitalized terms used herein and not otherwise defined shall have the meanings given such terms in Section 1.01 hereof), Central Coast Community Energy, East Bay Community Energy Authority, Marin Clean Energy, and Silicon Valley Clean Energy Authority entered into a joint powers agreement pursuant to which the Issuer was organized and established for the purpose, among other things, of entering into contracts for electricity and energy services and agreements for services to facilitate the sale and purchase of electricity and other related services, and for issuing bonds to assist the Members (as defined herein) in financing such contracts, agreements, purchases, sales and services; and

WHEREAS, the Issuer is authorized under the Act to acquire electricity and energy services and enter into agreements for services to facilitate the sale and purchase of electricity and other related services, and to issue revenue bonds to finance the cost of acquisition of such electricity and energy services and other agreements, and is vested with all powers necessary to accomplish the purposes for which it was created; and

WHEREAS, the Issuer has determined to finance the Cost of Acquisition of the Clean Energy Project through the issuance of Bonds pursuant to this Indenture; and

WHEREAS, the execution and delivery of this Indenture has been in all respects duly and validly authorized and approved by resolution of the Board of the Issuer; and

WHEREAS, the Trustee is willing to accept the trusts provided for in this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, and the Issuer and the Trustee agree as follows for the benefit of the other, for the benefit of the Holders of the Bonds issued pursuant hereto and the other parties secured hereby:

GRANTING CLAUSES

FOR AND IN CONSIDERATION OF the premises, the mutual covenants of the Issuer and the Trustee herein, the purchase of the Bonds by the Holders thereof and the obligations of the Interest Rate Swap Counterparty under the Interest Rate Swap, if any, and in order to secure:

- (i) the payment of the principal of and premium, if any, and interest on the Bonds and the payment of the Interest Rate Swap Payments, in each case according to the tenor and effect of the Bonds and the Interest Rate Swap, and

(ii) the performance and observance by the Issuer of all the covenants expressed or implied in this Indenture and in the Bonds,

the Issuer does hereby grant to the Trustee a lien on and security interest in the Trust Estate and convey, assign and pledge unto the Trustee and its successors in trust, all right, title and interest of the Issuer in and to the Trust Estate, subject to conveyance, assignment and pledge of the Commodity Swap Payment Fund in favor of the Commodity Swap Counterparties as set forth below, and further subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, and all other rights hereinafter granted for the further securing of the Bonds;

FOR AND IN CONSIDERATION OF the obligations of the Commodity Swap Counterparties under the Commodity Swaps and the mutual covenants of the Issuer and the Commodity Swap Counterparties thereunder, and in order to secure the payment of the Commodity Swap Payments, the Issuer does hereby convey, assign and pledge unto the Trustee and its successors in trust, all right, title and interest of the Issuer in the Commodity Swap Payment Fund and the amounts on deposit therein, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, which conveyance, assignment and pledge shall have priority over the foregoing conveyance, assignment and pledge of the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Bonds and the Interest Rate Swap Payments, if any;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of (i) all Holders of the Bonds without privilege, priority or distinction as to the lien or otherwise of any Bond over any other Bond or the payment of interest with respect to any Bond over the payment of interest with respect to any other Bond, except as otherwise provided herein, and (ii) the Interest Rate Swap Counterparty, if any; and

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price, if any, on the Bonds and the interest due or to become due thereon, the Commodity Swap Payments and the Interest Rate Swap Payments, if any, at the times and in the manner provided in the Bonds, the Commodity Swaps and any Interest Rate Swap, respectively, according to the true intent and meaning thereof, and shall cause the payments to be made into the Funds as required hereunder, or shall provide, as permitted hereby, for the payment thereof as provided in Section 12.01, and shall well and truly keep and perform and observe all the covenants and conditions of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments or provisions for such payments by the Issuer, the Bonds, the Commodity Swaps and any Interest Rate Swap shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Issuer to the Holders of the Bonds shall thereupon cease, terminate and be discharged and satisfied; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who from time to time shall be or become the Holders thereof, and the trusts and conditions upon which the Revenues, moneys, securities and funds held or set aside under this Indenture, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, are to be held and disposed of, which said trusts and conditions the Trustee hereby accepts, and the respective parties hereto covenant and agree, are as follows:

ARTICLE I

DEFINITIONS AND GOVERNING LAW

Section 1.01. Definitions. The following terms shall, for all purposes of this Indenture, have the following meanings:

“*Account*” or “*Accounts*” means, as the case may be, each or all of the Accounts established in Sections 4.15 and 5.02.

“*Accountant’s Certificate*” means a certificate signed by an independent certified public accountant or a firm of independent certified public accountants, selected by the Issuer, who may be the accountant or firm of accountants who regularly audit the books of the Issuer and must be identified upon selection in writing to the Trustee.

“*Act*” means the Joint Exercise of Powers Act constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended or supplemented from time to time.

“*Administrative Fee Fund*” means the Administrative Fee Fund established in Section 5.02.

“*Advance*” means the amounts paid to the Trustee, on behalf of the Issuer, pursuant to the Custodial Agreements.

“*Alternate Liquidity Facility*” means a Liquidity Facility for a Series of Bonds delivered to the Trustee in substitution for a Liquidity Facility then in effect with respect to such Bonds.

“*Amortized Value*” means, with respect to any Bond to be redeemed when a Term Rate Period is in effect with respect to such Bond, the principal amount of such Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by the Issuer, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date of such Bond and a yield equal to such Bond’s original reoffering yield on the date such Bond began to bear interest at its current Term Rate. The Amortized Value of the Bonds as of certain dates during the Initial Interest Rate Period is set forth in Schedule IV.

“Applicable Factor” means (a) with respect to the initial issuance of a Series of Bonds bearing interest at a SOFR Index Rate, the percentage or factor of the SOFR Index determined by the Underwriter and specified in the Index Rate Determination Certificate for such Series of Bonds, or (b) with respect to a Series of Bonds for which the Interest Rate Period is being converted to a SOFR Index Rate Period (including a change in such Interest Rate Period from one SOFR Index Rate Period to another SOFR Index Rate Period), the percentage or factor of the SOFR Index determined by the Remarketing Agent and specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice, provided in each case that the Issuer delivers to the Trustee a Favorable Opinion of Bond Counsel addressing the selection of such percentage or factor. The Applicable Factor shall be determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with Section 2.09(a) and included in the applicable Index Rate Determination Certificate, and once determined shall remain constant for the duration of the applicable SOFR Index Rate Period.

“Applicable Spread” means, with respect to a Series of Bonds for which the Interest Rate Period is an Index Rate Period, or for any Series of Bonds for which the Interest Rate Period is converted to an Index Rate Period, the margin or spread, which may be positive or negative, determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with Section 2.09(a), on or prior to the Issue Date or Conversion Date for such Bonds, as applicable, and specified in the applicable Supplemental Indenture or Index Rate Determination Certificate or Index Rate Continuation Notice, as applicable, which shall be added to the applicable Index (or the product of the Applicable Factor and the applicable Index, as the case may be) to determine the Index Rate. Once so determined, the Applicable Spread shall remain constant for the duration of the applicable Index Rate Period. The Applicable Spread shall be determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with Section 2.09(a) and included in the applicable Index Rate Determination Certificate.

“Applicable Tax Exempt Municipal Bond Rate” means, for the Bonds of any maturity, the “Comparable AAA General Obligations” yield curve rate for the year of such maturity or Mandatory Purchase Date, as applicable, as published by Refinitiv Global Markets, Inc. at least one Business Day and not more than 15 Business Days prior to the date that notice of redemption is required to be given pursuant to Section 4.04. If no such yield curve rate is established for the applicable year, the “Comparable AAA General Obligations” yield curve rate for the two published maturities most closely corresponding to the applicable year shall be determined, and the Applicable Tax Exempt Municipal Bond Rate will be interpolated or extrapolated from those yield curve rates on a straight line basis. This rate is made available daily by Refinitiv Global Markets and is available to its subscribers through its internet address: www.tm3.com. In calculating the Applicable Tax Exempt Municipal Bond Rate, should Refinitiv Global Markets, Inc. no longer publish the “Comparable AAA General Obligations” yield curve rate, then the Applicable Tax Exempt Municipal Bond Rate shall equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Analytics and is available to its subscribers through its internet address: www.mma-research.com. In the further event Municipal Market Analytics, Inc. no longer publishes the Consensus Scale, the Applicable Tax Exempt Municipal Bond Rate shall be determined by a major market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the annual yield to maturity, calculated using semi-annual compounding, of those tax exempt general obligation bonds rated in the highest Rating Category by Moody’s and S&P with a maturity

date equal to the stated maturity date or Mandatory Purchase Date, as applicable, of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the quotation agent. The quotation agent's determination of the Applicable Tax Exempt Municipal Bond Rate shall be final and binding on all parties in the absence of manifest error and may be conclusively relied upon in good faith by the Trustee.

"Assignment Payment" means any payment received from the Energy Supplier, or the Master Custodian on its behalf, in connection with an assignment of the Energy Management Agreement to a replacement Seller, as such term is defined in the Energy Management Agreement. All references herein to payments made by or received from the Energy Supplier shall be deemed to include payments made by or received from the Master Custodian for and on behalf of the Energy Supplier.

"Assignment Payment Fund" means the Assignment Payment Fund established in Section 5.02.

"Attesting Party" means an individual authorized by a resolution of the Board to attest the signatures of Authorized Officers.

"Authorized Denominations" means with respect to any (a) Term Rate Period or Index Rate Period, \$5,000 and any integral multiple thereof, and (b) Commercial Paper Interest Rate Period, Daily Interest Rate Period or Weekly Interest Rate Period, \$100,000 and any integral multiple of \$1,000 in excess of \$100,000.

"Authorized Newspaper" means *The Wall Street Journal* or *The Bond Buyer* or any other newspaper or journal printed in the English language and customarily published on each Business Day devoted to financial news and selected by the Issuer, with prior written notice to and approval of the Trustee, whose decision shall be final.

"Authorized Officer" means (a) the Treasurer/Controller of the Issuer, and (b) any other person or persons designated by the Board by resolution to act on behalf of the Issuer under this Indenture. The designation of such person or persons shall be evidenced by a Written Certificate of the Issuer delivered to a Responsible Officer of the Trustee containing the specimen signature of such person or persons and signed on behalf of the Issuer by its Treasurer/Controller, which incumbency certificate shall be amended by the Issuer, with notice to a Responsible Officer of the Trustee and the Custodian, whenever a person is to be added or deleted from the listing. Such designation as an Authorized Officer shall remain in effect until a Responsible Officer of the Trustee receives actual written notice from the Issuer to the contrary, accompanied by a new certificate.

"Beneficial Owner" means, with respect to Bonds registered in the Book Entry System, any Person who acquires a beneficial ownership interest in a Bond held by the Securities Depository, and the term *"Beneficial Ownership"* shall be interpreted accordingly.

"BLS" means the Bureau of Labor Statistics of the U.S. Department of Labor.

"Board" means the Board of Directors of the Issuer, or if said Board is abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the power

and duties granted or imposed by this Indenture are given by law, and which shall be identified in a Written Notice of the Issuer delivered to the Trustee.

“*Bond*” or “*Bonds*” means any of the Bonds and Refunding Bonds authorized by Section 2.01 of, and at any time Outstanding pursuant to, this Indenture.

“*Bond Counsel*” means Ballard Spahr LLP or any other counsel of nationally recognized standing in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions and instrumentalities, duly admitted to the practice of law before the highest court of any state of the United States, and selected by the Issuer.

“*Bond Payment Date*” means each date on which (a) interest on the Bonds is due and payable, (b) an Interest Rate Swap Payment, if any, is due, or (c) principal of the Bonds is payable at maturity or pursuant to Sinking Fund Installments.

“*Bond Purchase Fund*” means the fund by that name established pursuant to Section 4.15(a), including the Remarketing Proceeds Account and the Issuer Purchase Account therein.

“*Bond Registrar*” means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by the Issuer to perform the duties of Bond Registrar under this Indenture.

“*Bondholder*” or “*Holder of Bonds*” or “*Holder*” or “*Owner*” means any Person who shall be the registered owner of any Bond or Bonds.

“*Book Entry System*” means the system maintained by the Securities Depository and described in Section 3.09.

“*Business Day*” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, or the city in which is located the designated corporate trust office of the Trustee, the Custodian, or the Calculation Agent are authorized by law or executive order to close, (c) a day on which the New York Stock Exchange, Inc. is closed, (d) a day on which the payment system of the Federal Reserve System is not operational, and (e) for purposes of determining the SIFMA Index Rate and the SOFR Index Rate, any day other than Saturday, a Sunday, or a day that SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading fixed-income securities. With respect to any action required to be taken by the Issuer hereunder, the term “*Business Day*” shall exclude any date on which the operational offices of the Issuer are authorized by law or executive order to close.

“*Calculation Agent*” means, with respect to any Series of Bonds bearing interest at an Index Rate, the Calculation Agent with respect to such Bonds appointed by the Issuer, with written notice to the Trustee, pursuant to the applicable Calculation Agent Agreement and the Indenture.

“*Calculation Agent Agreement*” means, with respect to any Series of Bonds bearing interest at an Index Rate, such agreement as is entered into by the applicable Calculation Agent and the Issuer with respect to such Series of Bonds providing for the determination of the applicable Index

Rate in accordance with Section 2.09 or Section 2.14, as originally executed or as it may from time to time be supplemented or modified pursuant to the terms thereof and this Indenture, as applicable.

“*Cede*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 3.09.

“*Clean Energy Project*” means the Issuer’s purchase of Energy pursuant to the Energy Purchase Agreement and related contractual arrangements and agreements, and the purchase of any Energy to replace Energy not delivered as required pursuant to the Energy Purchase Agreement.

“*Commercial Paper Interest Rate Period*” means, with respect to a Series of Bonds, each period comprised of CP Interest Terms for the Bonds of such Series, during which CP Interest Term Rates are in effect for the Bonds of such Series.

“*Commodity Swap*” means, individually, and “*Commodity Swaps*” means, collectively, (i) ISDA Master Agreement, Schedule and Confirmation between the Issuer and [Commodity Swap Counterparty #1], (ii) ISDA Master Agreement, Schedule and Confirmation between the Issuer and [Commodity Swap Counterparty #2], and (iii) any replacement agreement permitted by Section 2.12(b), each pursuant to which the Issuer will pay to the respective Commodity Swap Counterparty an index based floating price and such Commodity Swap Counterparty will pay to the Issuer a fixed price in relation to the quantities of Energy to be delivered under the Energy Purchase Agreement.

“*Commodity Swap Counterparty*” means, individually, and “*Commodity Swap Counterparties*” means, collectively, (i) [], and its successors and assigns (“[*Commodity Swap Counterparty #1*]”), (ii) [], and its successors and assigns (“[*Commodity Swap Counterparty #2*]”), and (iii) the counterparty to any replacement Commodity Swap that meets the requirements of Section 2.12(b).

“*Commodity Swap Mandatory Termination Event*” has the meaning set forth in Section 2.12(c)(iii).

“*Commodity Swap Payment Fund*” means the Commodity Swap Payment Fund established in Section 5.02.

“*Commodity Swap Payments*” means, as of each scheduled payment date specified in a Commodity Swap, the amount, if any, payable to the Commodity Swap Counterparty thereto by the Issuer (including any such amount paid to the Custodian pursuant to Section 3 of each Issuer Custodial Agreement).

“*Commodity Swap Receipts*” means, as of each scheduled payment date specified in a Commodity Swap, the amount, if any, payable to the Issuer by the Commodity Swap Counterparty thereto.

“*Continuing Disclosure Undertaking*” means the Continuing Disclosure Undertaking, dated the date hereof, between the Issuer and the Dissemination Agent, as the same may be amended from time to time.

“*Contract Price*” has the meaning assigned to such term in the Power Supply Contracts.

“*Conversion*” means (a) a conversion of a Series of Bonds from one Interest Rate Period to another Interest Rate Period, (b) with respect to a Series of Bonds bearing interest at an Index Rate, the establishment of a new Index, a new Index Rate and/or a new Index Rate Period and (c) with respect to a Series of Bonds bearing interest in a Term Rate Period, the establishment of a new Term Rate and/or a new Term Rate Period. A Conversion may occur only on a Mandatory Purchase Date.

“*Conversion Date*” means the effective date of a Conversion of a Series of Bonds and shall occur only on a Mandatory Purchase Date.

“*Cost of Acquisition*” means all costs of planning, financing, refinancing, acquiring, transmitting, storing and implementing Clean Energy Project, including:

(a) the amount of the prepayment required to be made by the Issuer under the Energy Purchase Agreement;

(b) the amount for deposit into the Capitalized Interest Subaccount of the Debt Service Account for capitalized interest on the Bonds, with such interest being calculated in accordance with the definition of “Debt Service;”

(c) the costs and expenses incurred in the issuance and sale of the Bonds, including, without limitation, legal, financial advisory, accounting, engineering, consulting, municipal advisory, financing, technical, fiscal agent and underwriting costs, fees and expenses, bond discount, rating agency fees, and all other costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds and preparation of this Indenture;

(d) all other costs incurred in connection with and properly chargeable to, the acquisition or implementation of the Clean Energy Project;

(e) the allowance for working capital requirements of the Issuer with respect to the Clean Energy Project in such amounts as shall be deemed reasonably necessary by the Issuer; and

(f) with respect to any Series of Refunding Bonds, the amounts necessary to purchase, redeem and discharge Bonds being refunded, including the payment of the Purchase Price or the Redemption Price of such Bonds, any necessary deposits to the Debt Service Account, and all other costs and expenses incurred in connection with such Series of Refunding Bonds, including the costs and expenses described in (e) and (f) above.

“*CP Interest Term*” means, with respect to a Commercial Paper Interest Rate Period for a Series of Bonds, each period established in accordance with Section 2.08 during which a CP Interest Term Rate is in effect for the Bonds of such Series.

“*CP Interest Term Rate*” means, with respect to any Bond of a Series of Bonds in the Commercial Paper Interest Rate Period, an interest rate established periodically for each CP Interest Term in accordance with Section 2.08.

“*CP Mandatory Purchase Date*” means (i) each Mandatory Purchase Date and (ii) the day next succeeding the last day of each CP Interest Term.

“*CPI*” means, the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers (“*CPI*”), published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor (“*BLS*”) and reported on Bloomberg CPURNSA or any successor service (“*Bloomberg CPURNSA*”). If such index is not then reported by such source but the CPI has otherwise been reported by the BLS, the Calculation Agent will determine the CPI as published by the BLS for such Month using a source it deems to be accurate and appropriate.

“*CPI Index Rate Formula*” means (i) the total of CPI for the applicable Reference Month less CPI for the twelfth month prior to the applicable Reference Month, divided by (ii) CPI for the twelfth month prior to the applicable Reference Month, which formula would be expressed mathematically as $((CPI_t - CPI_{t-12}) / CPI_{t-12})$, where:

CPI_t = CPI for the applicable Reference Month; and

CPI_{t-12} = CPI for the twelfth month prior to the applicable Reference Month.

All values used in the CPI Index Rate Formula will be truncated to six decimal places and rounded to the nearest fifth decimal place (one hundred thousandth of a percentage point), rounding upwards if the sixth decimal place is five or greater (e.g., 9.876555% (or .09876555) would be rounded up to 9.87656% (or .0987656) and 9.876554% (or .09876554) would be rounded down to 9.87655% (or .0987655)). All percentages resulting from any calculation of the interest rate will be truncated to four decimal places and rounded to the nearest third decimal place (one thousandth of a percentage point), rounding upwards if the fourth decimal place is five or greater (e.g., 9.8765% (or .098765) would be rounded up to 9.877% (or .09877) and 9.8764% (or .098764) would be rounded down to 9.876% (or .09876)). All dollar amounts used in or resulting from such calculation on Bonds bearing interest at the CPI Index Rate will be rounded to the nearest cent (with one-half cent being rounded upward).

If the sum of (i) the CPI Index Rate Formula and (ii) the Applicable Spread on any CPI Index Rate Reset Date yields a number equal to or less than zero, the interest rate on such CPI Index Rate Bonds shall be 0.00% (zero percent) for the applicable month.

“*CPI Index Rate*” means the interest rate per annum determined by the Calculation Agent equal to the sum of (a) the result of the CPI Interest Rate Formula, plus (b) the Applicable Spread, as set forth in Section 2.14.

“*CPI Index Rate Period*” means, with respect to a Series of Bonds, each period during which a CPI Index Rate is in effect for such Bonds.

“*CPI Index Rate Reset Date*” means, the first Business Day of each calendar month.

“*CPI Interest Period*” means the period from and including a CPI Index Rate Reset Date, to but excluding the next following CPI Index Rate Reset Date.

“*Custodial Agreements*” means, collectively, the Energy Supplier Custodial Agreements and the Issuer Custodial Agreements.

“*Custodian*” means The Bank of New York Mellon Trust Company, N.A., as Custodian under the Custodial Agreements and its successors and assigns.

“*Daily Interest Rate*” means, with respect to a Series of Bonds, the final daily interest rate for such Bonds determined by the Remarketing Agent by 11:00 a.m. New York City time pursuant to Section 2.05.

“*Daily Interest Rate Period*” means, with respect to a Series of Bonds, each period during which a Daily Interest Rate is in effect for such Bonds.

“*Debt Service*” means with respect to any Outstanding Bonds, for any particular period of time, an amount equal to the sum of:

(a) all interest payable during such period on such Bonds, but excluding any interest that is to be paid from Bond proceeds on deposit in the Debt Service Account, plus

(b) the Principal Installments payable during such period on such Bonds, calculated on the assumption that, on the day of calculation, such Bonds cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by this Indenture;

provided that (i) the interest on any Bonds with a related Interest Rate Swap shall be calculated on the basis of the fixed interest rate payable by the Issuer under the Interest Rate Swap, and (ii) principal and interest due on the first day of a Fiscal Year shall be deemed to have been payable and paid on the last day of the immediately preceding Fiscal Year.

“*Debt Service Account*” means the Debt Service Account in the Debt Service Fund established in Section 5.02.

“*Debt Service Fund*” means the Debt Service Fund established in Section 5.02.

“*Debt Service Fund Agreement*” means any debt service fund agreement, that is a Qualified Investment, among the Trustee, the Issuer and a provider, or between the Issuer and a provider and assigned to the Trustee, relating to amounts deposited in the Debt Service Account of the Debt Service Fund. The initial Debt Service Fund Agreement shall be the Debt Service Account Investment Agreement between the Issuer and [Morgan Stanley Capital Group Inc.], dated the Initial Issue Date.

“*Debt Service Fund Agreement Guaranty*” means any unconditional guaranty, in favor of the Issuer and the Trustee, guarantying the obligations of the provider under any Debt Service Fund Agreement.

“*Defaulted Interest*” has the meaning given to such term in Section 3.08.

“*Defeasance Securities*” means (a) Government Obligations and (b) to the extent that such deposits or certificates of deposit are Qualified Investments, deposits in interest-bearing time deposits or certificates of deposit which shall not be subject to redemption or repayment prior to their maturity or due date other than at the option of the depositor or holder thereof or as to which an irrevocable notice of redemption or repayment, or irrevocable instructions have been given to call for redemption or repayment, of such time deposits or certificates of deposit on a specified redemption or repayment date has been given and such time deposits or certificates of deposit are not otherwise subject to redemption or repayment prior to such specified date other than at the option of the depositor or holder thereof, and which are fully secured by Government Obligations to the extent not insured by the Federal Deposit Insurance Corporation.

“*Depository*” means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Issuer as a depository of moneys and securities held under the provisions of this Indenture, and may include the Trustee.

“*Dissemination Agent*” means that certain dissemination agent appointed by the Issuer, pursuant to the Continuing Disclosure Undertaking, and any successor Dissemination Agent appointed by the Issuer in accordance with the Continuing Disclosure Undertaking.

“*DTC*” means The Depository Trust Company, New York, New York, and its successors and assigns.

“*Early Termination Payment Date*” has the meaning given to such term in Section 17.4(d) of the Energy Purchase Agreement.

“*Electronic Means*” means the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by a Responsible Officer of the Trustee as available for use in connection with its services hereunder.

“*Eligible Bonds*” means any Bonds other than Bonds which a Responsible Officer of the Trustee actually knows to be owned by, for the account of, or on behalf of the Issuer or a Project Participant.

“*EMMA*” means the Electronic Municipal Market Access system, the website currently maintained by the Municipal Securities Rulemaking Board and any successor municipal securities disclosure website approved by the Securities and Exchange Commission.

“*Energy*” has the meaning given to such term in the Power Supply Contracts.

“*Energy Management Agreement*” means the Energy Management Agreement, dated as of [], 2025, between the Energy Supplier and Morgan Stanley Capital Group Inc. [**Confirm**]

“*Energy Purchase Agreement*” means the Prepaid Energy Sales Agreement, dated as of [], 2025, between the Issuer and the Energy Supplier.

“*Energy Remarketing Reserve Fund*” means the Energy Remarketing Reserve Fund in established in Section 5.02.

“*Energy Supplier*” means Energy Prepay [], LLC.

“*Energy Supplier Custodial Agreement*” means, individually, and “*Energy Supplier Custodial Agreements*” means, collectively, each Custodial Agreement dated as of the Initial Issue Date among each Commodity Swap Counterparty, the Energy Supplier, the Trustee and the Custodian.

“*Energy Supplier Documents*” means (i) the Energy Purchase Agreement, (ii) the Energy Management Agreement, (iii) the Funding Agreement, (iv) the Master Custodial Agreement, (v) the Energy Supplier LLCA, and (vi) the Seller Swap (as defined in the Energy Purchase Agreement).

“*Energy Supplier LLCA*” means the Amended and Restated Limited Liability Company Agreement of the Energy Supplier, dated as of [], 2025.

“*Event of Default*” has the meaning given to such term in Section 8.01.

“*Extraordinary Expenses*” means extraordinary and nonrecurring expenses. Termination payments under a Commodity Swap shall not be considered an Extraordinary Expense.

“*Failed Remarketing*” means, (a) with respect to the Bonds on any Mandatory Purchase Date, a failure to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem such Bonds in whole on such date (including from any funds required from an Assignment Payment to the Assignment Payment Fund) or (b) with respect to the Bonds (i) if, on the last day of the current Reset Period prior to a Mandatory Purchase Date, the Issuer has not entered into a bond purchase agreement, firm remarketing agreement or similar agreement with respect to the remarketing or refunding of such existing Bonds, or (ii) if the conditions of (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date.

“*Favorable Opinion of Bond Counsel*” means an Opinion of Bond Counsel to the effect that an action proposed to be taken is not prohibited by this Indenture and will not, in and of itself, cause interest on the applicable Bonds to be included in gross income for purposes of federal income taxation.

“*Fiduciary*” or “*Fiduciaries*” means the Trustee, the Paying Agents, the Bond Registrar, the Calculation Agents, the Custodian, the tender agent or any or all of them, as may be appropriate.

“*Final Fixed Rate Conversion Date*” means, with respect to a Series of Bonds, the date on which such Bonds begin to bear interest for a Term Rate Period which extends to the Final Maturity Date for such Series of Bonds.

“*Final Maturity Date*” means (a) with respect to the Series 2025[] Bonds, [] 1, 20[] and (b) with respect to any other Series of Bonds, the final Maturity Date set forth in the related Supplemental Indenture.

“*Fiscal Year*” means (a) the twelve-month period beginning on January 1 of each year and ending on and including the next December 31, or (b) such other twelve-month period established by the Issuer from time to time, upon Written Notice to the Trustee, as its fiscal year.

“*Fitch*” means Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, “*Fitch*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer in a Written Notice delivered to the Trustee.

“*Fund*” or “*Funds*” means, as the case may be, each or all of the Funds established in Section 5.02 and Section 4.15.

“*Funding Agreement*” has the meaning given to such term in the Energy Purchase Agreement.

“*Funding Recipient*” has the meaning given to such term in the Energy Purchase Agreement.

“*General Reserve Fund*” means the General Reserve Fund established in Section 5.02.

“*Government Obligations*” means:

(a) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, obligations unconditionally guaranteed as to principal and interest by the United States of America, and evidences of ownership interests in such direct or unconditionally guaranteed obligations; or

(b) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which: (i) are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice; (ii) are rated in the two highest Rating Categories of S&P and Moody’s; and (iii) are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in clause (a) above, which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable notice, as appropriate; or

(c) Any other bonds, notes or obligations of the United States of America or any agency or instrumentality thereof which, if deposited with the Trustee for the purpose described in Section 12.01(c), will result in a rating on the Bonds which are deemed to

have been paid pursuant to Section 12.01(c) that is in the same Rating Category of the obligations listed in subsection (a) above.

The determination as to whether any bond, note or other obligation constitutes a Government Obligation shall be made solely at the time of initial investment or purchase; *provided that*, the Trustee shall have no responsibility for monitoring any ratings or determining whether any bond, note or other obligation is or continues to be a Government Obligation.

“*Increased Interest Rate*” means (a) during the Initial Interest Rate Period, [8]% per annum, and (b) during any subsequent Interest Rate Period, the rate (if any) set forth in a Supplemental Indenture or Written Direction of the Issuer with respect to such Interest Rate Period; provided that the Increased Interest Rate shall be payable for the Increased Interest Rate Period only to the extent Issuer receives Ledger Event Payments.

“*Increased Interest Rate Period*” means the period from and including the date on which a Ledger Event occurs to but not including the earliest of: (a) the date on which an Early Termination Payment Date occurs and (b) the Initial Mandatory Purchase Date or any prior redemption date, and (c) the Interest Payment Date immediately succeeding the last date on which the Energy Supplier paid a Ledger Event Payment.

“*Indenture*” means this Trust Indenture as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms hereof.

“*Index*” means the SIFMA Index, the SOFR Index or CPI, as applicable.

“*Index Rate*” means a SIFMA Index Rate, the SOFR Index Rate or a CPI Index Rate, as applicable.

“*Index Rate Continuation Notice*” means a Written Notice delivered by the Issuer in the form of *Exhibit D* hereto pursuant to Section 2.09(c) or Section 2.14(c)(i).

“*Index Rate Determination Certificate*” means a Written Certificate delivered by the Issuer in the form of *Exhibit B* hereto pursuant to Section 2.09(b)(i) or Section 2.14(b)(i).

“*Index Rate Period*” means, with respect to a Series of Bonds, an Interest Rate Period during which the Bonds of such Series bear interest at an Index Rate.

“*Index Rate Reset Date*” means, with respect to a Series of Bonds bearing interest at an Index Rate, each date on which the applicable Index Rate is determined by the Calculation Agent based on the change in the applicable Index as of such date, which shall be the date or dates so specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice with respect to such Index Rate Period (including, by way of example and not limitation, each Business Day, Thursday of each week, the first Business Day of each calendar month, the first Business Day of a calendar quarter or SOFR Effective Date).

“*Index Rate Tender Date*” means, with respect to any Index Rate Period for a Series of Bonds, the date so specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice with respect to such Index Rate, which date shall be the next-occurring

Mandatory Purchase Date, which shall be a date not later than the Final Maturity Date. The Index Rate Tender Date shall always be a Business Day, unless such date is the Final Maturity Date. If a date (other than the Final Maturity Date) that is not a Business Day is specified as an Index Rate Tender Date, then the Index Rate Tender Date shall be the Business Day immediately following such specified date.

“*Initial Interest Rate Period*” means, with respect to the Series 2025[] Bonds, the period from the Initial Issue Date to and including [], 20[]; *provided* that in the event that all of the Series 2025[] Bonds are redeemed (or purchased in lieu of redemption) pursuant to Section 4.03, the Initial Interest Rate Period shall end on and as of the day of such redemption or purchase.

“*Initial Issue Date*” means the date of initial issuance and delivery of the Series 2025[] Bonds.

“*Initial Mandatory Purchase Date*” means [] 1, 20[], which is the day following the last day of the Initial Interest Rate Period for the Series 2025[] Bonds.

“*Interest Accrual Date*” means, with respect to any Bond (a) during any Daily Interest Rate Period or Weekly Interest Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Daily Interest Rate Period or Weekly Interest Rate Period, as applicable, (b) during any Index Rate Period for such Bond, the first day thereof and, thereafter each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Index Rate Period, except as otherwise provided in the Supplemental Indenture for such Bond, (c) during any Term Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Term Rate Period, and (d) for each CP Interest Term for such Bond within a Commercial Paper Interest Rate Period, the first day thereof.

“*Interest Payment Date*” means, with respect to any Bond (a) during any Daily Interest Rate Period or Weekly Interest Rate Period for such Bond, the first Business Day of each Month, (b) during any Index Rate Period for such Bond, the first Business Day of each Month, except as otherwise provided by Supplemental Indenture for such Bond, (c) during any Term Rate Period for such Bond, each [] 1 and [] 1, *provided* that the first Interest Payment Date for any subsequent Term Rate Period shall be at least ninety (90) days from the first day of such period, (d) during any Commercial Paper Interest Rate Period for such Bond, the day next succeeding the last day of each CP Interest Term for such Bond, (e) any redemption date for such Bond, (f) any Mandatory Purchase Date for such Bond, and (g) the Maturity Date of such Bond.

“*Interest Rate Determination Certificate*” means a certificate of the Issuer delivered to the Trustee no later than 30 days prior to the effective date of the new Interest Rate Period, setting forth the applicable Interest Rate Period and, during such Interest Rate Period, the next occurring Mandatory Purchase Date, and (i) for Bonds bearing interest at a Term Rate, the interest rate(s) for such Bonds during such Interest Rate Period and (ii) for Bonds bearing interest at an Index Rate, the Index, the Index Rate Reset Date, the Applicable Spread, the Applicable Factor, and the CPI and the CPI Interest Period, if applicable, for such Bonds during such Interest Rate Period.

“Interest Rate Period” means a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period. Notwithstanding anything contained herein to the contrary, all Bonds of a Series shall at all times bear interest in the same Interest Rate Period. All Interest Rate Periods for all Series of Bonds shall terminate on the first to occur of the day prior to (a) the next occurring Mandatory Purchase Date or (b) the Final Maturity Date.

“Interest Rate Swap” means (a) the ISDA Master Agreement, the Schedule thereto and each Confirmation thereunder between the Issuer and the Interest Rate Swap Counterparty, pursuant to which the Issuer agrees to make payments to the Interest Rate Swap Counterparty at a fixed rate of interest and the Interest Rate Swap Counterparty agrees to make payments to the Issuer at a floating rate equal to the rate of interest borne by a related Series of Variable Rate Bonds, in each case with a notional amount equal to the Outstanding principal amount of such Series of Bonds, and (b) any replacement interest rate swap agreement permitted by Section 2.13(b), in each case as originally executed or as it may from time to time be supplemented, modified or amended pursuant to the terms thereof and this Indenture, as applicable; *provided that*, as long as no Interest Rate Swap has been entered into by the Issuer, all references herein to the Interest Rate Swap, Interest Rate Swap Counterparty, Interest Rate Swap Receipts and Interest Rate Swap Payments (including, without limitation, Section 7.15) shall be disregarded.

“Interest Rate Swap Counterparty” means the counterparty to the Interest Rate Swap or replacement Interest Rate Swap, and any successor and assign thereof, that meets the requirements of Section 2.13(b).

“Interest Rate Swap Payments” means, as of each scheduled payment date specified in an Interest Rate Swap, the amount, if any, payable to an Interest Rate Swap Counterparty by the Issuer.

“Interest Rate Swap Receipts” means, as of each scheduled payment date specified in an Interest Rate Swap, the amount, if any, payable to the Issuer by an Interest Rate Swap Counterparty.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended. References herein to sections of the Internal Revenue Code include the applicable U.S. Treasury Regulations promulgated thereunder.

“Issue Date” means (a) with respect to the Series 2025[] Bonds, the Initial Issue Date, and (b) with respect to any other Series of Bonds, the date of initial issuance and delivery of such Series.

“Issuer” means California Community Choice Financing Authority, a joint powers authority organized pursuant to the laws of the State of California, including without limitation, the Act.

“Issuer Custodial Agreement” means, individually, and *“Issuer Custodial Agreements”* means, collectively, each Custodial Agreement dated as of the Initial Issue Date among a Commodity Swap Counterparty, the Issuer, the Trustee and the Custodian.

“Issuer Purchase Account” means the Account by that name in the Bond Purchase Fund.

“Ledger Event” has the meaning given to such term in the Energy Purchase Agreement.

“Ledger Event Payment” means a payment made from the Energy Supplier, as required by Section [17.3] of the Energy Purchase Agreement, at the Increased Interest Rate, directly into the Debt Service Account and which relates to a Ledger Event.

“Liquidity Facility” means, with respect to a Series of Bonds, a standby bond purchase agreement, letter of credit or similar facility providing liquidity support for such Series of Bonds and any Alternate Liquidity Facility provided in substitution of the foregoing.

“Liquidity Facility Provider” means, with respect to a Liquidity Facility for a Series of Bonds, the commercial bank or other financial institution providing the same and any other commercial bank or other financial institution issuing or providing (or having primary obligation for, or acting as agent for the financial institutions obligated under) an Alternate Liquidity Facility.

“Mandatory Purchase Date” means (i) the Initial Mandatory Purchase Date, and (ii) any subsequent date on which Bonds are required to be purchased pursuant to Section 4.13 or Section 4.14, respectively.

“Master Custodial Agreement” means that certain Master Custodial Agreement, dated as of the date hereof, by and among Seller, Morgan Stanley Capital Group Inc., the Issuer and the Master Custodian, as the same may be amended, modified or supplemented from time to time.

“Master Custodian” means The Bank of New York Mellon Trust Company, N.A., as custodian under the Master Custodial Agreement, and its successors as Master Custodian under the Master Custodial Agreement.

“Maturity Date” means, with respect to a Series of Bonds, each date upon which principal of such Bonds is due, as set forth in (a) Section 2.02(b) with respect to the Series 2025[] Bonds, and (b) the related Supplemental Indenture with respect to any other Series of Bonds.

“Maximum Lawful Rate” means the maximum interest rate permitted by applicable law.

“Maximum Rate” means the lesser of 12% per annum and the Maximum Lawful Rate.

“Member” means each of Valley Clean Energy Alliance, Ava Community Energy Authority (formerly known as East Bay Community Energy), Peninsula Clean Energy Authority, San Diego Community Power, the City of San Jose through its community choice aggregator program known as San Jose Clean Energy, Sonoma Clean Power Authority, Central Coast Community Energy, Marin Clean Energy, Pioneer Community Energy, Silicon Valley Clean Energy Authority and Clean Power Alliance of Southern California.

“Minimum Daily Interest Rate” means, with respect to a Series of Bonds bearing interest at a Daily Rate, the minimum rate determined by the Remarketing Agent by 10:00 a.m. New York City time pursuant to Section 2.05.

“*Minimum Rate*” means 0.00% *per annum*.

“*Month*” means a calendar month.

“*Moody’s*” means Moody’s Investors Service, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer in a Written Notice delivered to the Trustee.

“*Net Participant Shortfall Amount*” means, for any Month in which the Project Participant fails to pay the full amount due under the Power Supply Contracts in time for such amount to be credited to the Revenue Fund for application pursuant to Section 5.05(a) and the full amount due by such Project Participant is not otherwise paid by the Energy Supplier pursuant to the Receivables Purchase Provisions, an amount equal to the positive result (if any) of (i) such Project Participant’s Payment Deficiency Index Baseline for such Month minus (ii) the greater of (a) such Project Participant’s Payment Deficiency Fixed Baseline for such Month, and (b) the actual amount paid by such Project Participant for such Month, *provided* that if the foregoing does not result in a positive number, then no Net Participant Shortfall Amount will exist for such Project Participant for such Month.

“*Operating Expenses*” means, to the extent properly allocable to the Clean Energy Project, (a) the Issuer’s expenses for operation of the Clean Energy Project, including all Rebate Payments, costs, collateral deposits and other amounts (other than Commodity Swap Payments) necessary to maintain any Commodity Swap; and payments required under the Energy Purchase Agreement (which may, under certain circumstances, include imbalance charges and other miscellaneous payments) or required to be incurred under or in connection with the performance of the Issuer’s obligations under the Power Supply Contracts; (b) any other current expenses or obligations required to be paid by the Issuer under the provisions of this Indenture (other than Debt Service on the Bonds and deposits to the General Reserve Fund and the Energy Remarketing Reserve Fund, or any Cost of Acquisition) or by law or required to be incurred under or in connection with the performance of the Issuer’s obligations under the Power Supply Contracts; (c) fees payable by the Issuer with respect to any Remarketing Agreement; (d) the fees and expenses of the Fiduciaries; (e) reasonable accounting, legal and other professional fees and expenses, and all other reasonable administrative and operating expenses of the Issuer, which are incurred by the Issuer with respect to the Bonds, this Indenture, or the Clean Energy Project, including but not limited to those relating to the administration of the Trust Estate and compliance by the Issuer with its continuing disclosure obligations, if any, with respect to the Bonds; and (f) the costs of any insurance premiums incurred by the Issuer, including, without limitation, directors and officers liability insurance allocable to the Clean Energy Project; provided that, for purposes of Section 5.05(ii), Operating Expenses shall not include any of the foregoing administrative expenses, fees or other costs described in the foregoing clauses (a) through (f) that are paid from funds on deposit in the Administrative Fee Fund. Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses. Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses.

“*Operating Fund*” means the Operating Fund established in Section 5.02.

“*Opinion of Bond Counsel*” means a written opinion of either Bond Counsel or Special Tax Counsel (or written opinions of both of them) addressed to the Issuer and delivered to the Trustee.

“*Opinion of Counsel*” means an opinion signed by an attorney or firm of attorneys (who may be counsel to the Issuer) selected by the Issuer.

“*Optional Purchase Date*” means any date on which Bonds are to be purchased pursuant to Section 4.11.

“*Outstanding*” when used with reference to Bonds, means as of any date, Bonds theretofore or thereupon being authenticated and delivered under this Indenture except:

(a) Bonds cancelled (or portions thereof deemed to have been cancelled) by the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), *provided* that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article IV;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 4.06 or Section 11.06;

(d) Bonds paid or deemed to have been paid as provided in Section 12.01; and

(e) Bonds (or portions thereof) deemed to have been purchased pursuant to the provisions of any Supplemental Indenture in lieu of which other Bonds have been authenticated and delivered as provided in such Supplemental Indenture.

“*Outstanding Sold Receivables*” means, in respect of any Project Participant, Put Receivables that have been sold to the Energy Supplier pursuant to the Receivables Purchase Provisions, together with any interest accrued thereon pursuant to the Receivables Purchase Provisions, less any such Put Receivables and interest thereon that has been previously paid or repurchased from the Energy Supplier pursuant to the Receivables Purchase Provisions.

“*Participants*” means those broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as Securities Depository.

“*Paying Agent*” means the Trustee, its successors and assigns, and any other bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in this Indenture.

“Payment Deficiency Fixed Baseline” means, for any Month and any Project Participant, the amount such Project Participant would have been required to pay for such Month under its Power Supply Contracts if the Contract Price for such Month had been determined using an Index Price (as defined under its Power Supply Contracts) for such Month equal to the Fixed Price (as defined under the Commodity Swaps) for such Month.

“Payment Deficiency Index Baseline” means, for any Month and any Project Participant, the amount required to be paid by such Project Participant for such Month under its Power Supply Contracts.

“Person” means any and all natural persons, firms, associations, corporations and public bodies.

“Pledged Funds” means (a) the Project Fund, (b) the Revenue Fund, (c) the Debt Service Fund, (d) the General Reserve Fund, (e) the Assignment Payment Fund and (f) the Commodity Swap Payment Fund, in each case including the Accounts in each of such Funds and in the case of the Commodity Swap Payment Fund, subject to the prior pledges thereof in favor of the Commodity Swap Counterparties.

“Power Supply Contracts” means (a) each of the contracts for the sale by the Issuer of Energy from or attributable to the Clean Energy Project to a Project Participant identified on Schedule I, as such contracts may be amended from time to time in accordance with the terms thereof and this Indenture, and (b) any other contract for the sale by the Issuer of Energy from or attributable to the Clean Energy Project entered into by a Person that becomes a Project Participant in accordance with the assignment and novation requirements set forth in Section 7.10(iv), as such contract may be amended from time to time in accordance with the terms thereof and this Indenture.

“Prepaid Clean Energy Project Administration Agreement” means the Prepaid Clean Energy Project Administration Agreement, dated as of [Closing Date], 2025, between the Issuer and Silicon Valley Clean Energy Authority, as the same may be amended from time to time.

“Prevailing Market Conditions” means, without limitation, the following factors: existing short term market rates for securities, the interest on which is excluded from gross income for federal income tax purposes or, as applicable, qualifies the issuer thereof to receive Subsidy Payments or similar benefit; indexes of such short term rates; the existing market supply and demand and the existing yield curves for short term and long term securities for obligations of credit quality comparable to the Bonds, the interest on which is excluded from gross income for federal income tax purposes; general economic conditions and financial conditions that may affect or be relevant to the Bonds; and such other facts, circumstances and conditions as the Remarketing Agent, in its sole discretion, shall determine to be relevant to the remarketing of the Bonds at the Purchase Price thereof.

“Principal Installment” means, as of any date of calculation, (a) the principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance (determined as provided in Section 5.10(c)) of any Sinking Fund

Installments due on a certain future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments.

“Project Administration Fee” has the meaning assigned to such term in the Prepaid Clean Energy Project Administration Agreement.

“Project Fund” means the Project Fund established in Section 5.02.

“Project Participant” means (a) a Public Agency that is an Energy purchaser under a Power Supply Contract and identified as a “Project Participant” in Schedule I and (b) any other Person that enters into a Power Supply Contract with the Issuer in accordance with the assignment and novation requirements set forth in Section 7.10(d)(iv).

“Public Agency” means a state, a governmental or political subdivision of a state and a corporate instrumentality or public corporation of a state or a subdivision of a state, including without limitation any of their departments or agencies, counties, county boards of education, county superintendents of schools, cities, public corporations, public districts, public commissions or joint powers authorities.

“Purchase Date” means an Optional Purchase Date or a Mandatory Purchase Date, as the case may be.

“Purchase Price” means (a) with respect to any Purchased Bond to be purchased on an Optional Purchase Date, an amount equal to the principal amount of such Bond Outstanding on such date plus accrued and unpaid interest thereon, unless such Optional Purchase Date is an Interest Payment Date for such Bond, in which case interest on such Bond shall not be included in the Purchase Price of such Bond but shall be paid to the Owner of such Bond in accordance with the interest payment provisions of this Indenture, (b) except as provided in clause (c) below, with respect to any Purchased Bond to be purchased on a Mandatory Purchase Date, an amount equal to the principal amount of such Bond Outstanding on such date, and (c) in the case of a purchase of a Bond bearing interest at a Term Rate pursuant to Section 4.14 with respect to which the new Interest Rate Period commences prior to the day originally established as the last day of the preceding Term Rate Period, the optional redemption price for such Bond set forth in Section 4.03(b) or in an applicable Supplemental Indenture which would have been applicable to such Bond if the preceding Term Rate Period had continued to the day originally established as its last day. Accrued interest due on any Bonds to be purchased on a Mandatory Purchase Date shall be paid from amounts on deposit in the Debt Service Account of the Debt Service Fund on such date in accordance with Section 5.07.

“Purchased Bonds” means any Bonds required to be purchased on a Purchase Date.

“Put Option Notice” has the meaning set forth in Section 2.1(a) of the Receivables Purchase Provisions.

“Put Receivable” has the meaning set forth in Section 1.1 of the Receivables Purchase Provisions.

“*Qualified Investments*” means any of the following investments, if and to the extent that the same are rated (or whose financial obligations to the Issuer receive credit support from an entity rated) (i) at least the Minimum Rating or (ii) at such a rating that will allow the Bonds to be rated the same as the credit rating or financial strength rating assigned to the Funding Recipient (except for (c) below), and are at the time authorized for such purpose by law:

- (a) Direct obligations of the United States government or any of its agencies;
- (b) Obligations guaranteed as to principal and interest by the United States government or any of its agencies;
- (c) Certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Issuer, and other evidences of deposit at state and federally chartered banks, savings and loan institutions or savings banks, including the Trustee or any of its affiliates (each having the highest short term rating by each Rating Agency then rating the Bonds) deposited and collateralized as required by law;
- (d) Repurchase agreements entered into with the United States or its agencies or with any bank, broker dealer or other such entity, including the Trustee and its affiliates, so long as the obligation of the obligated party is secured by a perfected pledge of obligations that meet the conditions set forth in the preamble to this definition of Qualified Investments;
- (e) Guaranteed investment contracts, forward delivery agreements, interest rate exchange agreements or similar agreements providing for a specified rate of return over a specified time period; *provided, however*, that guaranteed investment contracts, forward delivery agreements or similar agreements shall meet the conditions set forth in the preamble to this definition of Qualified Investments;
- (f) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers;
- (g) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by or on behalf of the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of principal of and interest on such obligations and that meet the conditions set forth in the preamble to this definition of Qualified Investments;
- (h) Money market funds registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, and having a rating in the highest Rating Category by each Rating Agency at the time of investment, including money market funds of the Trustee and funds for which the Trustee or its affiliates (i) provide investment or other management services and (ii) serve as investment manager, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (A) the Trustee or its affiliate receives or collects fees from such funds for services rendered, and (B) services performed by the Trustee pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or its affiliate; or

(i) Any other investments permitted by applicable law for the investment of the funds of the Issuer and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

provided, that the Issuer shall monitor, or shall cause to be monitored, ratings and shall determine whether any investment made is or continues to be a Qualified Investment, and the Trustee shall have no responsibility whatsoever for monitoring ratings or determining whether any investment is or continues to be a Qualified Investment.

“*Rating Agency*” means Fitch, Moody’s or S&P, or any other rating agency so designated in a Supplemental Indenture that, at the time, rates the Bonds.

“*Rating Category*” means one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier, a plus or minus, or otherwise.

“*Rating Confirmation*” means evidence satisfactory to the Issuer, so designated in a Written Statement of the Issuer delivered to the Trustee, that upon the effectiveness of any proposed action, all Outstanding Bonds will continue to be assigned at least the same or equivalent ratings (including the same or equivalent numerical, plus or minus, or other modifiers within a Rating Category) by each Rating Agency then rating such Outstanding Bonds.

“*Rebate Payments*” means those portions of moneys or securities held in any Fund or Account that are required to be paid to the United States Treasury Department under the requirements of Section 148(f) of the Internal Revenue Code.

“*Receivables Purchase Provisions*” means (i) initially, the provisions set forth in Exhibit G to the Energy Purchase Agreement, and (ii) any successor provisions for the purchase and sale of receivables in respect of amounts due and unpaid under the Power Supply Contracts and provided in a Written Notice of the Issuer to the Trustee.

“*Redemption Account*” means the Redemption Account in the Debt Service Fund established in Section 5.02.

“*Redemption Price*” means, with respect to any Bond, the amount payable upon redemption thereof pursuant to such Bond or this Indenture.

“*Reference Month*” means, with respect to each CPI Index Rate Reset Date, the third calendar month preceding such CPI Index Rate Reset Date.

“*Refunding Bonds*” means a Series of Bonds authorized to be issued pursuant to Section 2.01(c) for the sole purposes of refunding or defeasing (in accordance with Article XII) in whole a Series of Bonds then Outstanding, and paying the Cost of Acquisition with respect to such Refunding Bonds.

“*Regular Record Date*” means (i) with respect to any Interest Payment Date in respect of any Daily Interest Rate Period, Weekly Interest Rate Period, Index Rate Period, Commercial Paper Interest Rate Period, the Business Day immediately preceding such Interest Payment Date, and

(ii) with respect to any Interest Payment Date in respect of any Term Rate Period, the 15th day of the Month (whether or not such day is a Business Day) immediately preceding the Month in which such Interest Payment Date falls.

“*Remarketing Agent*” means, with respect to any Series of Bonds, the entity appointed as the remarketing agent for such Series pursuant to the related Remarketing Agreement and, if applicable, the related Supplemental Indenture.

“*Remarketing Agreement*” means, with respect to any Series of Bonds, the remarketing agreement, if any, entered into between the Issuer and the Remarketing Agent for such Series of Bonds.

“*Remarketing Proceeds Account*” means the Account by that name within the Bond Purchase Fund.

“*Remarketing Provisions*” means the electricity remarketing provisions set forth in Exhibit C to the Energy Purchase Agreement.

“*Remediation Remarketing Purchase Price*” has the meaning given to such term in the Remarketing Provisions.

“*Re-Pricing Agreement*” means the Re-Pricing Agreement dated as of the Initial Issue Date between the Issuer and the Energy Supplier, as the same may be amended in accordance with its terms.

“*Reset Period*” means Initial Reset Period or Reset Period, as the case may be, each as defined in the Re-Pricing Agreement.

“*Responsible Officer*” means, when used with respect to the Trustee, the Custodian or the Calculation Agent, as applicable, any managing director, president, vice president, senior associate, associate or other officer of the Trustee, the Custodian or the Calculation Agent, respectively, within its designated corporate trust office for delivery of notice specified in Section 12.11 (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at such office because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Indenture.

“*Revenue Fund*” means the Revenue Fund established in Section 5.02.

“*Revenues*” means:

(a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by the Issuer from or attributable or relating to the ownership and operation of the Clean Energy Project, including all revenues attributable or relating to the Clean Energy Project or to the payment of the costs thereof received or to be received by the Issuer under the Power Supply Contract and the Energy Purchase Agreement or otherwise payable to the Trustee for the account of the Issuer for the sale and/or transmission of Energy or

otherwise with respect to the Clean Energy Project (excluding any payments received by the Issuer in respect of any Monthly Excess Quantities or Assigned Paygo Quantities, each as defined in the Energy Purchase Agreement);

(b) interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to this Indenture and paid or required to be paid into the Revenue Fund;

(c) any Commodity Swap Receipts received by the Trustee on behalf of the Issuer;

(d) any Subsidy Payments received by the Trustee, on behalf of the Issuer, in accordance with Section 3.10 of this Indenture; and

(e) any Advance received by the Trustee on behalf of the Issuer.

provided that, the term “Revenues” shall not include: (t) Ledger Event Payments, (u) any Termination Payment pursuant to the Energy Purchase Agreement; (v) any amounts received from the Energy Supplier that are required to be deposited into the Energy Remarketing Reserve Fund pursuant to Section 5.11; (w) any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement; (x) any Assignment Payment received from the Energy Supplier; (y) Interest Rate Swap Receipts; and (z) amounts paid by the Project Participant in respect of the Project Administration Fee.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., its successors and assigns, and, if such entity shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer in a Written Notice delivered to the Trustee.

“*Scheduled Debt Service Deposits*” means the required monthly deposits to the Debt Service Account in the Debt Service Fund and the required cumulative deposits to the Debt Service Account in the Debt Service Fund in respect of the Debt Service coming due on the Bonds on each Bond Payment Date pursuant to Section 5.05(a)(iii) and as set forth on Schedule II hereto. Schedule II shall be revised (a) by Written Notice of the Issuer delivered at the time of its designation of each subsequent Interest Rate Period, and (b) by each Supplemental Indenture authorizing the issuance of Refunding Bonds.

“*Securities Depository*” means DTC, or its nominee, and its successors and assigns.

“*Series*” means the Series 2025[] Bonds and any other Bonds designated as a Series authorized to be issued hereunder pursuant to Section 2.01.

“*Series 2025[] Bonds*” means the Clean Energy Project Revenue Bonds, Series 2025[] (Green Bonds) ([Term Rate]) authorized to be issued under Section 2.01.

“*SIFMA Index*” means the SIFMA Municipal Swap Index, which, for purposes of an Index Rate Reset Date for a Series of Bonds bearing interest at a SIFMA Index Rate, will be the level of such index which is issued weekly and which is compiled from the weekly interest rate resets of tax exempt variable rate issues included in a database maintained by Refinitiv Global Markets, Inc. which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day, such date being the same day the SIFMA Swap Index is expected to be published or otherwise made available to the Calculation Agent. If the SIFMA Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date selected and designated by the Issuer in its commercially reasonable judgment in compliance with Section 2.09(b)(v) and Section 2.13.

“*SIFMA Index Rate*” means a per annum rate of interest equal to the sum of (a) the SIFMA Index then in effect, plus (b) the Applicable Spread.

“*SIFMA Index Rate Period*” means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SIFMA Index Rate.

“*Sinking Fund Installment*” means, for the Series 2025[] Bonds, the amounts so designated in Section 4.02, and with respect to any other Series of Bonds, each amount, if any, so designated in the applicable Supplemental Indenture.

“*SOFR Accrual Period*” means (a) the number of actual days from and including the Conversion Date to but not including the first SOFR Interest Calculation Date and (b) thereafter, the number of actual days from and including the preceding SOFR Interest Calculation Date to but not including the next succeeding SOFR Interest Calculation Date, regardless of the number of days in any Month.

“*SOFR Effective Date*” shall mean each Business Day. Each SOFR Effective Date is an Index Rate Reset Date for all purposes of the Indenture unless the context clearly requires otherwise.

“*SOFR Effective Period*” means the number of actual days from a SOFR Effective Date to but not including the next SOFR Effective Date.

“*SOFR Index*” means the “Secured Overnight Financing Rate” reported on the website of the Federal Reserve Bank of New York, or reported by any successor to the Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing the SOFR Index as of the SOFR Lookback Date, which will be used to calculate interest for the SOFR Effective Period beginning on the SOFR Effective Date. If SOFR Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date designated by the Issuer in writing (with notice to, and which is available to, the Calculation Agent) in compliance with Section 2.09(b)(v).

“*SOFR Index Rate*” means a daily variable interest rate equal to the sum of (a) the product of the SOFR Index and the Applicable Factor, plus (b) the Applicable Spread on each day of a

SOFR Effective Period, but not less than the Minimum Rate and not greater than the Maximum Rate.

“*SOFR Index Rate Period*” means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SOFR Index Rate.

“*SOFR Interest Calculation Date*” means the first Business Day of each Month, commencing on such date as specified in a Supplemental Indenture.

“*SOFR Lookback Date*” means the third Business Day immediately preceding each SOFR Effective Date.

“*SOFR Publish Date*” means the second Business Day immediately preceding each SOFR Effective Date.

“*Special Record Date*” has the meaning given to such term in Section 3.08.

“*Special Tax Counsel*” means Ballard Spahr LLP or any other counsel of nationally recognized standing in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States, and selected by the Issuer. Bond Counsel may serve as Special Tax Counsel.

“*Specified Project Participant*” has the meaning assigned to such term in Section 1.1 of the Receivables Purchase Provisions.

“*State*” means the State of California.

“*Subsidy Payments*” means, with respect to a Series of Bonds issued under Section 54AA of the Internal Revenue Code, the amounts relating to such Series of Bonds which are payable by the federal government under Section 6431 of the Internal Revenue Code, which the Issuer has elected to receive under Section 54AA(g)(1) of the Internal Revenue Code, and (b) with respect to a Series of Bonds issued under any other provision of the Internal Revenue Code that creates a substantially similar direct-pay subsidy program, the amounts relating to such Series of Bonds which are payable by the federal government under the applicable provision of the Internal Revenue Code which the Issuer has elected to receive under the applicable provisions of the Internal Revenue Code.

“*Supplemental Indenture*” means any indenture supplemental to or amendatory of this Indenture executed and delivered by the Issuer and the Trustee in accordance with Article X.

“*Swap Payment Deficiency*” means, as of any date, (a) the aggregate amount of the next Commodity Swap Payment expected to become due pursuant to each Commodity Swap, minus (b) the amount on deposit in the Commodity Swap Payment Fund; *provided, however*, that if such difference is a negative number, then the Swap Payment Deficiency shall be zero.

“*Tax Agreement*” means the Tax Certificate and Agreement of the Issuer with respect to the Bonds dated as of the Initial Issue Date.

“*Term Rate*” means, with respect to a Series of Bonds, a fixed interest rate for each maturity of such Bonds established in accordance with Section 2.07.

“*Term Rate Conversion Date*” means, with respect to a Series of Bonds, each date on which such Bonds begin to bear interest at a Term Rate pursuant to the provisions of Section 2.07, including each date on which a new Term Rate Period is established for such Bonds and the Final Fixed Rate Conversion Date with respect to such Bonds.

“*Term Rate Period*” means, with respect to a Series of Bonds, each period during which a Term Rate is in effect for such Bonds.

“*Term Rate Tender Date*” means (a) with respect to the initial Term Rate Period for the Series 2025[] Bonds maturing on the Final Maturity Date, the Initial Mandatory Purchase Date, and (b) with respect to any other Term Rate Period for a Series of Bonds, the date so specified in the related Supplemental Indenture or notice of Conversion to or continuation of such Term Rate Period provided by the Issuer pursuant to Section 2.07(b), as applicable, which date shall be a Mandatory Purchase Date pursuant to Section 4.13 and shall not be later than the Final Maturity Date for such Series of Bonds. The Term Rate Tender Date shall always be a Business Day, unless such date is the Final Maturity Date. If a date (other than the Final Maturity Date) that is not a Business Day is specified as a Term Rate Tender Date, then the Term Rate Tender Date shall be the Business Day immediately following such specified date.

“*Termination Payment*” has the meaning given to such term in the Energy Purchase Agreement.

“*Trust Estate*” means (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of the Issuer in, to and under the Power Supply Contract, except for the right to receive the Project Administration Fee, (c) the Revenues, (d) any Termination Payment or the right to receive such Termination Payment (e) all right, title and interest of the Issuer in, to and under the Receivables Purchase Provisions, including payments received from the Energy Supplier (or the Master Custodian on its behalf) pursuant thereto, (f) all right, title and interest of the Issuer in, to and under each Interest Rate Swap and the Interest Rate Swap Receipts, (g) all right, title and interest of the Issuer in, to and under any Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty and (h) the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), including the investment income, if any, thereof subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

“*Trustee*” means The Bank of New York Mellon Trust Company, N.A., and its successor or successors and any other corporation or national banking association which may at any time be substituted in its place pursuant to this Indenture.

“*Undelivered Bond*” means any Bond which constitutes an Undelivered Bond under the provisions of Section 4.16.

“*Underwriter*” means (a) with respect to the Series 2025[] Bonds, Morgan Stanley & Co. LLC, and (b) with respect to any other Series of Bonds, the municipal securities broker dealer engaged by the Issuer to underwrite such Series of Bonds.

“*Variable Rate Bonds*” means Bonds bearing interest at a Daily Interest Rate, a Weekly Interest Rate, CP Interest Term Rates or an Index Rate.

“*Weekly Interest Rate*” means, with respect to a Series of Bonds, a variable interest rate established for such Bonds in accordance with Section 2.06.

“*Weekly Interest Rate Period*” means, with respect to a Series of Bonds, each period during which a Weekly Interest Rate is in effect for such Series of Bonds.

“*Written Certificate*,” “*Written Direction*,” “*Written Instrument*,” “*Written Notice*,” “*Written Request*” and “*Written Statement*” of the Issuer means in each case an instrument in writing signed on behalf of the Issuer by an Authorized Officer thereof. Any such instrument and any supporting opinions or certificates may, but need not, be combined in a single instrument with any other instrument, opinion or certificate, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or certificate of counsel, consultants, accountants or engineers, unless the Authorized Officer signing such Written Certificate, Direction, Instrument, Notice, Request or Statement knows, or in the exercise of reasonable care should know, that the opinion or certificate with respect to the matters upon which such Written Certificate, Direction, Instrument, Notice, Request or Statement may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel, consultant, accountant or engineer, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different Authorized Officers, counsel, consultants, accountants or engineers may certify to different facts, respectively. Every Written Certificate, Direction, Instrument Notice, Request or Statement of the Issuer, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include:

(a) a statement that the person making such certificate, direction, instrument, notice, request, statement or opinion has read the pertinent provisions of this Indenture to which such certificate, direction, notice, request, statement or opinion relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, direction, instrument, notice, request, statement or opinion is based;

(c) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; and

(d) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

Section 1.02. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope and intent of any provisions of this Indenture.

Section 1.03. Rules of Construction. Except where the context otherwise requires, words of any gender shall include correlative words of the other genders; words importing the singular number shall include the plural number and vice versa; and words importing persons shall include firms, associations, trusts, corporations or governments or agencies or political subdivisions thereof. The term “include” and its derivations are not limiting.

References herein to contracts and agreements include all amendments or supplements thereto made in accordance with the terms thereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof. References herein to Articles, Sections, Exhibits and Schedules are references to the Articles, Sections, Exhibits and Schedules of and to this Indenture.

Section 1.04. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

Section 1.05. Consents. Whenever the consent, notice or direction of the Bondholders, the Energy Supplier, the Commodity Swap Counterparties, the Interest Rate Swap Counterparty or the Issuer is required under the terms of this Indenture, such consent, notice or direction, as applicable, shall be evidenced by a written instrument providing for such consent, delivered to the Trustee.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. Authorization of Bonds and Refunding Bonds; Application of Proceeds.

(a) For the purpose of financing the Cost of Acquisition of the Clean Energy Project, the \$[] Clean Energy Project Revenue Bonds, Series 2025[] (Green Bonds) ([Term Rate]), which shall bear interest during the Initial Interest Rate Period at a Term Rate, and which shall be entitled to the benefit, protection and security of this Indenture are hereby authorized to be issued.

(b) The proceeds of the Series 2025[] Bonds shall be deposited with the Trustee and disbursed, transferred and applied as provided in a Written Request of the Issuer delivered to the Trustee upon the issuance of the Series 2025[] Bonds.

(c) In addition to the Series 2025[] Bonds, there are hereby authorized to be issued by Supplemental Indenture one or more Series of Refunding Bonds for the purpose of refunding any Series of Bonds then Outstanding hereunder, subject to the following conditions:

(i) the Supplemental Indenture providing for issuance of a Series of Refunding Bonds shall set forth (A) the Bonds to be refunded, (B) the Series designation and aggregate principal amount of the Refunding Bonds, (C) the Maturity Dates (which shall be no later than the Final Maturity Date) and any Sinking Fund Installments for the Refunding Bonds, (D) the Scheduled Debt Service Deposits for such Bonds, (E) the initial Interest Rate Period for such Refunding Bonds, and if such Interest Rate Period is to be an

Index Rate Period, the applicable Index or CPI, and the Applicable Spread, and (F) such other terms and provisions concerning the Refunding Bonds as are not inconsistent with this Indenture;

(ii) a Series of Refunding Bonds issued in a Term Rate Period may be sold at a premium;

(iii) the proceeds of a Series of Refunding Bonds (including any sale premium) shall be used exclusively to pay the Cost of Acquisition relating to the Refunding Bonds;

(iv) if such Bonds are Variable Rate Bonds and if such Bonds are to bear interest at a Daily Interest Rate, a Weekly Interest Rate or CP Interest Term Rates, the Issuer shall have appointed a Remarketing Agent for such Bonds and shall have entered into an Interest Rate Swap with respect to such Series of Bonds;

(v) the delivery to the Trustee of an Accountant's Certificate verifying ongoing cash flow sufficiency and Termination Payment sufficiency, *provided that* the Trustee shall have no duty or obligation to review the contents thereof and shall receive such Accountant's Certificate solely as a repository on behalf of Bondholders;

(vi) the delivery to the Trustee of the requests, opinions and documents required by Section 2.03(c); and

(vii) the receipt by the Trustee of a Rating Confirmation with respect to any Bonds Outstanding prior to the issuance of such Refunding Bonds that will remain Outstanding after the issuance thereof.

(d) No bonds, other than the Bonds and any Refunding Bonds, may be issued pursuant to this Indenture.

Section 2.02. Terms of Series 2025[] Bonds; Payment. (a) The Series 2025[] Bonds shall be dated as of the date of the initial authentication and delivery thereof, shall bear interest from such date, payable on each Interest Payment Date, and shall be subject to redemption as provided in Article IV. The principal and Redemption Price of and interest on the Series 2025[] Bonds shall be payable by the Trustee at its designated corporate trust office and such banking institution is hereby appointed Paying Agent and Bond Registrar for the Bonds; *provided that* interest on the Bonds may be paid, at the option of the Issuer, by check payable to the order of the Person entitled thereto, and mailed by first-class mail, postage prepaid, to the address of such Person as shall appear on the books of the Bond Registrar as of the close of business on the Regular Record Date for such Interest Payment Date, whether or not such Regular Record Date is a Business Day, which books the Bond Registrar shall keep for such purposes at its designated corporate trust office. Upon the written request of any Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds received by the Trustee prior to the applicable Regular Record Date (which request shall remain in effect until rescinded in writing by such Owner), interest shall be paid on each Interest Payment Date by wire transfer of immediately available funds to an account maintained in any bank or trust company in the United States of America that is a member of the Federal Reserve System designated in writing by such Owner. The principal and Redemption Price of and interest on all Bonds shall also be payable at any other

place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by this Indenture. The Issuer shall provide Written Notice to the Trustee of the appointment of any additional Paying Agent.

(b) The Series 2025[] Bonds shall mature on the Maturity Dates in the principal amounts, subject to Sinking Fund Installments as set forth in Section 4.02. The Initial Interest Rate Period for the Series 2025[] Bonds shall be a Term Rate Period, and the Series 2025[] Bonds shall bear interest during such Interest Rate Period at the rates set forth below:

SERIES 2025[] BONDS

MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
[] 1, 20 []	\$([])	[]%
[] 1, 20 []	[]	[]
[] 1, 20 []	[]	[]
[] 1, 20 []	[]	[]
[] 1, 20 []	[]	[]
[] 1, 20 []	[]	[]
[] 1, 20 []	[]	[]
[] 1, 20 []	[]	[]

(c) If a Ledger Event occurs and Morgan Stanley Capital Group Inc. makes the Ledger Event Payments (which the Trustee shall deposit directly into the Debt Service Account), the Series 2025[] Bonds shall bear interest at the Increased Interest Rate during an Increased Interest Rate Period that begins on the day on which such Ledger Event occurs. If the Increased Interest Rate Period ends due to the failure of Morgan Stanley Capital Group Inc. to pay the Ledger Event Payments, then the Series 2025[] Bonds shall bear interest at the rate(s) shown in the table above from and including the Interest Payment Date immediately succeeding the last date on which Morgan Stanley Capital Group Inc. paid the Ledger Event Payments until the earlier of their stated maturity, the Initial Mandatory Purchase Date or any prior redemption date with respect to the Series 2025[] Bonds. The Issuer shall give prompt Written Notice to the Trustee of (i) the occurrence and date of a Ledger Event (which shall be the first day of the related Increased Interest Rate Period), and (ii) the occurrence and date of any Acceleration Event (which shall be the last day of the related Increased Interest Rate Period). All references herein and in the Series 2025[] Bonds to “interest” on the Series 2025[] Bonds during the Initial Interest Rate Period, including all provisions relating to the accrual, computation and payment of interest, shall include interest at the Increased Interest Rate during any Increased Interest Rate Period.

(d) Interest on the Series 2025[] Bonds shall be payable to the date on which such Bonds shall have been paid in full. Interest on the Series 2025[] Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2025[] Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date for such period and ending on the day immediately preceding such

Interest Payment Date. The first Interest Payment Date for the Series 2025[] Bonds is [] 1, 20[].

(e) The initial interest rates for the Bonds of each Series and the determination for such Bonds of the Daily Interest Rate, the Weekly Interest Rate, the Index Rate or the Term Rate and each CP Interest Term and CP Interest Term Rate by the applicable Calculation Agent or Remarketing Agent for such Bonds, as the case may be, and shall be conclusive and binding upon the Issuer, the Trustee, the Remarketing Agent and the Owners of the Bonds.

(f) In connection with any Term Rate Conversion Date of a Series of Bonds, the Sinking Fund Installments, if any, established for such Series pursuant to the applicable Supplemental Indenture may be re-designated as Maturity Dates and Sinking Fund Installments for such Bonds on the Term Rate Conversion Date for such Bonds as provided for in the applicable Supplemental Indenture.

Section 2.03. Conditions for Issuance of Bonds. The Bonds of each Series shall be executed by the Issuer and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered upon the Written Direction of the Issuer, but only upon the receipt by the Trustee of:

(a) A copy, certified by an Authorized Officer, of a resolution and/or evidence of any other official actions taken by the Issuer that authorize the execution and delivery of the Bonds of such Series, together with a Written Request as to the authentication and delivery of the Bonds of such Series, signed by an Authorized Officer;

(b) An Opinion or Opinions of Counsel to the effect that (i) the Issuer has the right and power to authorize and enter into this Indenture, the Power Supply Contracts, the Energy Purchase Agreement, the Commodity Swaps and any Interest Rate Swap, and (ii) the Power Supply Contracts, the Energy Purchase Agreement, the Commodity Swaps and any Interest Rate Swap have been duly and lawfully authorized, executed and delivered by the Issuer and (assuming due authorization, execution and delivery by, and validity and binding effect upon, the other parties thereto) are valid and binding obligations of the Issuer, and no other authorization for the Power Supply Contracts, the Energy Purchase Agreement, the Commodity Swaps or any Interest Rate Swap is required; *provided*, that such Opinion(s) of Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium, reorganization, arrangement, fraudulent conveyance or other similar laws relating to or affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(c) An Opinion of Bond Counsel to the effect that (i) the Bonds of such Series constitute the valid and binding limited obligations of the Issuer; (ii) this Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer; and (iii) this Indenture creates a valid pledge to secure the payment of principal of and interest on the Bonds, of the Trust Estate, subject to the provisions of this Indenture permitting the application

thereof for the purposes and on the terms and conditions set forth in this Indenture; provided, that such Opinion of Bond Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium reorganization, arrangement, fraudulent conveyance, or other similar laws relating to or affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise of the sovereign police powers of the State, and may state that no opinion is being rendered as to the availability of any particular remedy under the financing documents;

(d) An opinion of Special Tax Counsel to the effect that, if applicable, interest on the Bonds of such Series is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code and is exempt from State of California personal income taxes (it being agreed that if Special Tax Counsel also serves as Bond Counsel, the opinion described in this clause (d) may be consolidated with the Opinion of Bond Counsel described in the preceding clause (c));

(e) Executed or certified copy of each Power Supply Contract with each of the Project Participants specified on Schedule I;

(f) An opinion of counsel to each of the initial Project Participants to the effect that the applicable Power Supply Contract between such Project Participant and the Issuer has been duly authorized, executed and delivered by such Project Participant, is the valid and binding obligation of such Project Participant and is enforceable in accordance with its terms, subject to customary assumptions and exceptions with respect to enforceability and such additional exceptions as may be agreed to by the Issuer and the Underwriter;

(g) A rating on the Bonds from at least one Rating Agency.

Section 2.04. Initial Interest Rate Period; Subsequent Interest Rate Periods. (a) The Series 2025[] Bonds shall be initially issued in the Interest Rate Period set forth in Section 2.02(b). Upon the purchase of the Series 2025[] Bonds on a Mandatory Purchase Date, the Interest Rate Period for each Series of the Series 2025[] Bonds may be converted to a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period, an Index Rate Period, a Term Rate Period or a combination thereof, as provided in this Article II. In the event that two or more Interest Rate Periods are so established, the Series 2025[] Bonds shall, by Supplemental Indenture, be divided into separate Series or sub-Series corresponding to such Interest Rate Periods.

(b) In the manner hereinafter provided, the term of each Series of Bonds will be divided into consecutive Interest Rate Periods during each of which such Bonds shall bear interest at the Daily Interest Rate, the Weekly Interest Rate, CP Interest Term Rates, Term Rates or an Index Rate; *provided, however*, that the Interest Rate Period shall be the same for all Bonds of a Series, and, notwithstanding anything herein to the contrary, no Bond shall bear interest in excess of the Maximum Rate. The initial Interest Rate Period for any Series of Bonds (other than the Initial Interest Rate Period for the Series 2025[] Bonds) shall be established pursuant to the related Supplemental Indenture.

Section 2.05. Daily Interest Rate Period.

(a) *Determination of Daily Interest Rates.* During each Daily Interest Rate Period for a Series of Bonds, the Bonds of such Series shall bear interest at the Daily Interest Rate, which shall be determined by the Remarketing Agent on or before 11:00 a.m., New York City time, on each Business Day for such Business Day. The Remarketing Agent will advise the Trustee by Electronic Means of the final Daily Interest Rate by 12:00 noon, New York City time, on the day such rate is determined. The Daily Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by the Bonds of the applicable Series, would enable the Remarketing Agent to sell the Bonds of such Series on that Business Day at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. With respect to any day that is not a Business Day, the Daily Interest Rate for that day shall be the same Daily Interest Rate established for the immediately preceding Business Day. In the event the Remarketing Agent fails to establish a Daily Interest Rate for any Business Day, then the Daily Interest Rate for that Business Day shall be the Daily Interest Rate for the immediately preceding Business Day if the Daily Interest Rate for the immediately preceding Business Day was established by the Remarketing Agent. Subject to the provisions of Section 2.10(d), in the event that the Daily Interest Rate for the immediately preceding Business Day was not determined by the Remarketing Agent, or in the event that the Daily Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the Daily Interest Rate shall be deemed to be equal to the SIFMA Index on the Business Day such Daily Interest Rate would otherwise be determined as provided herein for such Daily Interest Rate Period.

(b) *Conversion to Daily Interest Rate Period.* Subject to Section 2.10, at any time the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at a Daily Interest Rate. Such direction of the Issuer shall specify the proposed effective date of such Conversion to a Daily Interest Rate Period, which shall be a Business Day not earlier than the 30th day following the second Business Day after receipt by the Trustee of the Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture. In addition, such direction shall be accompanied by a form of notice required by Section 2.05(c) and the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the effective date of the Conversion to the Daily Interest Rate Period. Upon the Conversion of any Series of Bonds to the Daily Interest Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate Period under the terms of this Indenture, the interest rate borne by such Series of Bonds shall be a Daily Interest Rate as provided in Section 2.05(a).

(c) *Notice of Conversion to Daily Interest Rate Period.* Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Daily Interest Rate Period as provided in Section 2.05(b), the Trustee shall give notice by first class mail of the Conversion of such Bonds to bear interest in a Daily Interest Rate Period to the Owners of such Bonds not less than 30 days prior to the proposed effective date of such Daily Interest Rate Period. Such notice shall be in the form provided to the Trustee pursuant to 2.05(b) to state: (i) that the

Interest Rate Period for such Bonds will be converted to a Daily Interest Rate Period unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Daily Interest Rate Period as provided in Section 2.10(b) or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the applicable Conversion Date; (ii) the proposed Conversion Date to the Daily Interest Rate Period; (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Daily Interest Rate Period as provided in Section 2.10(b); and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

Section 2.06. Weekly Interest Rate Period.

(a) *Determination of Weekly Interest Rates.* The Weekly Interest Rate for the initial Weekly Interest Rate Period following the issuance of a Series of Bonds bearing interest in a Weekly Interest Rate Period or Conversion of a Series of Bonds to a Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on the succeeding Wednesday (whether or not a Business Day). Thereafter, during each Weekly Interest Rate Period for a Series of Bonds, the Bonds of such Series shall bear interest at the Weekly Interest Rate, which shall be determined by the Remarketing Agent by no later than 5:00 p.m., New York City time, on Wednesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day. Each Weekly Interest Rate so determined shall apply to the period commencing on Thursday (whether or not a Business Day) and ending on the next succeeding Wednesday (whether or not a Business Day), unless such Weekly Interest Rate Period shall end on a day other than Wednesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on Thursday (whether or not a Business Day) and ending on the last day of such Weekly Interest Rate Period. The Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by the Bonds of the applicable Series, would enable the Remarketing Agent to sell the Bonds of such Series on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. In the event that the Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. Subject to the provisions of Section 2.10(d), in the event that the Weekly Interest Rate for the immediately preceding week was not determined by the Remarketing Agent, or in the event that the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to the SIFMA Index on the day such Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period.

(b) *Conversion to Weekly Interest Rate Period.* Subject to Section 2.10, at any time, the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at a Weekly Interest Rate. Such direction of the Issuer shall specify the proposed effective date of such Conversion to a Weekly Interest Rate Period, which shall be a Business Day not earlier than the later of (a) the 30th day

following the second Business Day after receipt by the Trustee of such Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture. In addition, such direction shall be accompanied by a form of notice required by Section 2.06(c) and the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the effective date of the Conversion to the Weekly Interest Rate Period. Upon Conversion of any Series of Bonds to the Weekly Interest Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate Period under the terms of this Indenture, the interest rate borne by such Series of Bonds shall be a Weekly Interest Rate as provided in Section 2.06(a).

(c) *Notice of Conversion to Weekly Interest Rate.* Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Weekly Interest Rate Period as provided in Section 2.06(b), the Trustee shall give notice by first class mail of the Conversion of such Bonds to bear interest in a Weekly Interest Rate Period to the Owners of such Bonds not less than 30 days prior to the proposed effective date of such Weekly Interest Rate Period. Such notice shall be in the form provided to the Trustee pursuant to 2.06(b) to state: (i) that the Interest Rate Period on such Bonds will be converted to a Weekly Interest Rate unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Daily Interest Rate Period as provided in Section 2.10(b) or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the applicable Conversion Date; (ii) the proposed Conversion Date to the Weekly Interest Rate Period; and (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Weekly Interest Rate Period as provided in Section 2.10(b); and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

Section 2.07. Term Rate Period.

(a) *Determination of Term Rates.* For each Term Rate Period for a Series of Bonds, (i) the Issuer may by Written Notice to the Trustee delivered in connection with a Term Rate Conversion Date establish one or more Maturity Dates for the Bonds of such Series and Sinking Fund Installments for any maturities of the Bonds of such Series, and (ii) each maturity of the Bonds of such Series shall bear interest at a Term Rate; provided that the Term Rate, Maturity Dates and Sinking Fund Installments for each maturity of Bonds of any Series upon initial issuance of such Bonds, if any, shall be specified in this Indenture or a Supplemental Indenture providing for the issuance of such Series of Bonds. The Term Rate for each maturity of Bonds of a Series bearing interest in the Term Rate Period shall be determined by the Underwriter or the Remarketing Agent, as applicable, on a Business Day no later than the Issue Date or the Term Rate Conversion Date for such Series of Bonds, as applicable. Subject to the provisions of Section 2.07(d), each Term Rate shall be the rate of interest per annum determined by the Underwriter or the Remarketing Agent, as applicable, to be the minimum interest rate which, if borne by the Bonds of the applicable Series and maturity, would enable the Underwriter or the Remarketing Agent, as the case may be, to sell such Bonds and maturity on such date at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If, for any reason, with respect to any Series of Bonds being converted to a Term Rate Period, the Term Rate

for such Term Rate Period is not determined by the Remarketing Agent on or prior to the first day of such Term Rate Period, then the Interest Rate Period for the Bonds of the applicable Series shall be a Weekly Interest Rate Period and such Weekly Interest Rate Period shall continue until such time as the Interest Rate Period for such Series of Bonds shall have been converted to a Daily Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period as provided herein.

(b) *Conversion to or Continuation of Term Rate Period.* Subject to Section 2.10, at any time, the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at Term Rates. Such direction of the Issuer shall specify (i) the proposed effective date of the Term Rate Period, which date shall be a Business Day not earlier than the 30th day following receipt by the Trustee of such Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture; (ii) the last day of such Term Rate Period, which day shall be either the day immediately prior to the Final Maturity Date for the applicable Series of Bonds, or a day which both immediately precedes a Business Day and is at least one hundred eighty one (181) days after the effective date of the Term Rate Period; and (iii) with respect to any such Term Rate Period, may specify redemption prices and periods different than those set forth in this Indenture or the applicable Supplemental Indenture providing for the issuance of such Series of Bonds, subject to the Favorable Opinion of Bond Counsel as provided in Section 2.07(b)(iii). In addition, such direction shall be accompanied by the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Term Rate Conversion Date and by a form of the notice to be mailed by the Trustee as provided in Section 2.07(c). Upon Conversion of any Series of Bonds to the Term Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate Period under the terms of this Indenture, the interest rate or rates borne by such Series of Bonds shall be Term Rates as provided in Section 2.07(a). The day following the last day of any Term Rate Period for a Series of Bonds shall be a Term Rate Tender Date for such Series of Bonds. After the Final Fixed Rate Conversion Date for a Series of Bonds, the Bonds of such Series shall no longer be subject to or have the benefit of the provisions of Section 4.11 through Section 4.22.

(c) *Notice of Conversion to or Continuation of Term Rate.* Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Term Rate Period as provided in Section 2.07(b), the Trustee shall give notice by first-class mail of the Conversion of such Bonds to bear interest in a (or the establishment of another) Term Rate Period for a Series of Bonds to the Owners of the Bonds of such Series not less than thirty (30) days prior to the proposed effective date of such Term Rate Period. Such notice shall be in the form provided to the Trustee pursuant to Section 2.07(b) to state: (i) that the Interest Rate Period for such Bonds shall be converted to, or continue to be, a Term Rate Period unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Term Rate Period as provided in Section 2.10(b) or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the Term Rate Conversion Date; (ii) that such Bonds are subject to mandatory tender for purchase on the Term Rate Conversion Date and setting forth the applicable Purchase Price and the place of delivery for purchase of such Bonds; (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date

unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Term Rate Period as provided in Section 2.10(b); and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

(d) *Sale at Premium or Discount.* Notwithstanding the provisions of Section 2.07(a), the Term Rate for each maturity of any Series of Bonds as initially issued, or the Term Rate for each maturity of any other Series of Bonds upon Conversion to a Term Rate Period, shall be the rate of interest per annum determined by the Underwriter or the Remarketing Agent, as applicable, to be the interest rate which, if borne by the Bonds of such Series and maturity, would enable the Underwriter or the Remarketing Agent, as applicable, to sell the Bonds of such Series and maturity at a price (without regard to accrued interest) which will result in the lowest net interest cost for the Bonds of such Series and maturity, after taking into account any premium or discount at which the Bonds of such Series and maturity are sold by the Underwriter or the Remarketing Agent, as applicable, *provided that*:

(i) The Underwriter or the Remarketing Agent, as applicable, certifies in writing to the Trustee and the Issuer that the sale of the Bonds of such Series at the interest rate and premium or discount specified by the Underwriter or the Remarketing Agent, as applicable, is expected to result in the lowest net interest cost for such Bonds;

(ii) The Issuer consents in writing to the sale of the Bonds of such Series at such premium or discount;

(iii) In the case of the Bonds of such Series to be sold at a premium, the Underwriter or the Remarketing Agent, as applicable, shall transfer the amount of such premium to the Trustee for deposit into such Funds and Accounts as shall be specified in a Written Direction of the Issuer;

(iv) On or before the date of determination of the Term Rates for the Bonds of such Series, the Issuer delivers to the Trustee and the Remarketing Agent a form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Term Rate Conversion Date; and

(v) On or before the Conversion Date, a Favorable Opinion of Bond Counsel shall have been delivered to the Trustee.

Section 2.08. Commercial Paper Interest Rate Periods.

(a) *Determination of CP Interest Terms and CP Interest Term Rates.* During each Commercial Paper Interest Rate Period for a Series of Bonds, each Bond of such Series shall bear interest during each CP Interest Term for such Bond at the CP Interest Term Rate for such Bond. The CP Interest Term and the CP Interest Term Rate for each Bond need not be the same for any two Bonds of such Series, even if determined on the same date. Each of such CP Interest Terms and CP Interest Term Rates for each Bond shall be determined by the Remarketing Agent no later than the first day of each CP Interest Term. Each CP Interest Term shall be for a period of days within the range or ranges announced as possible CP Interest Terms no later than 9:30 a.m., New York City time, on the first day of each CP Interest Term by the Remarketing Agent. Each CP Interest Term for each Bond of the applicable Series shall be a period of not more than two hundred

seventy (270) days, determined by the Remarketing Agent to be the period which, together with all other CP Interest Terms for all Bonds of the applicable Series then Outstanding, will result in the lowest overall interest expense on such Bonds over the next succeeding two hundred seventy (270) days. Each CP Interest Term shall end on either a day which immediately precedes a Business Day or on the day immediately preceding the Final Maturity Date for the applicable Series of Bonds. If, for any reason, a CP Interest Term for any Bond cannot be so determined by the Remarketing Agent, or if the determination of such CP Interest Term is held by a court of law to be invalid or unenforceable, then such CP Interest Term shall be thirty (30) days, but if the last day so determined shall not be a day immediately preceding a Business Day, such CP Interest Term shall end on the first day immediately preceding the Business Day next succeeding such last day, or if such last day would be after the day immediately preceding the Final Maturity Date for the applicable Series of Bonds, shall end on the day immediately preceding such Final Maturity Date. In determining the number of days in each CP Interest Term, the Remarketing Agent shall take into account the following factors: (i) existing short-term, tax-exempt market rates and indices of such short-term rates; (ii) the existing market supply and demand for short-term tax-exempt securities; (iii) existing yield curves for short-term and long-term tax-exempt securities for obligations of credit quality comparable to the Bonds of the applicable Series; (iv) general economic conditions; (v) industry economic and financial conditions that may affect or be relevant to the Bonds of the applicable Series; (vi) the CP Interest Terms of other Bonds of the applicable Series; and (vii) such other facts, circumstances and conditions pertaining to financial markets as the Remarketing Agent, in its sole discretion, shall determine to be relevant.

The CP Interest Term Rate for each CP Interest Term for each Bond in a Commercial Paper Interest Rate Period shall be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by such Bond, would enable the Remarketing Agent to sell such Bond on the effective date of such rate at a price equal to the principal amount thereof. Subject to the provisions of Section 2.10(d), if, for any reason, a CP Interest Term Rate for any Bond in a Commercial Paper Interest Rate Period is not so established by the Remarketing Agent for any CP Interest Term, or if such CP Interest Term Rate is determined by a court of law to be invalid or unenforceable, then the CP Interest Term Rate for such CP Interest Term shall be a rate per annum equal to the SIFMA Index on the first day of such CP Interest Term.

(b) *Conversion to Commercial Paper Interest Rate Period.* Subject to Section 2.10, at any time, the Issuer, in a Written Direction of the Issuer to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at CP Interest Term Rates. Such Written Direction of the Issuer shall specify (i) the proposed effective date of the Commercial Paper Interest Rate Period, which shall be a Business Day not earlier than the thirtieth (30th) day following the second Business Day after receipt by the Trustee of such direction, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture. In addition, the Written Direction of the Issuer shall be accompanied by the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the effective date of the Conversion to the Commercial Paper Interest Rate Period and a form of the notice to be mailed by the Trustee pursuant to Section 2.08(c). Upon Conversion of any Series of Bonds to the Commercial Paper Interest Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate Period under the

terms of this Indenture, each Bond of such Series shall bear interest at a CP Interest Term Rate applicable to the CP Interest Term then in effect for such Bond, which may differ from the CP Interest Term Rate and CP Interest Term applicable to other Bonds of such Series.

(c) *Notice of Conversion to CP Interest Term Rates.* Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Commercial Paper Interest Rate Period as provided in Section 2.08(b), the Trustee shall give notice by first class mail of the Conversion of such Bonds to bear interest in a Commercial Paper Interest Rate Period to the Owners of the Bonds of the applicable Series not less than thirty (30) days prior to the proposed effective date of such Commercial Paper Interest Rate Period. Such notice shall be in the form provided to the Trustee pursuant to Section 2.08(b) to state: (i) that such Bonds shall bear interest at CP Interest Term Rates unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Commercial Paper Interest Rate Period as provided in Section 2.10(b) or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the applicable Conversion Date; (ii) the proposed Conversion Date to the Commercial Paper Interest Rate Period; and (iii) that Bonds of such Bonds are subject to mandatory tender for purchase on such proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Commercial Paper Interest Rate Period as provided in Section 2.10(b); and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

(d) *Conversion From Commercial Paper Interest Rate Period.* Subject to Section 2.10(b), at any time during a Commercial Paper Interest Rate Period for a Series of Bonds, the Issuer may elect, pursuant to Section 2.05(b), Section 2.06(b), Section 2.07(b) or Section 2.09(c), that such Bonds no longer shall bear interest at CP Interest Term Rates and shall instead bear interest at a Daily Interest Rate, a Weekly Interest Rate, a Term Rate or an Index Rate, as specified in such election. In connection with any such election, and notwithstanding any provision contained in this Section 2.08 to the contrary, each CP Interest Term established by the Remarketing Agent for the Bonds shall end on the same date in order to facilitate the Conversion of such Bonds. The date on which all CP Interest Terms determined for the Bonds end shall be the last day of the then current Commercial Paper Interest Rate Period and the day next succeeding such date shall be the effective date of the Daily Interest Rate Period, Weekly Interest Rate Period, Term Rate Period or Index Rate Period elected by the Issuer for such Bonds.

Section 2.09. Index Rate Periods.

(a) *Determination of Applicable Spread and Applicable Factor.* In connection with the issuance of a Series of Bonds bearing interest in an Index Rate Period, the Applicable Spread and any Applicable Factor applicable to such Series of Bonds for the duration of the initial Index Rate Period for such Series of Bonds shall be specified in this Indenture or in the Supplemental Indenture providing for the issuance of such Series of Bonds. In connection with the Conversion of the Interest Rate Period for a Series of Bonds to an Index Rate Period, the Remarketing Agent shall determine the Applicable Spread and any Applicable Factor applicable to such Bonds for the duration of the applicable Index Rate Period, and shall specify such Applicable Spread and any Applicable Factor selected by the Issuer in the Index Rate Determination Certificate for the applicable Index Rate Period. The Applicable Spread and any Applicable Factor shall be such amount as shall result in the minimum Index Rate (as a rate of interest per annum) which, if borne

by the Bonds of the applicable Series as of the first day of the applicable Index Rate Period, under Prevailing Market Conditions, would enable the Underwriter or the Remarketing Agent, as applicable, to sell the Bonds on the first day of the applicable Index Rate Period at a price (without regard to accrued interest) equal to 100% of the principal amount thereof.

(b) *Determination of Index Rate.*

(i) During each Index Rate Period for a Series of Bonds, such Bonds shall bear interest at an Index Rate, as specified in the applicable Index Rate Determination Certificate delivered to the Trustee on the first day of such Interest Rate Period. One Business Day prior to the Conversion Date of a Series of Bonds to a SOFR Index Rate, the SOFR Index Rate shall be calculated by the Calculation Agent and shall be in effect from and including the Conversion Date to (but not including) the first Index Rate Reset Date.

(ii) With respect to each SIFMA Index Rate Period, (A) the Calculation Agent shall determine the SIFMA Index by 4:00 p.m., New York City time, on each Wednesday or, if such Wednesday is not a Business Day, the Business Day immediately succeeding such Wednesday, and (B) the SIFMA Index Rate shall be determined by the Calculation Agent at or before 12:00 noon, New York City time, on each Index Rate Reset Date.

(iii) With respect to each SOFR Index Rate Period, the Calculation Agent shall (A) determine and provide to the Trustee by Electronic Means the SOFR Index by 4:00 p.m., New York City time, on each SOFR Publish Date, and (B) determine and provide to the Trustee by Electronic Means the SOFR Index Rate by 12:00 noon, New York City time, on each SOFR Effective Date.

(iv) During any Index Rate Period, interest shall be computed on the basis of a 365 or 366-day year and actual days elapsed. The Calculation Agent shall calculate and provide by Electronic Means to the Issuer and the Trustee the amount of interest due and payable on each Series of Bonds bearing interest at an Index (A) with respect to a Series of Bonds bearing interest at the SIFMA Index Rate, on or prior to each Interest Payment Date, and (B) with respect to a Series of Bonds bearing interest at the SOFR Index Rate, on each Interest Payment Date, which in case of a Series of Bonds bearing interest at the SOFR Index Rate shall be the SOFR Interest Calculation Date. The amount of interest due on a Series of Bonds bearing interest at the SIFMA Index Rate on any Interest Payment Date shall be calculated on the basis of the actual number of days in the calendar month immediately preceding such Interest Payment Date. The amount of interest due on a Series of Bonds bearing interest at the SOFR Index Rate on any Interest Payment Date shall be calculated on the basis of the actual number of days in the SOFR Accrual Period immediately preceding such Interest Payment Date. All percentages resulting from any step in the calculation of interest on a Series of Bonds while in an Index Rate Period will be rounded, if necessary, to the nearest one millionth of a percentage point (*i.e.*, to six decimal places, with 0.0000005 rounded upward to 0.000001), and all dollar amounts used in or resulting from such calculation of interest on such Bonds while in an Index Rate Period will be rounded to the nearest cent (with one-half cent being rounded upward).

(v) In determining the interest rate that any Bond shall bear as provided in this Section 2.09, neither the Underwriter nor the Remarketing Agent, as applicable, the Calculation Agent, nor the Trustee shall have any liability to the Issuer or the Holder of such Bond, except for its own negligence or willful misconduct.

(vi) If, during any Index Rate Period, the Index or rate used to determine an Index Rate is not reported by the relevant source at the time necessary for determination of such Index Rate or otherwise ceases to be available, the Issuer or its independent financial advisor (as applicable) shall determine a replacement or substitute Index Rate (as applicable), including any alternative rate and any adjustments, and promptly provide the same via Electronic Means to the Calculation Agent and the Trustee, together with the effective date of the substitute or replacement Index Rate, which substitute or replacement must be consistent with any corresponding substitute or replacement index designated pursuant to the relevant Interest Rate Swap.

(c) *Conversion to or Continuation of Index Rate Period.* Subject to Section 2.10, at any time, the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at an Index Rate. Such direction of the Issuer shall specify the proposed effective date of the Index Rate Period, which date shall be a Business Day not earlier than the 30th day following the second Business Day after receipt by the Trustee of the Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture, with such right to be exercised by delivery of an Index Rate Continuation Notice; (ii) the last day of such Index Rate Period, which day shall be either the day immediately prior to the Final Maturity Date for the applicable Series of Bonds, or a day which immediately precedes a Business Day. In addition, such direction of the Issuer shall be accompanied by the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Conversion Date and a form of the notice to be mailed by the Trustee pursuant to Section 2.09(d).

(d) *Notice of Conversion to or Continuation of Index Rate.* Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Index Rate Period as provided in Section 2.09(b), the Trustee shall give notice by first-class mail of the Conversion of such Bonds to bear interest in a (or the establishment of another) Index Rate Period for a Series of Bonds to the Owners of the Bonds of such Series not less than thirty (30) days prior to the proposed effective date of such Index Rate Period. Such notice shall be in the form provided to the Trustee pursuant to Section 2.09(c) to state: (i) that the Interest Rate Period for such Bonds shall be converted to, or continue to be, an Index Rate Period unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to an Index Rate Period as provided in Section 2.10(b) or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the Index Rate Conversion Date; (ii) that such Bonds are subject to mandatory tender for purchase on the Index Rate Conversion Date and setting forth the applicable Purchase Price and the place of delivery for purchase of such Bonds; and (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such

Series to an Index Rate Period as provided in Section 2.10(b); and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

Section 2.10. Notice of Conversion. (a) In the event that the Issuer shall elect to convert the Interest Rate Period for a Series of Bonds to a Daily Interest Rate Period, a Weekly Interest Rate Period, a Term Rate Period, an Index Rate Period or a Commercial Paper Interest Rate Period as provided in this Article II, then the Written Direction of the Issuer required to be delivered to the Trustee by the applicable provision of this Article II shall be given by registered or certified mail, or by Electronic Means.

(b) Notwithstanding anything in this Article II, in connection with any Conversion of the Interest Rate Period for a Series of Bonds, the Issuer shall have the right to deliver to the Trustee and the Remarketing Agent (if any), on or prior to 10:00 a.m., New York City time, on the third Business Day preceding the effective date of any such Conversion a Written Direction of the Issuer to the effect that the Issuer elects to rescind its election to make such Conversion. If the Issuer rescinds its election to make such Conversion, then the Interest Rate Period shall not be converted and the Bonds of the applicable Series shall continue to bear interest in the Daily Interest Rate Period, Weekly Interest Rate Period, Term Rate Period, Commercial Paper Interest Rate Period or Index Rate Period, as the case may be, as in effect immediately prior to such proposed Conversion, and the Term Rate Tender Date or Index Rate Tender Date, if applicable, for any such Series of Bonds shall also remain unchanged from that in effect immediately prior to such proposed Conversion.

(c) No Conversion of a Series of Bonds from one Interest Rate Period to another, and no continuation or establishment of a new Term Rate Period or Index Rate Period, shall take effect under this Indenture unless each of the following conditions, to the extent applicable, shall have been satisfied:

(i) the Trustee shall have received a Favorable Opinion of Bond Counsel with respect to such Conversion;

(ii) with respect to any Series of Bonds bearing interest at an Index Rate or a Term Rate, no Conversion may occur with respect to such Bonds earlier than (A) the Business Day following the last day of the applicable Interest Rate Period or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture;

(iii) in the case of any Conversion of the Interest Rate Period for a Series of Bonds to a Daily Interest Rate Period, a Weekly Interest Rate Period or a Commercial Paper Interest Rate Period, prior to the Conversion Date the Issuer shall have appointed a Remarketing Agent and shall have executed and delivered a Remarketing Agreement with respect to such Series of Bonds, and shall have obtained a Liquidity Facility with respect to such Series of Bonds as required by Section 2.11;

(iv) in the case of a Conversion of the Interest Rate Period for a Series of Bonds to an Index Rate Period, prior to the Conversion Date the Issuer shall have appointed a

Calculation Agent and executed and delivered a Calculation Agent Agreement with respect to such Series of Bonds; and

(v) the remarketing proceeds available on the Conversion Date shall not be less than the amount required to purchase all of the Bonds of such Series at the applicable Purchase Price (unless the Issuer in its sole discretion elects to transfer to the Trustee the amount of such deficiency on or before the Conversion Date).

(d) If any condition to the Conversion of the Interest Rate Period for a Series of Bonds shall not have been satisfied, then the Interest Rate Period shall not be converted and the Bonds of the applicable Series shall continue in the Daily Interest Rate Period, Weekly Interest Rate Period, Index Rate Period, Term Rate Period, or Commercial Paper Interest Rate Period, as the case may be, as in effect immediately prior to such proposed Conversion (provided, that the period of any such continuing Term Rate Period shall be one year), and the Bonds of such Series shall continue to be subject to mandatory tender for purchase on the date which would have been the effective date of the Conversion as provided in Section 4.14.

Section 2.11. Liquidity Facility. In connection with the issuance of any Series of Bonds, or the Conversion of any Series of Bonds, to bear interest in a Daily Interest Rate Period, a Weekly Interest Rate Period, an Index Rate Period or a Commercial Paper Interest Rate Period, the Issuer shall obtain a Liquidity Facility for such Series of Bonds, and the Issuer may elect to obtain a Liquidity Facility for any Series of Bonds bearing interest in a Term Rate Period or an Index Rate Period. Provisions concerning any Liquidity Facility so obtained with respect to such Series of Bonds shall be set forth in a Supplemental Indenture.

Section 2.12. Provisions Regarding Commodity Swaps. (a) In connection with the Clean Energy Project, the Issuer shall enter into the initial Commodity Swaps with the Commodity Swap Counterparties. The following shall apply to each such Commodity Swap:

(i) The method for the calculation of the Commodity Swap Payments and Commodity Swap Receipts, as applicable, and the scheduled payment dates therefor, are set forth in Schedule III hereto.

(ii) Commodity Swap Payments shall be made by the Trustee (for the account of the Issuer) from the Commodity Swap Payment Fund.

(iii) Commodity Swap Receipts shall be payable directly to the Trustee (for the account of the Issuer) and shall be deposited directly into the Revenue Fund.

(b) The following shall apply with respect to restrictions on replacement and termination of each Commodity Swap:

(i) Except as provided in clause (iii) below, the Issuer agrees that it will not exercise any right to declare an early termination date under the Commodity Swap unless either (A) the Issuer has entered into a replacement Commodity Swap in accordance with clause (ii) or (iii) below, and such replacement Commodity Swap will be effective as of such early termination date and cover price exposure from and after such early termination date, or (B) the Issuer causes or permits the termination of the Energy Purchase Agreement,

including by designating an Energy Delivery Termination Date in accordance with Section 17.2 of the Energy Purchase Agreement, prior to or as of such early termination date.

(ii) The Issuer may replace the Commodity Swap (and any related guaranty of the Commodity Swap Counterparty's obligations thereunder) with a similar agreement for the same hedging purposes with an alternate Commodity Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation.

(iii) If the Commodity Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) the Issuer may, subject to clause (i) above, terminate the Commodity Swap if the Issuer has the right to do so, and (B) the Issuer may enter into a replacement Commodity Swap with an alternate Commodity Swap Counterparty without Rating Confirmation, but only if the replacement Commodity Swap is identical in all material respects to the existing Commodity Swap, except for the identity of the Commodity Swap Counterparty, and (1) the replacement Commodity Swap Counterparty (or its credit support provider under the Commodity Swap) is then rated at least the lower of (a) the credit rating of the Funding Recipient or (b) the rating then assigned by each Rating Agency to the Bonds, or (2) the Commodity Swap Counterparty provides such collateral and security arrangements as the Issuer shall determine to be necessary, and (3) in either case, the replacement Commodity Swap Counterparty enters into a replacement Energy Supplier Custodial Agreement with the Energy Supplier and the Custodian that is identical in all material respects to the existing Energy Supplier Custodial Agreements.

(c) The following shall apply with respect to the mandatory termination of each Commodity Swap and the Energy Purchase Agreement:

(i) Upon the occurrence of a Commodity Swap Mandatory Termination Event, the Issuer shall (A) notify the Energy Supplier of such event pursuant to Section 17.5(a) of the Energy Purchase Agreement, and (B) in accordance with Section 17.5(a) of the Energy Purchase Agreement, use its good faith efforts to replace the affected Commodity Swap with an alternate Commodity Swap, subject to the conditions of subsection (b)(ii) above, during the 120-day replacement period contemplated by Section 17.5(a) of the Energy Purchase Agreement or any period that the Custodian, under the terms of the Custodial Agreements, is making payments (an "*Alternate Replacement Period*"), *provided* that any such Alternate Replacement Period shall end on the earlier of the date on which the Custodian ceases making payments under the Custodial Agreements and the date of the sixth consecutive monthly payment by the Custodian.

(ii) If the Issuer is unable to enter into an alternate Commodity Swap pursuant to clause (i)(B) above during such 120-day replacement period or Alternate Replacement Period, as applicable, the Issuer shall (A) designate an Energy Delivery Termination Date in accordance with Section 17.2 of the Energy Purchase Agreement, with such Energy Delivery Termination Date occurring immediately at the end of such replacement period, and (B) unless the Commodity Swap has been terminated automatically pursuant to Section 6(a) thereof, designate an early termination date for the Commodity Swap pursuant

to Section 6(a) thereof with such early termination date occurring concurrently with the Energy Delivery Termination Date described in clause (A) above.

(iii) A “*Commodity Swap Mandatory Termination Event*” occurs if the Commodity Swap becomes terminable by the Issuer pursuant to Part 1(h)(ii) (failure to pay after cure period) of the Schedule to the Commodity Swap.

Section 2.13. Provisions Regarding Interest Rate Swap. (a) In connection with the issuance of any Variable Rate Series of Bonds, or the Conversion of any Series of Bonds, to bear interest in a Daily Interest Rate Period, a Weekly Interest Rate Period, an Index Rate Period or a Commercial Paper Interest Rate Period, the Issuer shall enter into an Interest Rate Swap with an Interest Rate Swap Counterparty. The following shall apply to the Interest Rate Swap:

(i) The method for the calculation of the Interest Rate Swap Payments and Interest Rate Swap Receipts, as applicable, and the scheduled payment dates therefor are set forth in the Interest Rate Swap;

(ii) Interest Rate Swap Payments shall be made by the Trustee (for the account of the Issuer) from the Debt Service Account on parity with principal and interest payments on Bonds; and

(iii) Interest Rate Swap Receipts shall be payable directly to the Trustee (for the account of the Issuer) and shall be deposited directly into the Debt Service Account.

(b) The following shall apply with respect to restrictions on replacement and termination of the Interest Rate Swap:

(i) The Issuer agrees that it will not exercise any right to declare an early termination date under the Interest Rate Swap unless either (A) the Issuer has entered into a replacement Interest Rate Swap in accordance with clause (ii) and (iii) below, and such replacement Interest Rate Swap will be effective as of such early termination date and cover interest rate exposure from and after such early termination date, or (B) in all other cases, the Energy Purchase Agreement will terminate prior to or as of such early termination date.

(ii) The Issuer may replace the Interest Rate Swap (and any related guaranty of the Interest Rate Swap Counterparty’s obligations thereunder) with a similar agreement for the same hedging purposes with an alternate Interest Rate Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation.

(iii) If the Interest Rate Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) the Issuer may, subject to clause (i) above, terminate the Interest Rate Swap if the Issuer has the right to do so, and (B) the Issuer may enter into a replacement Interest Rate Swap with an alternate Interest Rate Swap Counterparty without Rating Confirmation, but only if the replacement Interest Rate Swap is identical in all material respects to the existing Interest Rate Swap, except for the identity of the Interest Rate Swap Counterparty, and (1) the alternate Interest Rate Swap Counterparty (or its credit support provider under the Interest

Rate Swap) is then rated at least the lower of (a) the credit rating of the Funding Recipient or (b) at least as highly as the rating then assigned by each Rating Agency to the Bonds, or (2) the Interest Rate Swap Counterparty provides such collateral and security arrangements as the Issuer shall determine to be necessary.

Section 2.14. CPI Index Rate Periods. The provisions of this Section 2.14 shall apply to Index Rate Bonds bearing interest in a CPI Index Rate Period.

(a) *Determination of Applicable Spread.* In connection with the issuance of a Series of Bonds bearing interest at a CPI Index Rate, or the Conversion of the Interest Rate Period for a Series of Bonds to a CPI Index Rate Period, the Underwriter or Remarketing Agent, as applicable, shall determine the Applicable Spread for such Bonds for the duration of the applicable CPI Index Rate Period, and such Applicable Spread shall be specified in the Supplemental Indenture or Index Rate Determination Certificate for the applicable CPI Index Rate Period. The Applicable Spread for a CPI Index Rate Period shall be such amount as shall result in the minimum interest rate(s) which, if borne by the Bonds of the applicable Series as of the first day of the applicable CPI Index Rate Period, under Prevailing Market Conditions, would enable the Underwriter or the Remarketing Agent, as applicable, to sell the Bonds at a price equal to 100% of the aggregate principal amount of such Bonds on the first day of the applicable CPI Index Rate Period.

(b) *Determination of CPI Index Rate.*

(i) During any CPI Index Rate Period for a Series of Bonds, such Bonds shall bear interest at the CPI Index Rate, determined using the CPI Index Rate Formula and the Applicable Spread, as specified in the applicable Index Rate Determination Certificate delivered to the Trustee on the first day of such CPI Index Rate Period.

(ii) The Calculation Agent shall by noon, New York time, on each CPI Index Rate Reset Date (or, if such CPI Index Rate Reset Date is not a Business Day, on the next succeeding Business Day) determine the CPI Index Rate for the CPI Interest Rate Period that begins on such CPI Index Rate Reset Date. The Calculation Agent shall also calculate and provide to the Issuer and the Trustee the amount of interest due and payable on each Interest Payment Date for the applicable Series of Bonds at least two Business Days prior to such Interest Payment Date. The Calculation Agent shall furnish each CPI Index Rate so determined to the Issuer and the Trustee by Electronic Means not later than each CPI Index Rate Reset Date. Upon the written request of any Holder, the Trustee shall confirm the CPI Index Rate then in effect. All percentages resulting from any step in the calculation of interest on a Series of Bonds while in a CPI Index Rate Period will be rounded, if necessary, to the nearest hundred thousandth of a percentage point (*i.e.*, to five decimal places) with five millionths of a percentage point rounded upward, and all dollar amounts used in or resulting from such calculation of interest on such Bonds while in an Index Rate Period will be rounded to the nearest cent (with one-half cent being rounded upward).

(iii) During any CPI Index Rate Period, interest shall be computed on the basis of a 360-day year of twelve 30 day calendar months.

(iv) In determining the interest rate that any Bond shall bear as provided in this Section 2.14, neither the Underwriter nor the Remarketing Agent, as applicable, the Calculation Agent, nor the Trustee shall have any liability to the Issuer or the Holder of such Bond, except for its negligence or willful misconduct.

(v) If the CPI is not reported on Bloomberg CPURNSA for a particular month by 11:00 a.m. on a CPI Index Rate Reset Date, but the CPI has otherwise been published by the BLS, the Calculation Agent will determine the CPI as published by the BLS for such month using a source it deems to be accurate and appropriate. If the CPI is not published by the BLS for a particular month by 11:00 a.m. on a CPI Index Rate Reset Date, the Calculation Agent will determine the CPI with reference to an index number based on the last twelve-month change in the CPI available and announced by the Department of the Treasury for its Inflation-Indexed Securities as described at 62 Federal Register 846-874 (January 6, 1997) (the “*Treasury Inflation-Indexed Securities Regulation*”) or, if no such index number is announced, in accordance with general market practice at the time.

(vi) In calculating CPI_{It} and CPI_{It-12}, the Calculation Agent will use the most recently available value of the CPI determined as described above on the applicable Interest Reset Date, even if such value has been adjusted from a prior reported value for the relevant month. However, if a value of CPI_{It} and CPI_{It-12} used by the Calculation Agent on any Interest Reset Date to determine the interest rate on the CPI Bonds (an “*Initial CPI Value*”) is subsequently revised by the BLS, the Calculation Agent will continue to use the Initial CPI Value for all purposes hereunder, and the interest rate on the related CPI Index Rate Reset Date, as determined based upon the Initial CPI Value, will not be revised.

(c) *CPI Index Rate Continuation.*

(i) On any Mandatory Purchase Date pursuant to Section 4.13 and unless the Issuer has given notice with respect to the Conversion of the Bonds to an Interest Rate Period other than the CPI Index Rate Period, the Issuer may establish a new CPI Index Rate Period and a new CPI Index Rate for the Bonds with such right to be exercised by delivery of an Index Rate Continuation Notice to the Trustee no less than 30 days prior to the effective date of the new CPI Index Rate Period. The CPI Index Rate Continuation Notice shall be accompanied by a letter of Bond Counsel to the effect that Bond Counsel expects to be able to deliver a Favorable Opinion of Bond Counsel on the effective date of the new CPI Index Rate Period.

(ii) Any establishment of a new CPI Index Rate and CPI Index Rate Period for a Series of Bonds pursuant to paragraph (i) above must comply with the following conditions:

(A) the first day of such new CPI Index Rate Period must be a Mandatory Purchase Date for such Bonds pursuant to the provisions of Section 4.13, and such Bonds shall be required to be tendered for purchase on such date;

(B) the first day of such new CPI Index Rate Period must be a Business Day; and

(C) no new CPI Index Rate shall become effective unless (x) the Favorable Opinion of Bond Counsel referred to in paragraph (i) above is delivered on the first day of the new CPI Index Rate Period and (y) there is no Failed Remarketing on the Mandatory Purchase Date on which such new CPI Index Rate Period is to become effective.

(iii) Upon receipt by the Trustee of a CPI Index Rate Continuation Notice from an Authorized Officer, as soon as practicable, but in any event not less than 10 Business Days prior to the first day of the proposed CPI Index Rate Period, the Issuer (or any dissemination agent appointed by the Issuer) shall give notice by first class mail or by Electronic Means via EMMA to the Holders of the Bonds of the applicable Series, which notice shall state in substance:

(A) that a new CPI Index Rate Period and CPI Index Rate is to be established for such Bonds and the proposed effective date of such new CPI Index Rate Period (which date shall be the Mandatory Purchase Date for such Bonds pursuant to Section 4.13), and that such new CPI Index Rate Period and CPI Index Rate will become effective on such date if the conditions specified in this Section 2.14 are satisfied on or before such date;

(B) that all Bonds of the applicable Series are subject to mandatory tender for purchase on the applicable Mandatory Purchase Date pursuant to Section 4.13 (whether or not the proposed new CPI Index Rate Period becomes effective on such date) at the Purchase Price, which shall be specified therein;

(C) the first day of the new CPI Index Rate Period;

(D) that the new CPI Index Rate Period and CPI Index Rate for the Bonds shall not be established unless a Favorable Opinion of Bond Counsel is delivered to the Trustee on the first day of the new CPI Index Rate Period and no Failed Remarketing occurs on such date;

(E) the CUSIP numbers or other identification information of the Bonds of the applicable Series; and

(F) that, to the extent that there shall be on deposit with the Trustee on the first day of the new CPI Index Rate Period an amount of money sufficient to pay the Purchase Price thereof, all the Bonds not delivered to the Trustee on or prior to such date shall be deemed to have been properly tendered for purchase and shall cease to constitute or represent a right on behalf of the Holder thereof to the payment of principal thereof or interest thereon and shall represent and constitute only the right to payment of the Purchase Price on deposit with the Trustee, without interest accruing thereon after such date.

(d) *End of CPI Index Rate Period.* In the event the Issuer has not given a CPI Index Rate Continuation Notice or other Written Notice reasonably acceptable to the Trustee with respect to the Conversion of Bonds to an Interest Rate Period other than a CPI Index Rate Period, in either case at the time required by this Indenture, or if the conditions to the effectiveness of a new CPI Index Rate Period and new CPI Index Rate set forth above are not satisfied, including as a result of the Remarketing Agent's failure to establish a CPI Index Rate as herein provided, then the Bonds of the applicable Series shall be purchased on the applicable Mandatory Purchase Date pursuant to Section 4.13 and a Failed Remarketing shall be deemed to have occurred and the Bonds shall not be remarketed.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01. Medium of Payment; Form and Date; Letters and Numbers. (a) The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds may be issued only in the form of fully registered Bonds without coupons, in Authorized Denominations. The Bonds shall be in substantially the form set forth in *Exhibit A* hereto, and may be printed, engraved, typewritten or otherwise produced.

(c) Unless the Issuer shall otherwise direct, the Bonds shall be numbered from one upward, with a separate designation for each Series.

Section 3.02. Legends. The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Issuer prior to the authentication and delivery thereof.

Section 3.03. Execution and Authentication. (a) The parties agree that the Electronic Signature of a party to this Indenture, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to this Indenture. The parties agree that any Electronically Signed document (including this Indenture) shall be deemed (i) to be "written" or "be in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "Electronic Signature" or "Electronically Signed" means a manually signed original signature that is then transmitted by Electronic Means and containing, or to which there is affixed, an Electronic Signature.

(b) The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chair or any other Authorized Officer of the Issuer, and attested by the manual or facsimile signature of the Secretary of the Issuer or any other Authorized Officer. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before

the Bonds so signed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the Persons who signed such Bonds had not ceased to hold such offices. Any Bond may be signed on behalf of the Issuer by such Persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in the Issuer, although at the date borne by the Bonds such Persons may not have been so authorized or have held such office.

(c) The Bonds shall bear thereon a certificate of authentication, in the form set forth in *Exhibit A* hereto, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Issuer shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Holder thereof is entitled to the benefits of this Indenture.

(d) The parties agree that the Electronic Signature of a party to this Indenture, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to this Indenture. The parties agree that any Electronically Signed Document (including this Indenture) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, “Electronic Signature” means a manually signed original signature that is then transmitted by Electronic Means; “transmitted by Electronic Means” means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e-mail message; and, “Electronically Signed Document” means a document transmitted by Electronic Means and containing, or to which there is affixed, an Electronic Signature. Paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of Electronically Signed Documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Section 3.04. Exchange, Transfer and Registry. (a) The Bonds shall be registered and transferred only upon the books of the Issuer, which shall be held and controlled by the Bond Registrar and kept for such purposes at the designated corporate trust office of the Bond Registrar, and may be transferred by the registered owner thereof in person or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer, in form and with guaranty of signature satisfactory to the Bond Registrar duly executed by the registered owner or its duly authorized attorney and in compliance with the applicable terms of this Indenture. The transferor shall also provide, or cause to be provided, to the Trustee all information reasonably required by the Trustee to allow it to comply with any applicable federal, state or local tax reporting obligations, including, without limitation, any cost-basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on such information provided to it and shall have no responsibility to verify or ensure the accuracy of such information. Upon the registration

of transfer of any Bond, the Issuer shall issue in the name of the transferee a new Bond or Bonds of the same Series, aggregate principal amount and maturity as the surrendered Bond.

(b) The registered owner of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination then authorized for such Bond or Bonds of the same Series, aggregate principal amount and maturity of the surrendered Bond or Bonds. Such Bond or Bonds shall be exchanged by the Issuer for a new Bond or Bonds upon the request of the registered owner thereof in person or by its attorney duly authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange, in form satisfactory to the Bond Registrar duly executed by the registered owner or its duly authorized attorney.

(c) The Issuer and each Fiduciary may deem and treat the Person in whose name any Bond shall be registered upon the Bond registration books maintained by the Bond Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor any Fiduciary shall be affected by any notice to the contrary.

Section 3.05. Regulations With Respect to Exchanges and Registration of Transfers. In all cases in which the privilege of exchanging or registering the transfer of Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges or registration of transfer shall forthwith be delivered to the Trustee and cancelled or retained by the Trustee. Prior to every such exchange or registration of transfer of Bonds, whether temporary or definitive, the Trustee or the Bond Registrar may require the Holder to pay an amount sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Every applicable person that transfers Bonds in any such exchange or transfer shall also timely provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligation, including without limitation any cost-basis reporting obligations under Section 6045 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information. Unless otherwise provided in a Supplemental Indenture, neither the Trustee nor the Bond Registrar shall be required (a) to register the transfer or exchange of Bonds for the period next preceding any Interest Payment Date for the Bonds, beginning with the Regular Record Date for such Interest Payment Date and ending on such Interest Payment Date, or for the period next preceding any date for the proposed payment of Defaulted Interest with respect to such Bonds beginning with the Special Record Date for the date of such proposed payment and ending on the date of such proposed payment, (b) to register the transfer or exchange of Bonds for a period beginning 15 days before the mailing of any notice of redemption of such Bonds and ending on the day of such mailing, or (c) to register the transfer or exchange of any Bonds called for redemption. Every Person that transfers Bonds shall timely provide or cause to be timely provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost-basis reporting obligations under Section 6045 of the Internal Revenue Code

and regulations promulgated thereunder. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. If any Bond becomes mutilated or is lost, stolen or destroyed, the Issuer may execute and the Trustee shall authenticate and deliver a new Bond of like Series, date of issue, maturity date, principal amount and interest rate per annum as the Bond so mutilated, lost, stolen or destroyed, *provided* that (a) in the case of such mutilated Bond, such Bond is first surrendered to the Trustee, (b) in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction in form satisfactory to the Trustee together with indemnity satisfactory to the Issuer and the Trustee, (c) all other reasonable requirements of the Issuer and the Trustee are complied with, and (d) expenses in connection with such transaction are paid by the Holder. Any Bond surrendered for registration or transfer shall be cancelled. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Issuer, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Indenture, in any moneys or securities held by the Issuer or any Fiduciary for the benefit of the Bondholders.

Section 3.07. Temporary Bonds. (a) Until the definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 3.03, and upon the request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without service charge to the Holder thereof (except a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto), deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

(b) All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

Section 3.08. Payment of Interest on Bonds; Interest Rights Preserved. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the Regular Record Date.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (hereinafter, “*Defaulted Interest*”) shall forthwith cease to be payable to the Person who was the registered owner on the relevant Regular Record Date; and such Defaulted Interest shall be paid by the Issuer to the Persons in whose names the Bonds are registered at the close of business on a date (hereinafter, the “*Special Record Date*”) for the

payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Bond Registrar in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Issuer shall deposit with the Paying Agents an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to and approved in writing by the Paying Agents for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Section provided. Thereupon the Bond Registrar shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days or less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Bond Registrar of the written notice of the proposed payment. The Bond Registrar shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder at its address as it appears upon the registry books, not less than 10 days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon registration or transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 3.09. Book Entry System; Appointment of Securities Depository. All Bonds shall be registered in the name of Cede & Co., as nominee for DTC, as Securities Depository, and held in the custody or for the account of the Securities Depository. A single certificate will be issued and delivered to the Securities Depository for each maturity of Bonds, and the Beneficial Owners will not receive physical delivery of Bond certificates except as provided in this Indenture. For so long as the Securities Depository shall continue to serve as securities depository for the Bonds as provided herein, all transfers of Beneficial Ownership interests will be made by book entry only, and no investor or other party purchasing, selling or otherwise transferring Beneficial Ownership of Bonds is to receive, hold or deliver any Bond certificate. In connection with any proposed transfer outside the Book Entry System, the Issuer or the Securities Depository shall provide, or cause to be provided, to the Trustee all information reasonably required by the Trustee to allow it to comply with any applicable federal, state or local tax reporting obligations, including, without limitation, any cost-basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on such information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

The Issuer may, with Written Notice to the Trustee but without the consent of any Bondholders, appoint a successor Securities Depository and enter into an agreement with the successor Securities Depository, to establish procedures with respect to a Book Entry System for the Bonds not inconsistent with the provisions of this Indenture. Any successor Securities Depository shall be a “clearing agency” registered under Section 17A of the Securities Exchange Act of 1934, as amended.

The Issuer and the Trustee may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book Entry System with respect to the Bonds, and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of the Bonds beneficially owned by the Beneficial Owners.

Whenever, during the term of the Bonds, the Beneficial Ownership of any Series thereof is determined by a book entry at the Securities Depository, the requirements in this Indenture of holding, delivering or transferring such Bonds shall be deemed modified to require the appropriate Person to meet the requirements of the Securities Depository as to registering or transferring the book entry to produce the same effect. Any provision hereof permitting or requiring delivery of the Bonds shall, while such Bonds are in such Book Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with applicable state law. Notwithstanding the foregoing, the Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any security (including any transfers between or among Securities Depository Participants or Beneficial Owners) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Except as otherwise specifically provided herein with respect to the rights of Participants and Beneficial Owners, when a Book Entry System is in effect, the Issuer and the Trustee may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal, Redemption Price or Purchase Price of and interest on such Bonds or portion thereof to be redeemed or purchased, of giving any notice permitted or required to be given to the Bondholders under this Indenture and of voting, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. Neither the Issuer nor the Trustee will have any responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other Person which is not shown on the bond register, with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount, Redemption Price or Purchase Price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of any of the Bonds; or (e) any other action taken by the Securities Depository or any Participant. The Trustee shall pay all principal or Redemption Price of and interest on the Bonds registered in the name of Cede only to or “upon the order of” the Securities Depository (as that term is used in the Uniform Commercial Code as adopted in the State and New York), and all such payments shall be valid and effective to fully satisfy and discharge the Issuer’s obligations with respect to the principal, Redemption Price or purchase price of and interest on such Bonds to the extent of the sum or sums so paid.

The Book Entry System may be discontinued by the Trustee and the Issuer, at the Written Direction and expense of the Issuer, and the Issuer and the Trustee will cause the delivery of Bond certificates to such Beneficial Owners of the Bonds and registered in the names of such Beneficial Owners as shall be specified to the Trustee by the Securities Depository in writing, under the following circumstances:

- (i) The Securities Depository determines to discontinue providing its service with respect to any Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving 30 days’ written notice to

the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law; or

(ii) The Issuer determines, with written notice to the Trustee, not to continue the Book Entry System through a Securities Depository for the Bonds.

When the Book Entry System is not in effect, all references herein to the Securities Depository shall be of no further force or effect.

In connection with any proposed transfer outside the Book Entry System of the Securities Depository, the Securities Depository and the Issuer shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation cost-basis reporting obligations under Section 6045 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 3.10. Subsidy Payments. In the event that one or more Series of Bonds are issued which qualify the Issuer to receive Subsidy Payments and the Issuer, in a Supplemental Indenture, pledges such Subsidy Payments to the repayment of the principal of, and interest on, the Bonds, then, to the extent such Subsidy Payments are received by the Trustee, they shall constitute Revenues under the Indenture.

Section 3.11. Limitation of Liability of the Issuer. Notwithstanding anything to the contrary herein or in the Bonds, all obligations of the Issuer to make payments of any kind pursuant to this Indenture are special, limited obligations of the Issuer, payable solely from, and secured solely by, the Trust Estate as and to the extent provided herein. The Issuer shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Neither the faith and credit of the Issuer nor the taxing power of the State or any political subdivision thereof is pledged to payments pursuant to this Indenture or the Bonds. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Indenture or the Clean Energy Project, except solely to the extent Revenues are received for the payment thereof.

ARTICLE IV

REDEMPTION OF BONDS AND TENDER PROVISIONS

Section 4.01. Extraordinary Redemption. (a) The Bonds shall be subject to mandatory redemption prior to maturity in whole, and not in part, on the first day of the Month following the Early Termination Payment Date, which redemption date in the case of a Failed Remarketing will

be the same day as the next-occurring Mandatory Purchase Date, at the following Redemption Prices:

- (i) in the case of a Series of Bonds bearing interest in a Term Rate Period (including the Series 2025[] Bonds), the Amortized Value thereof, and
- (ii) in the case of a Series of Variable Rate Bonds, 100% of the principal amount thereof,

plus, in each case, accrued and unpaid interest to the redemption date at the initial interest rates on the Bonds or the Increased Interest Rate, whichever is then in effect.

(b) The Issuer shall (i) provide the Trustee with Written Notice of the Early Termination Payment Date as provided in Section 7.12(b), and (ii) as of the first day of the Month prior to a Mandatory Purchase Date, direct the Trustee to send a conditional notice of redemption pursuant to Section 4.04 in the event that a Failed Remarketing may occur.

Section 4.02. Sinking Fund Redemption. (a) The Series 2025[] Bonds maturing on [] 1, 20[] shall be subject to mandatory redemption prior to their stated maturity in part (by lot) from Sinking Fund Installments, at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption on the following dates and in the following amounts:

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT
[] 1, 20 []	\$[]	[] 1, 20 []	\$[]

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT

*

* Stated Maturity

Section 4.03. Optional Redemption. (a) The Series 2025[] Bonds are subject to redemption at the option of the Issuer in whole or in part (in such amounts and by such maturities as may be specified by the Issuer and by lot within a maturity) on any date prior to [] 1, 20[] at a Redemption Price, calculated by a quotation agent selected by the Issuer, equal to the greater of:

(i) the sum of the present values of the remaining unpaid payments of principal and interest to be paid on the Series 2025[] Bond to be redeemed from and including the date of redemption (not including any portion of the interest accrued and unpaid as of the redemption date) to the earlier of the stated maturity date of such Series 2025[] Bond or the Mandatory Purchase Date, discounted to the date of redemption on a semiannual basis at a discount rate equal to the Applicable Tax Exempt Municipal Bond Rate for such Series 2025[] Bonds minus 0.25% per annum provided, however, that if the Applicable Tax-Exempt Municipal Bond Rate results in a discount rate less than zero percent, such discount shall be 0.00% in any event, and

(ii) the Amortized Value thereof;

in each case plus accrued and unpaid interest to the date of redemption at the initial interest rates on the Series 2025[] Bonds or the Increased Interest Rate, whichever is then in effect.

(b) The Series 2025[] Bonds maturing on the Initial Mandatory Purchase Date are subject to redemption at the option of the Issuer in whole or in part (in such amounts and by such maturities as may be specified by the Issuer and by lot within a maturity) on any date on or after [] 1, 20[] at a Redemption Price equal to the Amortized Value thereof as of the date of redemption, plus \$0.10 per \$1,000 of the principal amount thereof plus accrued and unpaid interest to the date of redemption at the initial interest rates on the Series 2025[] Bonds or the Increased Interest Rate, whichever is then in effect; *provided that*, if the optional redemption date is the Mandatory Purchase Date, the Redemption Price will be 100% of the principal amount of the Series 2025[]-1 Bonds to be redeemed plus accrued and unpaid interest to the date of redemption.

The Series 2025[] Bonds maturing after the Initial Mandatory Purchase Date are subject to redemption at the option of the Issuer in whole or in part (in such amounts and by such maturities as may be specified by the Issuer and by lot within a maturity) on any date on or after [] 1, 20[] at a Redemption Price equal to the Amortized Value thereof as of the date of redemption, plus \$0.10 per \$1,000 of the principal amount thereof plus accrued and unpaid interest to the date of redemption at the initial interest rates on the Series 2025[] Bonds or the Increased Interest

Rate, whichever is then in effect; *provided that*, if the optional redemption date is the Mandatory Purchase Date, the Redemption Price will be 100% of the principal amount of the Series 2025[] Bonds to be redeemed plus accrued and unpaid interest to the date of redemption.

(c) The Issuer shall provide Written Notice of the identity of the quotation agent to the Trustee.

(d) The Series 2025[] Bonds shall also be subject to redemption at the option of the Issuer, as provided in a Supplemental Indenture executed or Interest Rate Determination Certificate delivered in connection with a Conversion of the Bonds.

(e) For so long as a Series of Bonds is bearing interest in an Index Rate Period, the Bonds of such Series are subject to optional redemption by the Issuer, in whole or in part (in such amounts and by such maturities as may be specified by the Issuer and at random within a maturity), on any Business Day on or after the first Business Day of the third month preceding the Index Rate Tender Date for such Series of Bonds at a Redemption Price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest to the date of redemption.

(f) For so long as a Series of Bonds is bearing interest in a Daily Interest Rate Period or a Weekly Interest Rate Period, the Bonds of such Series are subject to optional redemption by the Issuer in whole or in part (in such amounts and by such maturities as may be specified by the Issuer and at random within a maturity) on any Business Day at a Redemption Price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest to the date of redemption.

(g) For so long as a Series of Bonds is bearing interest in a Commercial Paper Interest Rate Period, each Bond of such Series is subject to optional redemption by the Issuer on the day succeeding the last day of any CP Interest Term for such Bond at a Redemption Price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest to the date of redemption.

(h) Notwithstanding anything to the contrary contained herein, in connection with the Conversion of a Series of Bonds from one Interest Rate Period to another or the establishment of a new Term Rate Period or Index Rate Period for a Series of Bonds, the Issuer may, in the Written Direction to the Trustee delivered in connection with such Conversion or establishment of a new Term Rate Period or Index Rate Period, designate additional or different terms upon which the Bonds of such Series will be subject to optional redemption during the new Interest Rate Period for such Series of Bonds if such additional or different terms of optional redemption are approved by Bond Counsel.

(i) In lieu of redeeming Series 2025[] Bonds pursuant to this Section 4.03, the Trustee may, upon the Written Direction of the Issuer, use such funds as may be available by the Issuer or as are otherwise available hereunder to purchase such Series 2025[] Bonds on the applicable redemption date at a Purchase Price equal to the applicable Redemption Price of such Series 2025[] Bonds. Any Series 2025[] Bonds so purchased may be remarketed in a new Interest Rate Period or may be cancelled by the Trustee, in either case as set forth in the Written Direction of the Issuer.

Section 4.04. Redemption Notice. (a) When the Trustee receives Written Notice from the Issuer of its election or direction to optionally redeem Bonds pursuant to Section 4.06, the Trustee shall give notice, in the name of the Issuer, or when redemption of Bonds is authorized or required pursuant to Section 4.01 or other than at the election or direction of the Issuer, pursuant to Section 4.07 the Trustee shall give notice, in the name of the Issuer, of the redemption of such Bonds by first class mail, postage prepaid, to the registered owner of each Bond being redeemed, at its address as it appears on the bond registration books of the Trustee or at such address as such owner may have filed with the Trustee in writing for that purpose, as of the Regular Record Date, as follows:

- (i) for any redemption of the Bonds pursuant to Section 4.01, not less than 15 days prior to the redemption date;
- (ii) for redemptions of Bonds bearing interest in a Term Rate Period, pursuant to Sections 4.02 and 4.03, not less than 30 days prior to the redemption date;
- (iii) for redemptions of Variable Rate Bonds pursuant to Sections 4.02 4.03, not less than 15 days prior to the redemption date.

A notice of redemption of the Series 2025[] Bonds (A) pursuant to clause (iii) above may include a statement that, if the Series 2025[] Bonds are not redeemed for any reason, the Series 2025[] Bonds shall be subject to mandatory tender for purchase on the Initial Mandatory Purchase Date, and (B) pursuant to clause (i) or clause (iii) above may be combined with notice of the mandatory tender of the Series 2025[] Bonds on the Initial Mandatory Purchase Date pursuant to Section 4.16, subject to the condition set forth in Section 4.16(b).

(b) In the event that the Bonds may be subject to extraordinary redemption as a result of a Failed Remarketing that could occur if the Trustee has not received the Purchase Price of the Bonds by noon New York City time on the fifth Business Day preceding a Mandatory Purchase Date, a notice of extraordinary redemption of the Bonds pursuant to this Section 4.04 may be a conditional notice of redemption, delivered in each case not less than 15 days prior to such Mandatory Purchase Date, stating that: (a) such redemption shall be conditioned upon the Trustee's failure to receive, by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Purchase Price of the Bonds required to be purchased on such Mandatory Purchase Date, and (b) if the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Bonds shall be purchased pursuant to Section 4.13 or Section 4.14 hereof on such Mandatory Purchase Date rather than redeemed. If the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Trustee shall withdraw such conditional notice of redemption prior to such Mandatory Purchase Date and the Bonds shall be purchased pursuant to Section 4.13 or Section 4.14 hereof on such Mandatory Purchase Date rather than redeemed.

(c) Each notice of redemption shall identify the Bonds to be redeemed and shall state (i) the redemption date, (ii) the Redemption Price or the manner in which it will be calculated, (iii) that the Bonds called for redemption must be surrendered to collect the Redemption Price,

(iv) the address at which the Bonds must be surrendered, and (v) that interest on the Bonds called for redemption ceases to accrue on the redemption date.

(d) With respect to any notice of optional redemption of Bonds, unless upon the giving of such notice such Bonds shall be deemed to have been paid within the meaning of Section 12.01 of this Indenture, such notice shall state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the Redemption Price of and interest on the Bonds to be redeemed, and that if such money shall not have been so received said notice shall be of no force and effect, and the Issuer shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

(e) Failure of the registered owner of any Bonds which are to be redeemed to receive any such notice, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of any Bonds.

Section 4.05. Bonds Redeemed in Part. Upon surrender of a Bond redeemed in part, the Issuer will execute and the Trustee will authenticate and deliver to the Holder thereof a new Bond or Bonds of the same Series, maturity and tenor in Authorized Denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Notwithstanding anything herein to the contrary, so long as the Bonds are held in the Book Entry System the Bonds will not be delivered as set forth above; rather transfers of Beneficial Ownership of such Bonds to the Person indicated above will be effected on the registration books of the Securities Depository pursuant to its rules and procedures.

Section 4.06. Redemption at the Election or Direction of the Issuer. In the case of any redemption of Bonds at the election or direction of the Issuer, the Issuer shall give Written Notice to the Trustee, at least five Business Days prior to the last date on which the Trustee is required to give notice of redemption pursuant to Section 4.04, of its election or direction so to redeem, the Series, Maturity Dates, principal amounts by Maturity Dates and CUSIP numbers of the Bonds to be redeemed, the Redemption Price or the manner in which it will be calculated for each Maturity Date of Bonds to be redeemed, and the date on which such Bonds are to be redeemed, and directing the Trustee to provide notice of such redemption to the Owners of such Bonds pursuant to Section 4.04 (maturities and principal amounts thereof to be redeemed shall be determined by the Issuer in its sole discretion). In the event notice of redemption shall have been given as in Section 4.04 provided, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed. The Issuer shall promptly notify the Trustee in writing of all such payments by it to such Paying Agents.

Section 4.07. Redemption Other Than at the Issuer's Election or Direction. Whenever by the terms of this Indenture the Trustee is required or authorized to redeem Bonds other than at the election or direction of the Issuer, the Trustee shall (i) select the Bonds or portions of Bonds to be

redeemed, (ii) give the notice of redemption and (iii) pay out of moneys available therefor the Redemption Price thereof (as determined by the quotation agent and provided in a Written Notice to the Trustee), plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, Section 5.07 and Section 5.08.

Section 4.08. Selection of Bonds To Be Redeemed. If less than all of the Bonds of like Series, tenor and maturity shall be called for redemption, the particular Bonds or portions of Bonds of such Series, tenor and maturity to be redeemed shall be selected by lot in such manner as the Trustee shall determine, in its sole discretion, from Bonds of such Series, tenor and maturity not previously called for redemption; *provided, however*, that the portion of any Bond of a denomination of more than a minimum Authorized Denomination to be redeemed shall be in the principal amount of such minimum Authorized Denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of a minimum Authorized Denomination which is obtained by dividing by such minimum Authorized Denomination the principal amount of such Bond to be redeemed in part.

Section 4.09. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 4.04 and, in the case of optional redemption of Bonds, sufficient moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on such Bonds being held by the Trustee, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the applicable Redemption Price, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price. If there shall be drawn for redemption less than all of a Bond, the Issuer shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, Bonds of like Series, maturity and tenor in any of the Authorized Denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like maturity to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. Upon the payment of the Redemption Price of the Bonds or portions thereof being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 4.10. Cancellation and Destruction of Bonds. All Bonds paid or redeemed either at or before maturity shall be delivered to the Trustee at its designated corporate trust office when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed pursuant to Section 5.10(c) that have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Bonds purchased by the Trustee pursuant to the Written Direction of the Issuer, shall thereupon be promptly cancelled (or deemed to have been cancelled). Bonds so cancelled may, to the extent permitted by law, at any time be destroyed by

the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the Issuer and the other executed certificate shall be retained by the Trustee.

Section 4.11. Optional Tender During Daily or Weekly Interest Rate Periods. (a) During any Daily Interest Rate Period or Weekly Interest Rate Period for a Series of Bonds, any Eligible Bond of such Series shall be purchased from its Owner at the option of the Owner on any Business Day at the applicable Purchase Price, payable in immediately available funds, upon delivery to the Trustee at its designated corporate trust office for delivery of notices and the Remarketing Agent of an irrevocable written notice which states the name of the Owner, the principal amount and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee. Any notice delivered to the Trustee after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day. Payment of such Purchase Price shall be made from the sources and in the order of priority set forth in Section 4.15(e) on the date specified in such notice, provided such Bond is delivered, at or prior to 10:00 a.m., New York City time, on the date specified in such notice, to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange.

(b) So long as the Bonds are registered in the name of Cede & Co., as nominee for DTC, only direct or indirect Participants may give notice of the election to tender Bonds or portions thereof and the Beneficial Owners shall not have the right to tender Bonds directly to the Trustee, except through such Participants.

Section 4.12. Mandatory Tender for Purchase on Day Next Succeeding the Last Day of Each CP Interest Term. On the day next succeeding the last day of each CP Interest Term for an Eligible Bond in a Commercial Paper Interest Rate Period, unless such day is the first day of a new Interest Rate Period for such Bond (in which event such Bond shall be subject to mandatory purchase pursuant to Section 4.14), such Bond shall be purchased from its Owner at the applicable Purchase Price payable in immediately available funds, provided such Bond is delivered to the Trustee on or prior to 10:00 a.m., New York City time, on such day, or if delivered after 10:00 a.m., New York City time, on the next succeeding Business Day; *provided, however*, that in any event such Bond will not bear interest at the CP Interest Term Rate after the last day of the applicable CP Interest Term. The Purchase Price of any Bond so purchased shall be payable from the sources and in the order of priority set forth in Section 4.15(e) only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange.

Section 4.13. Mandatory Tender for Purchase on the Mandatory Purchase Date, Index Rate Tender Date or Term Rate Tender Date. On the Mandatory Purchase Date, Index Rate Tender Date or Term Rate Tender Date for a Series of Bonds (which, for the avoidance of doubt, can occur only on a Mandatory Purchase Date), unless such day is the first day of a new Interest Rate Period for such Bonds (in which event such Bonds shall be subject to mandatory purchase pursuant to

Section 4.14), each Eligible Bond of such Series shall be purchased from the Owner thereof at the applicable Purchase Price, payable in immediately available funds, provided such Bond is delivered to the Trustee on or prior to 10:00 a.m., New York City time, on such day, or if delivered after 10:00 a.m., New York City time, on the next succeeding Business Day; *provided, however*, that in any event such Bond will not bear interest at the applicable Index Rate or Term Rate after the last day of the applicable Index Rate Period or Term Rate Period, respectively. The Purchase Price of any Bond so purchased shall be payable from the sources and in the order of priority specified in Section 4.15(e) only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange. The Series 2025[] Bonds shall be subject to mandatory tender pursuant to this Section 4.13 on the Initial Mandatory Purchase Date.

Section 4.14. Mandatory Tender for Purchase on Conversion of Interest Rate Period. Eligible Bonds of a Series shall be subject to mandatory tender for purchase on each Conversion Date (which shall be a Mandatory Purchase Date) at the applicable Purchase Price, payable in immediately available funds. The Purchase Price of any Bond so purchased shall be payable from the sources and in the order of priority specified in Section 4.15(e) only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to such Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in this paragraph or in the notice provided pursuant to Section 2.10.

Section 4.15. General Provisions Relating to Tenders.

(a) *Creation of Bond Purchase Fund.*

(i) There shall be created and established hereunder with the Trustee a fund to be designated the "Bond Purchase Fund" to be held in trust only for the benefit of the Owners of tendered Bonds who shall thereafter be restricted exclusively to the moneys held in such fund for the satisfaction of any claim for the Purchase Price of such tendered Bonds. The Bond Purchase Fund and the Accounts therein are not Pledged Funds.

(ii) There shall be created and designated the following Accounts with respect to each Series of Bonds within the Bond Purchase Fund: the "Remarketing Proceeds Account" and the "Issuer Purchase Account." Moneys paid to the Trustee for the purchase of tendered or deemed tendered Bonds of a Series received from

(A) the Remarketing Agent shall be deposited in the Remarketing Proceeds Account for such Series in accordance with the provisions of Section 4.15(d)(i) and

(B) the Issuer shall be deposited in the Issuer Purchase Account in accordance with the provisions of Section 4.15(d)(ii). Moneys provided by the

Issuer not required to be used in connection with the purchase of tendered Bonds shall be returned to the Issuer in accordance with Section 4.15(d) and Section 4.15(e).

(iii) Moneys in the Issuer Purchase Account and the Remarketing Proceeds Account with respect to a Series of Bonds shall not be commingled with other funds held by the Trustee and shall remain uninvested. The Issuer shall have no right, title or interest in any of the funds held on deposit in the Remarketing Proceeds Account or any remarketing proceeds held for any period of time by the Remarketing Agent.

(b) *Deposit of Bonds.* The Trustee agrees to hold all Bonds delivered to it pursuant to Section 4.11, Section 4.12, Section 4.13 or Section 4.14 in trust for the benefit of the respective Owners which shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds have been delivered to such Owner in accordance with the provisions of this Indenture and until such Bonds shall have been delivered by the Trustee in accordance with Section 4.15(f).

(c) *Remarketing of Bonds.*

(i) Immediately upon its receipt, but not later than noon, New York City time on the following Business Day, from an Owner of a Bond bearing interest at a Daily Interest Rate or a Weekly Interest Rate of a notice pursuant to Section 4.11, the Trustee shall notify the Remarketing Agent by telephone, promptly confirmed in writing by Electronic Means, of such receipt, specifying the principal amount of Bonds for which it has received such notice, the names of the Owners thereof and the date on which such Bonds are to be purchased in accordance with Section 4.11.

(ii) As soon as practicable, but in no event later than 10:15 a.m., New York City time, on a Purchase Date, the Remarketing Agent shall inform the Trustee by telephone, promptly confirmed in writing, by Electronic Means, of the principal amount of Purchased Bonds to be purchased on such date, the name, address and taxpayer identification number of each such purchaser, and the Authorized Denominations in which such Purchased Bonds are to be delivered. Upon receipt from the Remarketing Agent of such information, and in no event later than 12:30 p.m., New York City time, on the Purchase Date, the Trustee shall prepare Purchased Bonds in accordance with such information received from the Remarketing Agent for the registration of transfer and redelivery to the Remarketing Agent pursuant to paragraph (f) of this Section 4.15.

(iii) Any Purchased Bonds which are subject to mandatory tender for purchase in accordance with Section 4.12, Section 4.13 or Section 4.14 which are not presented to the Trustee on the Purchase Date and any Purchased Bonds which are the subject of a notice pursuant to Section 4.16 which are not presented to the Trustee on the Purchase Date, shall, in accordance with the provisions of Section 4.16, be deemed to have been purchased upon the deposit of moneys equal to the Purchase Price thereof into any or all of the accounts of the Bond Purchase Fund.

(d) *Deposits of Funds.*

(i) The Trustee shall deposit into the Remarketing Proceeds Account for the applicable Series of Bonds any amounts received by it in immediately available funds by 12:30 p.m., New York City time, on any Purchase Date from the Remarketing Agent against receipt of Bonds by the Remarketing Agent pursuant to Section 4.15(f) and on account of Purchased Bonds remarketed pursuant to the terms of the Remarketing Agreement.

(ii) The Issuer may, in its sole discretion, pay to the Trustee in immediately available funds the amount equal to the difference, if any, between the total Purchase Price of Bonds to be purchased and the amount of money deposited under Section 4.15(d)(i) (the “*Additional Liquidity Drawing Amount*”) by 12:45 p.m., New York City time. The Trustee shall deposit any Additional Liquidity Drawing Amounts into the Issuer Purchase Account for the applicable Series of Bonds.

(iii) The Trustee shall hold all proceeds received from the Remarketing Agent or the Issuer pursuant to this Section 4.15(d) in trust for the tendering Owners. In holding such proceeds and moneys, the Trustee will be acting on behalf of such Owners by facilitating the purchase of the Bonds and not on behalf of the Issuer and will not be subject to the control of the Issuer. Subject to the provisions of Section 4.15(e), following the discharge of the pledge created by Section 5.01 or after payment in full of the Bonds, the Trustee shall pay any moneys remaining in any Account of the Bond Purchase Fund directly to the Persons for whom such money is held upon presentation of evidence reasonably satisfactory to the Trustee that such Person is rightfully entitled to such money and the Trustee shall not pay such amounts to any other Person.

(e) *Disbursements; Payment of Purchase Price.* Moneys delivered to the Trustee on a Purchase Date shall be applied at or before 1:00 p.m., New York City time, on such Purchase Date to pay the Purchase Price of Purchased Bonds of the applicable Series in immediately available funds as follows in the indicated order of application and, to the extent not so applied on such date, shall be held in the separate and segregated Accounts of the Bond Purchase Fund for the benefit of the Owners of the Purchased Bonds which were to have been purchased:

FIRST: Moneys deposited in the Remarketing Proceeds Account for the Bonds of the applicable Series; and

SECOND: Moneys deposited in the Issuer Purchase Account for the Bonds of the applicable Series.

Any moneys held by the Trustee in the Issuer Purchase Account remaining unclaimed by the Owners of the Purchased Bonds which were to have been purchased for two years after the respective Purchase Date for such Bonds shall be paid to the Issuer, upon a request in a Written Direction of the Issuer against written receipt therefor. The Owners of Purchased Bonds who have not yet claimed money in respect of such Bonds shall thereafter be entitled to look only to the Trustee, to the extent it shall hold moneys on deposit in the Bond Purchase Fund, or the Issuer to the extent moneys have been transferred in accordance with this Section 4.15(e). The Trustee shall

have no obligation to advance its own funds to fund the Bond Purchase Fund or otherwise pay the Purchase Price on any Bonds.

(f) *Delivery of Purchased Bonds.*

(i) The Remarketing Agent shall give telephonic notice, promptly confirmed by a written notice, by Electronic Means, to the Trustee on each date on which Bonds shall have been purchased pursuant to Section 4.11, Section 4.12, Section 4.13, or Section 4.14, specifying the principal amount of such Bonds, if any, sold by it and a list of such purchasers showing the names and Authorized Denominations in which such Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers. By 12:30 p.m., New York City time, on the Purchase Date, a principal amount of Bonds equal to the amount of Purchased Bonds purchased with moneys from the Remarketing Proceeds Account shall be made available by the Trustee to the Remarketing Agent against payment therefor in immediately available funds.

(ii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Issuer Purchase Account shall be delivered on the day of such purchase by the Trustee to or as directed by the Issuer. The Trustee shall register such Bonds in the name of the Issuer or as otherwise directed by the Issuer.

Section 4.16. Notice of Mandatory Tender for Purchase. In connection with any mandatory tender for purchase of Bonds in accordance with Section 4.12, Section 4.13 or Section 4.14, the Trustee shall give the notice (which in the case of a mandatory tender pursuant to Section 4.14 shall be given as a part of the notice given pursuant to Section 2.06(c), Section 2.07(c), Section 2.08(c), Section 2.09(c) or Section 2.14(c)) stating: (a) that the Purchase Price of any Bond so subject to mandatory tender for purchase shall be payable only upon surrender of such Bond to the Trustee at the office specified in such notice, accompanied by an instrument of transfer thereof in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange; (b) that all Bonds so subject to mandatory tender for purchase shall be purchased on the Mandatory Purchase Date, unless (i) a Failed Remarketing shall have occurred prior to such Mandatory Purchase Date, in which case such Bonds shall be redeemed rather than purchased on such Mandatory Purchase Date, or (ii) such Bonds shall have otherwise been redeemed on or prior to, or are not Outstanding as of, such Mandatory Purchase Date; and (c) that in the event that any Owner of a Bond so subject to mandatory tender for purchase shall not surrender such Bond to the Trustee for purchase on such Mandatory Purchase Date, then such Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such Mandatory Purchase Date and that the Owner thereof shall have no rights under this Indenture other than to receive payment of the Purchase Price thereof. Any such notice of a mandatory tender of Bonds pursuant to Section 4.12, Section 4.13 or Section 4.14 shall be given no less than thirty (30) days prior to the applicable Mandatory Purchase Date, and the Trustee shall give a conditional notice of extraordinary redemption pursuant to Section 4.04 no later than the applicable deadlines set forth in that section to provide for the extraordinary redemption of the Bonds if a Failed Remarketing occurs prior to the Mandatory Purchase Date. No later than five (5) Business Days prior to the date on which such conditional notice of extraordinary redemption is required to be given by the Trustee pursuant to

Section 4.4, the Issuer shall direct the Trustee to send such conditional redemption notice pursuant to a Written Direction in the form attached hereto as *Exhibit C*, which Written Direction shall include the applicable Redemption Date and method(s) for calculating the Redemption Price, to be followed by notice of the Redemption Price, as provided in *Exhibit C*.

Section 4.17. Irrevocable Notice Deemed to Be Tender of Bond; Undelivered Bonds Deemed Purchased on Mandatory Purchase Date. (a) The giving of notice by an Owner of a Bond bearing interest at a Daily Interest Rate or a Weekly Interest Rate pursuant to Section 4.11 shall constitute the irrevocable tender for purchase of each such Bond with respect to which such notice shall have been given, regardless of whether such Bond is delivered to the Trustee for purchase on the relevant Purchase Date as provided in this Article IV.

(b) The Trustee may refuse to accept delivery of any Purchased Bonds for which a proper instrument of transfer, with a satisfactory guaranty of signature, has not been provided; such refusal, however, shall not affect the validity of the purchase of such Bond as herein described. For purposes of this Article IV, the Trustee for the Bonds shall determine timely and proper delivery of Purchased Bonds and the proper endorsement of such Bonds. Such determination shall be binding on the Owners of such Bonds, the Issuer and the Remarketing Agent, absent manifest error. If any Owner of a Bond who shall have given notice of tender of purchase pursuant to Section 4.11 or any Owner of a Bond subject to mandatory tender for purchase pursuant to Section 4.12, Section 4.13 or Section 4.14 shall fail to deliver such Bond to the Trustee at the place and on the applicable date and at the time specified, or shall fail to deliver such Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the Purchase Price of the Undelivered Bond are available for payment to the Owner thereof on the date and at the time specified, from and after the date and time of that required delivery, (i) the Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under this Indenture; (ii) interest shall no longer accrue thereon; and (iii) funds in the amount of the Purchase Price of the Undelivered Bond shall be held by the Trustee for such Bond for the benefit of the Owner thereof, to be paid on delivery (and proper endorsement) of the Undelivered Bond to the Trustee at its designated corporate trust office. Any funds held by the Trustee as described in clause (iii) of the preceding sentence shall be held uninvested.

Section 4.18. Remarketing of Bonds; Notice of Interest Rates. (a) Upon a mandatory tender or notice of the tender for purchase of Bonds, the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds subject to conditions in the Remarketing Agreement, any such sale to be made on the Purchase Date in accordance with this Article IV at a price equal to the principal amount thereof plus accrued interest, if any, thereon to the Purchase Date. The Remarketing Agent agrees that it shall not sell any Bonds purchased pursuant to this Article IV to the Issuer or a Project Participant, or to any Person who controls, is controlled by, or is under common control with the Issuer or a Project Participant.

(b) The Remarketing Agent shall determine the rate of interest to be borne by the Bonds bearing interest at a Daily Interest Rate, Weekly Interest Rate, CP Interest Term Rates or a Term Rate and the CP Interest Terms for each Bond during each Commercial Paper Interest Rate Period, and the applicable Calculation Agent shall determine the rate of interest to be borne by each Series of Bonds bearing interest at an Index Rate, all as provided in Article II, and shall furnish to the

Trustee and to the Issuer upon request, in a timely fashion by Electronic Means, each rate of interest and CP Interest Term so determined.

(c) Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and is continuing an Event of Default, there shall be no remarketing of Bonds tendered or deemed tendered for purchase.

Section 4.19. The Remarketing Agent. (a) The Remarketing Agent shall be authorized by law to perform all the duties imposed upon it pursuant to the Remarketing Agreement. The Remarketing Agent or any successor shall signify its acceptance of the duties and obligations imposed upon it pursuant to the Remarketing Agreement by an agreement under which the Remarketing Agent will agree to:

(i) determine the interest rates applicable to the Bonds of the applicable Series and give written notice to the Trustee of such rates and periods in accordance with Article II;

(ii) keep such books and records as shall be consistent with prudent industry practice; and

(iii) use its best efforts to remarket Bonds in accordance with the Remarketing Agreement.

(b) The Remarketing Agent shall hold all amounts received by it in accordance with any remarketing of Bonds in trust only for the benefit of the Owners of tendered Bonds and shall not commingle such amounts with any other moneys.

Section 4.20. Qualifications of Remarketing Agent; Resignation; Removal. (a) Each Remarketing Agent shall be a member of the Financial Industry Regulatory Authority or subject to supervision by the Office of the Comptroller of the Currency, having a combined capital stock, surplus and undivided profits of at least \$50,000,000 and be authorized by law to perform all the duties imposed upon it by this Indenture. Any successor Remarketing Agent shall have senior unsecured long term debt which shall be rated by each Rating Agency.

(b) A Remarketing Agent may at any time resign and be discharged of the duties and obligations created by the Remarketing Agreement by giving written notice to the Trustee and the Issuer. A Remarketing Agent may be removed at the direction of the Issuer at any time on 30 days' prior written notice, in a Written Direction of the Issuer, filed with such Remarketing Agent for the related Series of Bonds and the Trustee. No such resignation or removal shall be effective until a successor has been appointed and has accepted such duties.

Section 4.21. Successor Remarketing Agents. (a) Any corporation, association, partnership or firm which succeeds to the business of the Remarketing Agent as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of such Remarketing Agent hereunder.

(b) In the event that the Remarketing Agent has given written notice of resignation or has been notified of its impending removal in accordance with Section 4.20(b), the Issuer shall appoint a successor Remarketing Agent.

(c) In the event that the property or affairs of the Remarketing Agent shall be taken under control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Issuer shall not have appointed its successor, the Issuer shall appoint a successor and, if no appointment is made within 30 days, the Trustee shall apply to a court of competent jurisdiction for such appointment.

Section 4.22. Tender Agent. The Trustee shall serve as the tender agent for any Series of Bonds for which optional or mandatory tender for purchase is applicable under this Article IV, and as tender agent it and each successor Trustee appointed in accordance with this Indenture shall:

(a) hold all Bonds delivered to it for purchase hereunder in trust for the exclusive benefit of the respective Owners that shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Owners;

(b) hold all moneys delivered to it hereunder for the purchase of Bonds in trust for the exclusive benefit of the Person that shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to it for the account of such Person and, thereafter, for the benefit of the Owners tendering such Bonds; and

(c) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection at all times during regular business hours (upon reasonable prior written notice of inspection) by the Issuer and the Remarketing Agent for such Series of Bonds.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 5.01. Pledge Effected by This Indenture. (a) The Bonds and any Interest Rate Swap are limited obligations of the Issuer payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of this Indenture solely by, the Trust Estate. Pursuant to the Granting Clauses of this Indenture, the Trust Estate has been conveyed, assigned and pledged to the payment of the principal and Redemption Price of and interest on the Bonds and any Interest Rate Swap Payments in accordance with their terms, and any other senior, parity and subordinate obligations of the Issuer secured by the lien of this Indenture, subject to (i) the pledge of and lien on the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparties, and (ii) the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture. The Trust Estate thereby pledged and assigned shall immediately be subject to the lien of such pledge without any further physical delivery thereof or other further act, and the lien of such pledge shall be a first lien and shall be valid and binding as against all parties having claims of any kind

in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

(b) None of the Bonds, any Interest Rate Swap or the Commodity Swaps constitute a debt or liability of the State or of any political subdivision thereof, other than as limited obligations of the Issuer, and the Issuer shall not be obligated to pay the principal or Redemption Price of, or interest on, the Bonds, any Interest Rate Swap Payments or the Commodity Swap Payments except from the funds provided therefor under this Indenture. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof, including the Issuer, or of any Project Participant is pledged to the payment of the principal or Redemption Price of and interest on the Bonds, any Interest Rate Swap Payments or the Commodity Swap Payments. The issuance of the Bonds and the execution and delivery of any Interest Rate Swap and the Commodity Swaps shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment. The Issuer has no taxing power.

(c) Nothing contained in this Indenture shall be construed to prevent the Issuer from acquiring, constructing or financing, through the issuance of its bonds, notes or other evidences of indebtedness, any facilities or supplies of Energy other than the Clean Energy Project; *provided* that such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Trust Estate or any portion thereof, and neither the cost of such facilities or supplies of Energy nor any expenditure in connection therewith or with the financing thereof shall be payable from the Trust Estate or any portion thereof.

Section 5.02. Establishment of Funds and Accounts. (a) The following Funds and Accounts are hereby established, each of which shall be held by the Trustee except as indicated below:

- (i) Project Fund,
- (ii) Revenue Fund,
- (iii) Operating Fund,
- (iv) Debt Service Fund, consisting of the Debt Service Account (and within such Account, a Capitalized Interest Subaccount) and the Redemption Account,
- (v) Commodity Swap Payment Fund,
- (vi) General Reserve Fund,
- (vii) Energy Remarketing Reserve Fund, consisting of a Remediation Account,
- (viii) Assignment Payment Fund,
- (ix) Bond Purchase Fund established pursuant to Section 4.15, consisting of the Issuer Purchase Account and the Remarketing Proceeds Account; and

(x) Administrative Fee Fund.

(b) Within the Funds and Accounts established hereunder and held by the Trustee, the Trustee may create additional Accounts in any Fund or subaccounts in any Accounts as may facilitate the administration of this Indenture. The Issuer may, by Supplemental Indenture, with the prior written approval of the Trustee, establish one or more additional accounts or subaccounts. By Supplemental Indenture, the Issuer may also (i) establish custodial accounts to be held by the Trustee as custodian to receive Revenues paid by the Project Participants under the Power Supply Contracts, and (ii) provide for the application of such amounts for transfer to the Revenue Fund and for such other purposes as may be specified therein.

Section 5.03. Project Fund. (a) There shall be paid into the Project Fund proceeds of the Bonds in the amount specified by Written Request of the Issuer, and there may be paid into the Project Fund, at the option of the Issuer, any moneys received for or in connection with the Clean Energy Project by the Issuer from any other source, unless required to be otherwise applied as provided by this Indenture. Upon delivery of the Bonds, the Trustee shall immediately transfer from the Project Fund into the Capitalized Interest Subaccount of the Debt Service Account an amount, specified by Written Request of the Issuer, representing capitalized interest on the Bonds to the date set forth in such Written Request. Except as otherwise provided in this Section 5.03, amounts in the Project Fund shall be applied by the Issuer to pay the Cost of Acquisition and any capitalized interest on the Series 2025[] Bonds.

(b) Before any payment is made by the Trustee from the Project Fund, the Issuer shall file with the Trustee a Written Request of the Issuer, showing with respect to each payment to be made, the name of the Person to whom payment is due and the amount to be paid, and stating that the obligation to be paid was incurred and is a proper charge against the Project Fund. To the extent that the Written Request includes amounts to be paid pursuant to the Energy Purchase Agreement, copies of the invoices or requests for direct payments submitted under the Energy Purchase Agreement shall be attached to the Written Request. Each such Written Request shall be sufficient evidence to the Trustee: (i) that obligations in the stated amounts have been incurred by the Issuer and that each item thereof is a proper charge against the Project Fund; and (ii) that there has not been filed with or served upon Issuer notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the Persons named in such Written Request which has not been released or will not be released simultaneously with the payment of such obligation other than materialmen's or mechanics' liens accruing by mere operation of law.

(c) Upon receipt of each such Written Request, the Trustee shall pay the amounts set forth therein as directed by the terms thereof from the applicable Account in accordance with and subject to the applicable terms of this Section 5.03.

(d) Notwithstanding any of the other provisions of this Section, to the extent that other moneys are not available therefor, amounts in Project Fund shall be applied to the payment of principal of and interest on Bonds when due.

(e) Upon Written Direction of the Issuer, but not earlier than six months after the date of delivery of the Bonds, the Trustee shall transfer to the Revenue Fund any amounts remaining on deposit in Project Fund.

Section 5.04. Revenues and Revenue Fund; Other Amounts. (a) All Revenues shall be deposited promptly by the Trustee upon receipt thereof into the Revenue Fund; *provided* that, for the avoidance of doubt, if any amounts are received from a Project Participant for which Outstanding Sold Receivables exist, as identified in a written notice from the Issuer to the Trustee, the Trustee shall promptly cause any such receipts to be paid to the Energy Supplier to the extent of such Outstanding Sold Receivables without setoff of any kind in accordance with Section 2.7 of the Receivables Purchase Provisions and any remaining amounts received from such Project Participant shall be deposited into the Revenue Fund.

(b) In the event that any Specified Project Participant fails to pay the amount due under its applicable Power Supply Contract, the Trustee shall perform the following actions on behalf of the Issuer under Section 2.1 of the Receivables Purchase Provisions: (i) provide a preliminary notice by email to the Issuer and the Energy Supplier that a Specified Project Participant will fail to make a payment as soon as practicable after becoming aware that a payment default will occur and in any event no later than the end of the calendar day on which the relevant payment default occurs, and (ii) prepare and deliver to the Energy Supplier a Put Option Notice by 12:00 p.m. New York City time on the Business Day following any such payment default. On the twenty-fourth day of the Month in which such Put Option Notice was delivered (or if such day is not a Business Day, the next Business Day following the twenty-fourth day of such Month), the Trustee shall deliver to the Energy Supplier the bill of sale and certificates required by Section 2.3(a) of the Receivables Purchase Provisions. The Trustee is hereby authorized to sell the Put Receivables then owed by the Specified Project Participants under the Power Supply Contracts pursuant to the Receivables Purchase Provisions and to take all actions on its part necessary in connection therewith. All amounts received by the Trustee pursuant to the Receivables Purchase Provisions in respect of Put Receivables shall be deposited in the Revenue Fund for application pursuant to Section 5.05.

(c) Upon receipt of the preliminary notice from the Trustee pursuant to (b)(i) above, the Issuer shall:

(i) in consultation with the Energy Supplier, determine the amount of the Net Participant Shortfall Amount, if any, resulting from such failure to pay; and

(ii) give prompt written notice of the amounts of such Net Participant Shortfall Amount, if any, and the amount of such nonpayment and the resulting Net Participant Shortfall Amount, to the Trustee, the Energy Supplier and the Commodity Swap Counterparties.

(d) The following amounts, which are payable to the Trustee but do not constitute Revenues, shall be applied by the Trustee as follows:

(i) any Termination Payment shall be deposited directly into the Redemption Account of the Debt Service Fund as provided in Section 5.08;

(ii) any Assignment Payment shall be deposited directly into the Assignment Payment Fund as provided in Section 5.12;

(iii) [Reserved];

(iv) amounts representing the Project Administration Fee, together with any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement, shall be paid as received to Issuer into the Administrative Fee Fund;

(v) any Interest Rate Swap Receipts shall be deposited directly into the Debt Service Account as provided in Section 2.13;

(vi) any amounts required by Section 5.11 to be deposited into the Energy Remarketing Reserve Fund shall be deposited directly therein; and

(vii) Ledger Event Payments shall be deposited directly into the Debt Service Account as provided in Section 2.02.

Section 5.05. Payments from Revenue Fund. (a) In each Month during which there is a deposit of Revenues into the Revenue Fund (but in no case later than the respective dates set forth below), the Trustee shall apply the amounts on deposit in the Revenue Fund, to the extent available, for credit or deposit to the Funds and Accounts indicated below, in the amounts described below (such application to be made in such a manner so as to assure good funds are available on the respective dates set forth below) in the following order of priority:

(i) [Reserved.];

(ii) To the Operating Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount, if any, required so that the balance therein shall equal the amount necessary for the payment of Operating Expenses coming due for such Month;

(iii) Subject to the provisos below, to the Debt Service Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day) for the credit to the Debt Service Account, an amount equal to the greater of (A) the Scheduled Debt Service Deposit, as set forth in Schedule II hereto, or (B) the amount necessary to cause an amount equal to the cumulative unpaid Scheduled Debt Service Deposits due through such date to be on deposit therein (without credit for undisbursed Interest Rate Swap Receipts, if any, on deposit therein);

(iv) To the Commodity Swap Payment Fund, on or before the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount required so that the balance therein shall equal the Commodity Swap Payments due for such Month; and

(v) To the Energy Supplier, not later than the last Business Day of such Month, the amount, if any, required for the repurchase of Put Receivables and the payment of

interest on all Put Receivables sold to the Energy Supplier pursuant to the Receivables Purchase Provisions;

provided, however, that if a Project Participant's payment failure results in a Net Participant Shortfall Amount for such Month, the intent is that such payment failure be allocated between the amounts that otherwise would have been deposited to the Debt Service Fund and the Commodity Swap Payment Fund. Therefore, for any Month in which a Net Participant Shortfall Amount exists, the Trustee shall reduce the amount transferred under clause (iii) above to the extent necessary such that the amount available for transfer under clause (iv) above is not less than (A) the amount that would be required to fully fund the Commodity Swap Payments due for such Month, minus (B) the sum of all Net Participant Shortfall Amounts for such Month; and

provided further, the amount required to be transferred to the Debt Service Account pursuant to clause (iii) above shall be reduced by the amount of investment earnings scheduled to be deposited into the Debt Service Account on or before the last Business Day of such Month.

(b) If, after a scheduled monthly deposit to the Debt Service Account, the balance therein is below the cumulative Scheduled Debt Service Deposits for such month as specified on Schedule II, the Trustee shall immediately notify the Issuer of such deficiency and the Trustee shall (i) if the Issuer has not previously done so, cause the Issuer to suspend all deliveries of all quantities of Energy under the Power Supply Contracts to the Project Participant that is in default thereunder, and (ii) promptly give notice to the Energy Supplier to follow the Remarketing Provisions.

(c) On each [] 1, beginning [] 1, 202[], after (i) the deposit of Revenues into the Revenue Fund, and (ii) making such transfers, credits and deposits as required by paragraph (a) above, the Trustee shall credit to the General Reserve Fund the remaining balance in the Revenue Fund.

(d) So long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds and Interest Rate Swap Payments, if any, in accordance with their terms (including principal or applicable Sinking Fund Installments and interest thereon), no transfers shall be required to be made to the Debt Service Fund.

Section 5.06. Operating Fund. (a) Amounts credited to the Operating Fund shall be applied from time to time by the Trustee to the payment of (i) first, Rebate Payments, and (ii) second, any other Operating Expenses then due and payable.

(b) Amounts credited to the Operating Fund that the Trustee, on the last Business Day of each Month, determines to be in excess of the requirements of such Fund for such Month, shall be applied to make up any deficiencies in the Debt Service Account. Any balance of such excess not required to be so applied shall be transferred to the Revenue Fund for application in accordance with Section 5.05(a).

Section 5.07. Debt Service Fund—Debt Service Account. (a) The amounts deposited into the Debt Service Account pursuant to Section 5.05(a)(iii) shall be held in such Account and applied to the payment of the Debt Service and any Interest Rate Swap Payments, if any, payable on each Bond Payment Date; *provided that*, for the purposes of computing the amount to be deposited in

such Account, there shall be excluded from the required deposit the amount, if any, on deposit in the Capitalized Interest Subaccount or set aside in the Debt Service Account from the proceeds of Bonds (including amounts, if any, transferred thereto from the Project Fund) for the payment of interest on the Bonds. Amounts in the Capitalized Interest Subaccount shall be applied to Debt Service prior to other monies held within the Debt Service Account.

(b) The Trustee shall pay out of the Debt Service Account to the Paying Agent: (i) on or before each Interest Payment Date, the amount required for the interest on the Bonds payable on such date; (ii) on or before each Bond Payment Date, the Interest Rate Swap Payments, if any, then due, (iii) on or before the Bond Payment Date on which a Principal Installment is due, the amount required for the Principal Installment payable on such date; and (iv) on or before any redemption date, the amount required for the payment of the Redemption Price of and accrued interest on such Bonds then to be redeemed; *provided, however*, that if with respect to any Bonds or portions thereof the amounts due on any such Bond Payment Date and/or redemption date are intended to be paid from a source other than amounts in the Debt Service Account prior to any application of amounts in the Debt Service Account to such payments, then the Trustee (after Written Notice from the Issuer to the Trustee that the Issuer intends to make payments from a source other than amounts in the Debt Service Account) shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and if any such amounts due are paid from such other source the Trustee shall apply the amounts in the Debt Service Account to provide reimbursement for such payment from such other source as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agent on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

(c) Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the Issuer in a Written Request delivered not less than thirty (30) days before the due date of such Sinking Fund Installment, be applied by the Trustee to (i) the purchase of Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established, (ii) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (iii) any combination of (i) and (ii). All purchases and redemptions of any Bonds pursuant to this subsection (c) shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Issuer shall direct the Trustee in writing. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating the amount of such Account. As soon as practicable after the thirtieth (30th) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for the redemption on such due date, by giving notice as required by this Indenture, Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment after making allowance for any Bonds purchased or redeemed pursuant to Section 5.10 which the Issuer has directed the Trustee in writing to apply as a credit against such Sinking Fund Installment as

provided in Section 5.10(c). The Trustee shall pay out of the Debt Service Account to the Paying Agent, on or before such redemption date or maturity date, as applicable, the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption or payment, as applicable. All expenses in connection with the purchase or redemption of Bonds shall be paid by the Issuer in such manner as the Issuer shall direct the Trustee in writing from the Operating Fund.

All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee at its designated corporate trust office when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed pursuant to Section 5.10 that have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Bonds purchased by the Trustee pursuant to this Section 5.07, shall thereupon be promptly cancelled (or deemed to have been cancelled).

(d) Amounts accumulated in the Debt Service Account with respect to any principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established (together with amounts accumulated therein with respect to interest on such Bonds) shall, upon the reasonable prior Written Direction of the Issuer, be applied by the Trustee on or prior to the due date thereof, to (i) the purchase of such Bonds or (ii) the redemption at the principal amount of such Bonds, if then redeemable by their terms. All purchases and redemptions of any Bonds pursuant to this subsection (d) shall be made at prices not exceeding the principal amount of such Bonds plus accrued interest, and such purchases and redemptions shall be made in such manner as the Issuer shall determine. The principal amount of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such due date, for the purpose of calculating the amount of such Account.

(e) The amount deposited in the Debt Service Account on the Issue Date of any Series of Bonds from the proceeds thereof shall be set aside and applied to the payment of interest on such Series of Bonds and related Interest Rate Swap Payments, if any.

(f) In the event of the refunding or defeasance of any Bonds, the Trustee shall, if directed by the Issuer in writing, withdraw from the Debt Service Account all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded or defeased and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; *provided* that such withdrawal shall not be made unless immediately thereafter Bonds being refunded or defeased shall be deemed to have been paid pursuant to Section 12.01(b). In the event of such refunding or defeasance, the Issuer may direct the Trustee to withdraw from the Debt Service Account all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded or defeased and deposit such amounts in any Fund or Account hereunder; *provided, however*, that such withdrawal shall not be made unless the Bonds being defeased shall be deemed to have been paid pursuant to Section 12.01(b) and *provided, further*, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held hereunder.

(g) Any amount remaining in the Debt Service Account, to the extent not required to be retained therein for purposes of making future payments, shall be deposited in the Revenue Fund.

Section 5.08. Debt Service Fund–Redemption Account. (a) In the event of an early termination of the Energy Purchase Agreement, the Issuer shall direct the Energy Supplier to pay the Termination Payment directly to the Trustee for the account of the Issuer. The Trustee shall deposit the Termination Payment into the Redemption Account. Amounts deposited into the Redemption Account shall be applied by the Trustee to the redemption of Outstanding Bonds pursuant to Section 4.01.

(b) Any amounts remaining on deposit in the Redemption Account following the redemption and payment of all Outstanding Bonds shall be applied by the Trustee first to pay any Swap Payment Deficiency, second to repurchase any Put Receivables owned by the Energy Supplier, and third, upon Written Direction of the Issuer to the Trustee, shall be transferred to the Revenue Fund.

(c) For the avoidance of doubt, no Extraordinary Expenses shall be paid from the Redemption Account.

Section 5.09. Commodity Swap Payment Fund. (a) Amounts credited to the Commodity Swap Payment Fund shall be applied from time to time by the Trustee to the payment of the Commodity Swap Payments when due.

(b) Any amount remaining in the Commodity Swap Payment Fund following the payment of the Commodity Swap Payment due in any Month and prior to any deposit therein for the following Month shall be transferred to the Revenue Fund for application in accordance with Section 5.05(a).

Section 5.10. General Reserve Fund. (a) The Trustee shall apply moneys on deposit in the General Reserve Fund in the following amounts and in the following order of priority: *first*, for deposit into the Debt Service Account, the amount necessary (or all of the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in the deposits to such Account required by Section 5.05(a)(iii); *second*, for deposit into the Commodity Swap Payment Fund, the amount necessary to cause the balance therein to equal a Commodity Swap Payment that is then due; and *third* for deposit into the Operating Fund, the amount necessary for the payment of any Operating Expenses then due and payable and for which other funds are not available under this Indenture.

(b) Amounts on deposit in the General Reserve Fund not required to meet a deficiency or to make a deposit as provided in subsection (a) above shall be applied by the Trustee upon the Written Request of the Issuer to the following in the order listed below:

- (i) payment of Extraordinary Expenses;
- (ii) payment of any fees owed pursuant to any Qualified Investments;

- (iii) the repurchase of Put Receivables and the payment of interest on all receivables sold to the Energy Supplier pursuant to the Receivables Purchase Provisions;
- (iv) annual refunds to the Project Participant pursuant to the Power Supply Contract;
- (v) the purchase or redemption of Bonds and expenses in connection with the purchase or redemption of such Bonds or any reserves which the Issuer determines shall be required for such purposes; and
- (vi) any other lawful purpose of the Issuer under the Act;

provided, however, that, subject to the provisions of subsection (a) of this Section, amounts credited to the General Reserve Fund and required by this Indenture to be applied to the purchase or redemption of Bonds shall be applied to such purpose.

(c) If at any time Bonds of any Series, maturity and tenor for which Sinking Fund Installments shall have been established are (i) purchased or redeemed other than pursuant to Section 5.07(d) or (ii) deemed to have been paid pursuant to Section 12.01(b) and, with respect to such Bonds which have been deemed paid, irrevocable written instructions have been given by the Issuer to the Trustee to redeem or purchase the same on or prior to the due date of the Sinking Fund Installment to be credited under this subsection (c), the Issuer may from time to time and at any time by Written Direction to the Trustee specify the portion, if any, of such Bonds so purchased, redeemed or deemed to have been paid and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments. Such direction shall specify the amounts of such Bonds to be applied as a credit against each Sinking Fund Installment or Installments and the particular Sinking Fund Installment or Installments against which such Bonds are to be applied as a credit; *provided, however*, that none of such Bonds may be applied as a credit against a Sinking Fund Installment to become due less than thirty (30) days after such written notice is delivered to the Trustee. All such Bonds to be applied as a credit shall be surrendered to the Trustee for cancellation on or prior to the due date of the Sinking Fund Installment against which they are being applied as a credit. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

Section 5.11. Energy Remarketing Reserve Fund. There shall be paid by the Trustee into the Remediation Account of the Energy Remarketing Reserve Fund, and within such Remediation Account the subaccount applicable to each Project Participant, the amounts, as directed in a Written Direction of the Issuer, specified in Section 5(e)(i) of the Remarketing Provisions. In the case of a Remediation Remarketing (as defined in the Remarketing Provisions) pursuant to Section 8 of the Remarketing Provisions, amounts shall be released from the applicable subaccount of the Remediation Account upon such remarketing and applied pursuant to a Written Direction of the Issuer as follows: (a) if the proceeds received by the Trustee from the remarketing equal or exceed the Remediation Remarketing Purchase Price, the portion of the applicable subaccount of the Remediation Account allocable to such remarketing shall be transferred to the General Reserve

Fund, and (b) if the proceeds received by the Trustee from the remarketing are less than the Remediation Remarketing Purchase Price, then (x) the portion of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund allocable to such remarketing shall be used to make a payment to the Energy Supplier in an amount equal to the excess of such Remediation Remarketing Purchase Price over such proceeds received by the Issuer from the remarketing, and (y) any remaining amounts allocable to such remarketing shall be transferred to the General Reserve Fund. For purposes of this Section 5.11(a), the portion of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund specified in writing by the Issuer to the Trustee as the amount allocable to a remarketing shall consist of the product of (i) a fraction, the numerator of which is the purchase price of the Energy to be remarketed, and the denominator of which is the aggregate amount previously received by the Issuer from the sale of such Energy in Non-Private Business Sales (as defined in the Remarketing Provisions) or Private Business Sales (as defined in the Remarketing Provisions) that, as of the time of the remarketing, has not been remediated in accordance with Section 8 of the Remarketing Provisions, multiplied by (ii) the balance of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund at the time of the remarketing.

Section 5.12. Assignment Payment Fund. In connection with the issuance of Refunding Bonds, any Assignment Payment received from the Energy Supplier (or the Master Custodian on its behalf) shall be deposited into the Assignment Payment Fund to be transferred to the replacement energy supplier, *provided, however*, that if the existing Bonds have not been redeemed or defeased on or before the Mandatory Purchase Date, in whole, by the Refunding Bonds, all or a portion of the Assignment Payment shall be transferred to the Trustee for deposit as directed by the Issuer in writing to the Redemption Account in Section 5.08, along with the proceeds of the Refunding Bonds, in order to redeem all of the Outstanding Bonds.

Section 5.13. Purchases of Bonds. Except as otherwise provided in Section 5.07, any purchase of Bonds (or portions thereof) by or at the direction of the Issuer pursuant to this Indenture may be made with or without tenders of Bonds and at either public or private sale, in such manner as the Issuer may determine.

Section 5.14. Administrative Fee Fund. All Project Administration Fees, together with any amounts paid by the Project Participant pursuant to the Prepaid Clean Energy Project Administration Agreement, shall be deposited by the Trustee into the Administrative Fee Fund. The Trustee shall apply amounts on deposit in the Administrative Fee Fund to pay Operating Expenses promptly upon receipt of a Written Request of the Issuer directing such payment. In the event amounts on deposit in the Administrative Fee Fund are insufficient to make any payments directed in the Written Request of the Issuer, the Trustee shall promptly notify each Project Participant, at its respective address shown on Schedule I attached hereto, of the fact and amount of such deficiency.

ARTICLE VI

DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 6.01. Depositories. (a) All moneys held by the Trustee under the provisions of this Indenture shall constitute trust funds and the Trustee may deposit such moneys with one or more Depositories in trust for the parties secured hereunder. All moneys deposited under the provisions of this Indenture with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of this Indenture; provided, however, that the Trustee shall be entitled to rely, without verification, on any certificate of a bank, trust company, national banking association or other entity that certifies that it meets the requirements for being a Depository of moneys hereunder and shall not be responsible for any monitoring of such requirements after the initial deposit of any moneys pursuant to the provisions of this Indenture.

(b) Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings of \$50,000,000 or more, and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this Indenture; *provided, however*, that the Trustee shall be entitled to rely, without verification, on any certificate of a bank, trust company, national banking association or other entity that certifies that it meets the requirements for being a Depository of moneys hereunder and shall not be responsible for any monitoring of such requirements after the initial deposit of any moneys pursuant to the provisions of this Indenture.

Section 6.02. Deposits. (a) All Revenues and moneys held by any Depository under this Indenture may be placed on demand or time deposit, if and as directed by the Issuer in writing, *provided* that such deposits shall permit the moneys so held to be available for use at the time when needed. Any such deposit may be made in the commercial banking department of any Fiduciary, which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Issuer in writing and acceptable to such Fiduciary, on time deposit, *provided* that such moneys on deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(b) All moneys held under this Indenture by the Trustee, the Issuer or any Depository shall be held in such manner as may then be required by applicable federal or State laws and regulations and applicable state laws and regulations of the state in which such Depository is located, regarding security for, or granting a preference in the case of, the deposit of public or trust funds or, in the absence of such laws and regulations, shall be either (i) continuously or fully insured by the Federal Deposit Insurance Corporation, or (ii) continuously and fully secured, to the extent not insured by the Federal Deposit Insurance Corporation, by lodging with the Trustee, as custodian, as collateral security, Qualified Investments having a market value (exclusive of accrued interest) not less than the amount of such moneys (or portion thereof not insured by the Federal Deposit Insurance Corporation); *provided, however*, that, to the extent permitted by law,

it shall not be necessary for the Fiduciaries to give security under this subsection (b) for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee, the Issuer or any Depository to give security for any moneys which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys.

(c) All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong and, except as provided with respect to the investment of moneys in Qualified Investments in Section 6.03, the moneys credited to each particular Fund or Account shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee, the Issuer and each Depository, except as provided in Section 6.03.

Section 6.03. Investment of Certain Funds. Moneys held in the Debt Service Account shall be invested and reinvested by the Trustee at the Written Direction of the Issuer to the fullest extent practicable in Qualified Investments specified in such Written Direction which mature or are payable not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts and may take the form of a Debt Service Fund Agreement. To the extent moneys held in the Debt Service Account are invested in a Debt Service Fund Agreement, the Issuer covenants and agrees that it will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with such Debt Service Fund Agreement without the written consent of the Trustee and the delivery to the Trustee of a Rating Confirmation with respect to such amendment. Moneys held in the Revenue Fund and the Project Fund may be invested and reinvested by the Trustee at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys in the Operating Fund (other than moneys in the Operating Fund held with respect to Rebate Payments) may be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction which mature within twelve months or which provide funds as needed; moneys held in the Operating Fund with respect to Rebate Payments shall be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction at fair market value; and moneys in the General Reserve Fund and the Energy Remarketing Reserve Fund may be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction; in any case the Qualified Investments in such Funds or in the Accounts therein shall mature not later than such times as shall be necessary to provide moneys when needed to provide payments from such Funds or Accounts. The Trustee shall only be required to make investments of moneys held by it in the Funds and Accounts established under this Indenture in accordance with Written Directions received by the Trustee from any Authorized Officer of the Issuer and may rely on such investment directions without verifying the suitability or legality of such investment and any deposit or investment directed by the Issuer shall constitute a certification by the Issuer that the assets so deposited or to be purchased pursuant to such directions are Qualified Investments. In making any investment in any Qualified Investments with moneys in any Fund or Account established under this Indenture, the Issuer may give Written Direction to the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Qualified Investments.

The Trustee shall only be required to make investments of moneys held by it in the Funds and Accounts established under this Indenture in accordance with Written Directions received by the Trustee from any Authorized Officer of the Issuer. The Trustee shall be entitled to rely in good faith on any Written Direction of the Issuer as to the suitability and legality of the directed investment and any deposit or investment directed by the Issuer shall constitute a certification by the Issuer that the assets so deposited or to be purchased pursuant to such directions are Qualified Investments. In making any investment in any Qualified Investments with moneys in any Fund or Account established under this Indenture, the Issuer may give Written Direction to the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Qualified Investments.

Interest earned on any moneys or investments in the Funds and Accounts established hereunder shall be paid into the Revenue Fund, other than interest earned on any moneys or investments in (i) the Redemption Account in the Debt Service Fund, (ii) the Operating Fund relating to Rebate Payments, (iii) the Energy Remarketing Reserve Fund, and (iv) the Administrative Fee Fund. Such interest shall be held in such respective Fund or Account for the purposes thereof. If no written investment directions have been delivered to the Trustee for any Fund or Account, moneys shall be held there uninvested by the Trustee.

Nothing in this Indenture shall prevent any Qualified Investments acquired as investments of or security for Funds held under this Indenture from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Nothing in this Indenture shall preclude the Trustee from investing or reinvesting moneys that it holds in the Funds and Accounts established pursuant to this Indenture through its bond department; *provided, however*, that the Issuer may, in its discretion, give a Written Direction to the Trustee that such moneys be invested or reinvested in a manner other than through such bond department.

To the extent any Qualified Investment is insured, guaranteed or otherwise supported by any secondary facility, the Trustee shall make a claim under such facility at such time as shall be required to receive payment thereunder not later than the date required to make any necessary deposit pursuant to Section 5.05 or Section 5.09 or otherwise under Article V.

Section 6.04. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Fund created under the provisions of this Indenture shall be deemed at all times to be a part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund.

In computing the amount in any Fund created under the provisions of this Indenture for any purpose provided in this Indenture, obligations purchased as an investment of moneys therein shall be valued at the lower of market value or the amortized cost thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined at the Written Direction of the Issuer to the Trustee as of each Principal Installment payment date and at such other times as the Issuer shall reasonably determine. Guaranteed investment contracts or similar agreements

shall be valued at their face value to the extent that they provide for withdrawals without market adjustment or penalty when they are required to provide payment pursuant to this Indenture.

Except as otherwise provided in this Indenture, the Trustee shall use reasonable efforts to sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested to do so by a Written Request of the Issuer. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by the Trustee or the Issuer, the Issuer or the Trustee at the Written Direction of the Issuer shall use reasonable efforts to sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Officer in a Written Direction of the Issuer to the Trustee as necessary to provide sufficient moneys for such payment or transfer. The Issuer acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the Issuer the right to receive from the Trustee brokerage confirmations of security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall not be required to provide any brokerage information.

The Trustee shall not be liable or responsible for any loss, fee, tax or other charge resulting from any such investment, sale or presentation for redemption made in the manner provided above in Section 6.02, Section 6.03 or Section 6.04. In the event of any such loss, fee, tax or other charge, the Issuer shall pay such amount to the Trustee to be credited as part of the monies originally invested.

ARTICLE VII

PARTICULAR COVENANTS OF THE ISSUER

The Issuer covenants and agrees with the Trustee and the Bondholders as follows:

Section 7.01. Payment of Bonds. The Issuer shall duly and punctually pay or cause to be paid, but solely from the Trust Estate, the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof.

Section 7.02. Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to any payment out of Revenues or Funds established by this Indenture, including the investment income, if any, thereof, pledged under this Indenture or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to this Indenture) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest.

Section 7.03. Offices for Servicing Bonds. Pursuant to Section 2.02, the Issuer has appointed the Trustee as Bond Registrar and Paying Agent for the Bonds and the Trustee hereby accepts such appointments. The Trustee shall at all times maintain one or more agencies or offices where Bonds may be presented for registration exchange or transfer, where principal and Redemption Price of and interest on the Bonds may be paid, where reports, statements and other documents furnished to the Trustee hereunder may be inspected and where notices, demands and other documents may be served upon the Issuer in respect of the Bonds or of this Indenture, and the Trustee shall continuously maintain or make arrangements to provide such services. The Issuer shall maintain one or more offices or agencies where notices, demands and other documents may be served upon the Issuer in respect of the Bonds or this Indenture, and the Issuer shall continuously maintain or make arrangements to provide such services.

Section 7.04. Further Assurance. At any and all times the Issuer shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged, or intended so to be, or which the Issuer may become bound to pledge.

Section 7.05. Power To Issue Bonds and Pledge the Trust Estate. The Issuer is duly authorized under all applicable laws to create and issue the Bonds and to execute and deliver this Indenture and to pledge the Trust Estate, in the manner and to the extent provided in this Indenture. Except to the extent otherwise provided in or contemplated by this Indenture, the Trust Estate will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the security interest, the pledge and assignment created by this Indenture, and all action on the part of the Issuer to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be the valid and legally enforceable limited obligations of the Issuer in accordance with their terms and the terms of this Indenture. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other moneys, securities and funds pledged under this Indenture and all the rights of the Bondholders under this Indenture against all claims and demands of all Persons whomsoever.

Section 7.06. Power To Fix and Collect Fees and Charges for the Sale of Energy. The Issuer has, and, to the extent permitted by law, will have as long as any Bonds are Outstanding, good right and lawful power to fix, establish, maintain and collect fees and charges for the sale of Energy or otherwise with respect to the Clean Energy Project, subject to the terms of the Power Supply Contracts.

Section 7.07. Creation of Liens. Except as expressly permitted under the terms of this Indenture, for so long as any Bonds are Outstanding, the Issuer shall not, without a Rating Confirmation, issue any bonds, notes, debentures or other evidences of indebtedness of similar nature payable from or secured by a pledge and assignment of the Trust Estate, other than the Bonds and bonds, notes, debentures or other evidences of indebtedness issued to refund Outstanding Bonds, or otherwise incur obligations other than those contemplated by this Indenture, the Energy Purchase Agreement, the Power Supply Contracts, the Issuer Custodial Agreements,

the Commodity Swaps, any Interest Rate Swaps and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments), payable out of or secured by a pledge or assignment of, or lien on, the Trust Estate; and, except as expressly permitted under the terms of this Indenture, shall not, without a Rating Confirmation, create or cause to be created any lien or charge on the Trust Estate except as provided in or contemplated by this Indenture, the Energy Purchase Agreement, the Power Supply Contracts, the Issuer Custodial Agreements, the Commodity Swaps, any Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments); provided, however, that nothing contained in this Indenture shall prevent the Issuer from entering into or issuing, if and to the extent permitted by law (A) evidences of indebtedness (1) payable out of moneys in the Project Fund as part of the Cost of Acquisition or (2) payable out of or secured by a pledge and assignment of the Trust Estate or any part thereof to be derived on and after such date as the pledge of the Trust Estate provided in this Indenture shall be discharged and satisfied as provided in Section 12.01, or (B) Commodity Swaps and any Interest Rate Swaps upon the terms and conditions set forth herein.

Section 7.08. [Reserved].

Section 7.09. Limitations on Operating Expenses and Other Costs. The Issuer shall not incur Operating Expenses in any Fiscal Year in excess of the reasonable and necessary amount of such Operating Expenses.

Section 7.10. Amendments to Power Supply Contracts. The Issuer will not consent or agree to or permit any termination or rescission of, assignment or novation (in whole or in part) by a Project Participant of, or amendment to or otherwise take any action under or in connection with any Power Supply Contract that will impair the ability of the Issuer to collect Revenues in each Fiscal Year which, together with the other amounts available therefor, shall provide an amount sufficient to pay:

(a) The amount estimated by the Issuer to be required to be paid during such Fiscal Year into the Operating Fund;

(b) The amounts, if any, required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which the Issuer anticipates shall be transferred from other Funds or Accounts;

(c) The amounts, if any, to be paid during such Fiscal Year into any other Fund established under Section 5.02; and

(d) All other charges or liens whatsoever payable out of Revenues during such Fiscal Year;

provided that:

(i) the Issuer may take any other action under or in connection with the Power Supply Contracts that is expressly permitted pursuant to the provisions thereof;

(ii) the Issuer and a Project Participant may amend the Power Supply Contracts to change any Delivery Point (as defined and provided therein);

(iii) a Power Supply Contract may be amended upon receipt of (A) a Rating Confirmation with respect to such amendment, and (B) to the extent such amendment would have a material adverse effect (including, but not limited to, a change in the timing of payments, the source of such payments, or the Issuer's rights of collection thereof) upon the Receivables Purchase Provisions or a Commodity Swap, the consent of the Energy Supplier or applicable Commodity Swap Counterparty, respectively, such consent not to be unreasonably withheld or delayed;

(iv) the Issuer may agree to an assignment or novation of all or a portion of a Project Participant's rights and obligations under a Power Supply Contract upon (A) compliance with the restrictions on assignment set forth in such Power Supply Contract, and (B) receipt of a Rating Confirmation with respect to such assignment or novation; and

(v) a Power Supply Contract may also be amended in connection with a remediation pursuant to Section 18.3(b) of the Energy Purchase Agreement.

Section 7.11. Power Supply Contract; Energy Remarketing. (a) The Issuer shall cause all Revenues payable by the Project Participants under the Power Supply Contracts to be payable directly to the Trustee for deposit into the Revenue Fund or custodial accounts established pursuant to Section 5.02(b). The Issuer shall enforce the provisions of the Power Supply Contracts, as well as any other contract or contracts entered into relating to the Clean Energy Project, and duly perform its covenants and agreements thereunder.

(b) In the event that any Project Participant fails to pay when due any amounts owed to the Issuer under a Power Supply Contract, the Issuer shall:

(i) promptly exercise its right to suspend all Energy deliveries to such Project Participant; and

(ii) promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Exhibit to the Energy Purchase Agreement for each Month of such suspension with respect to the quantities of Energy for which deliveries have been suspended.

(c) In the event that any Project Participant delivers a Remarketing Election Notice (as defined in each Power Supply Contract) in respect of any Reset Period, then the Issuer will promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Provisions for each month of such Reset Period with respect to any quantities of Energy that would otherwise have been delivered to such Project Participant.

(d) For the avoidance of doubt, as of the date of this Indenture, the Power Supply Contracts with the Project Participants set forth on Schedule I shall be the only Power Supply Contracts until such time, if any, that an assignment or novation occurs in accordance with the requirements set forth above. Without prejudice to the rights of the Energy Supplier to remarket

Energy under the Energy Purchase Agreement or to an assignment or novation of a Power Supply Contract in compliance with this Section 7.11, the Issuer may sell the quantities of Energy to be delivered under the Energy Purchase Agreement only pursuant to the Power Supply Contracts. A copy of each Power Supply Contract and any amendment to a Power Supply Contract, certified by an Authorized Officer, shall be filed with the Trustee.

Section 7.12. Energy Purchase Agreement. (a) The Issuer shall enforce the provisions of the Energy Purchase Agreement and duly perform its covenants and agreements thereunder.

(b) The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Energy Supplier under the Energy Purchase Agreement. The Issuer shall provide the Trustee with Written Notice of the Early Termination Payment Date (i) on the date on which a Failed Remarketing occurs, and (ii) in all other cases, not more than five (5) Business Days after such date is determined.

(c) The Issuer will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with the Energy Purchase Agreement which will in any manner materially impair or materially adversely affect the rights of the Issuer thereunder or the rights or security of the Bondholders under this Indenture; *provided* that the Energy Purchase Agreement may be assigned or amended without Bondholder consent upon receipt of a Rating Confirmation with respect to such assignment or amendment. The Energy Purchase Agreement may also be amended in connection with a remediation pursuant to Section 18.3(b) of the Energy Purchase Agreement. Copies of the Energy Purchase Agreement and any amendments thereto, certified by an Authorized Officer, shall be filed with the Trustee.

(d) The Issuer has the right, pursuant to the Energy Supplier LLCA to appoint a director (the “Issuer-Appointed Director”) to the board of directors of the Energy Supplier. In any vote that comes before the board of directors of the Energy Supplier regarding the Energy Supplier Documents, the Issuer shall instruct the Issuer-Appointed Director to exercise its voting rights in favor of the Energy Supplier (i) observing and performing its obligations under the Energy Purchase Agreement and (ii) enforcing the provisions of the other Energy Supplier Documents and (iii) not permitting any assignment of, rescission of or amendment to or waiver of the Energy Supplier Documents which will in any manner materially impair or materially adversely affect the rights of the Issuer thereunder or the rights or security of the Bondholders under this Indenture.

Section 7.13. [Reserved].

Section 7.14. Commodity Swaps. The Issuer shall cause all Commodity Swap Receipts and any other amounts payable to the Issuer pursuant to the Commodity Swaps to be collected and paid directly to the Trustee for deposit into the Revenue Fund. The Issuer shall enforce the provisions of the Commodity Swaps and duly perform its covenants and agreements thereunder. The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of a Commodity Swap Counterparty under a Commodity Swap. The Issuer will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with a Commodity Swap that will impair the ability of the Issuer to comply during the current or any future year with the provisions hereof. The Issuer shall only exercise its right to terminate a Commodity Swap in compliance with Section 2.12(b). A copy

of each Commodity Swap certified by an Authorized Officer shall be filed with the Trustee, and a copy of any amendment to a Commodity Swap, certified by an Authorized Officer, shall be filed with the Trustee.

Section 7.15. Interest Rate Swap. The Issuer shall cause all Interest Rate Swap Receipts or other amounts payable to the Issuer pursuant to the Interest Rate Swap to be collected and paid to the Trustee for deposit into the Debt Service Account. The Issuer shall enforce the provisions of the Interest Rate Swap and duly perform its covenants and agreements thereunder. The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Interest Rate Swap Counterparty under the Interest Rate Swap. The Issuer will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Interest Rate Swap that will impair the ability of the Issuer to comply during the current or any future year with the provisions hereof. The Issuer shall only exercise its right to terminate the Interest Rate Swap in compliance with Section 2.13(b). A copy of the Interest Rate Swap certified by an Authorized Officer shall be filed with the Trustee, and a copy of any amendment to the Interest Rate Swap, certified by an Authorized Officer, shall be filed with the Trustee.

Section 7.16. Accounts and Reports. (a) The Issuer shall keep or cause to be kept with respect to the Clean Energy Project proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles, as such may be modified by the provisions of this Indenture, in which complete and correct entries shall be made of its transactions relating to the Clean Energy Project, the amount of Revenues and the application thereof and each Fund and Account established under this Indenture and relating to its costs and charges under the Power Supply Contracts and any other contracts for the sale or purchase of Energy, and which, together with the Energy Purchase Agreement and all contracts and all other books and papers of the Issuer relating to the Clean Energy Project, shall, subject to the terms thereof, at all times during regular business hours be subject to the inspection of the Trustee and the Holders of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

(b) The Trustee shall advise the Issuer promptly after the end of each month of the respective transactions during such month relating to each Fund and Account held by it under this Indenture.

(c) The Issuer shall file with the Trustee (i) forthwith upon becoming aware of any Event of Default or default in the performance by the Issuer of any covenant, agreement or condition contained in this Indenture, a Written Certificate of the Issuer and specifying such Event of Default or default and (ii) within 180 days after the end of each Fiscal Year, commencing with the first Fiscal Year ending following the issuance of the Bonds, a Written Certificate of the Issuer signed by an appropriate Authorized Officer stating whether, to the best of such Authorized Officer's knowledge and belief, the Issuer has kept, observed, performed and fulfilled its covenants and obligations contained in this Indenture and that there does not exist at the date of such certificate any default by the Issuer under this Indenture or any Event of Default or other event which, with the lapse of time specified in Section 8.01, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

(d) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Indenture shall be available for the inspection of Bondholders at all times during regular business hours at the designated corporate trust office of the Trustee (upon reasonable prior written notice of inspection delivered to the Trustee), subject to such reasonable regulations as the Trustee may from time to time determine to be advisable or required by law, and shall be mailed to each Bondholder who shall file a written request therefor with the Issuer. The Issuer may charge each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

Section 7.17. Payment of Taxes and Charges. The Issuer will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the Issuer or upon the rights, revenues, income, receipts, and other moneys, securities and funds of the Issuer when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under this Indenture), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Issuer shall in good faith contest by proper legal proceedings if the Issuer shall in all such cases have set aside on its books reserves deemed adequate by the Issuer with respect thereto.

Section 7.18. Tax Covenants. (a) The Issuer covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on any of the Bonds under Section 103 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder or, as applicable, would adversely affect the Subsidy Payments or receipt thereof by the Issuer or the Trustee. Without limiting the generality of the foregoing, the Issuer covenants that it will (i) comply with the instructions and requirements of the Tax Agreement and (ii) exercise commercially reasonable efforts to cause the Bonds to be redeemed (A) in such amount as may be necessary to maintain the exclusion from federal gross income of interest on the Bonds and (B) in whole in the event that interest on the Bonds becomes includible in federal gross income. The Issuer further agrees to follow any directions provided by Special Tax Counsel with respect to any such redemption. This covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time the Issuer is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Issuer shall so instruct the Trustee in writing as to the specific actions to be taken, and the Trustee shall take such action as specified in such instructions.

(c) Notwithstanding any other provisions of this Section, if the Issuer shall provide to the Trustee an Opinion of Special Tax Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds or the qualification of the Issuer to receive Subsidy Payments with respect to the applicable Series of Bonds, the Issuer and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Agreement, and the covenants hereunder shall be deemed to be modified to that extent.

(d) Notwithstanding any other provision of this Indenture to the contrary, upon the Issuer's failure to observe or refusal to comply with the above covenants, the Holders of the Bonds, or the Trustee acting on their behalf pursuant to their written request and direction, shall be entitled to the rights and remedies provided to Bondholders under this Indenture based upon the Issuer's failure to observe, or refusal to comply with, the above covenants. In connection with any action taken by it under this Section, the Trustee shall have the benefit of all of the protective provisions set forth in Article IX.

Section 7.19. General. (a) The Issuer shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of the Act and this Indenture.

(b) The Issuer shall not consolidate or amalgamate with, or merge with or into, or transfer all or substantially all its assets to (other than the sale in the normal course of business of Energy to the Project Participants pursuant to the Power Supply Contracts), or reorganize, reincorporate or reconstitute into or as, another entity unless, (i) prior to such event, the Issuer receives confirmation from each Commodity Swap Counterparty that such event does not trigger a termination event under Section 5(b)(iv) of the respective Commodity Swap and confirmation from the Interest Rate Swap Counterparty that such event does not trigger a termination event under Section 5(b)(iv) of the Interest Rate Swap; and (ii) at the time of such consolidation, amalgamation, merger, transfer, reorganization, reincorporation or reconstitution, the resulting, surviving or transferee entity assumes all the obligations of the Issuer under the Commodity Swaps and the Interest Rate Swap.

(c) The Issuer shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the ratings on the Bonds.

(d) Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and this Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed, and the issuance of such Bonds, together with all other obligations of the Issuer, shall comply in all respects with the applicable laws of the State.

Section 7.20. Bankruptcy. To the extent permitted by law, the Issuer shall not, prior to the date which is one year and one day after the termination of this Indenture, acquiesce, petition, or otherwise invoke the process of any court or government authority for the purpose of commencing or sustaining a case under any federal or state bankruptcy, insolvency, or similar law or appointing a receiver, liquidator, assignee, trustee, custodian or sequestrator for any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Issuer. This covenant shall survive the termination of this Indenture.

Section 7.21. [Reserved].

Section 7.22. [Reserved].

Section 7.23. Avoidance of Failed Remarketing. The Issuer covenants that it will exercise commercially reasonable efforts to avoid a Failed Remarketing.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default. Any one or more of the following shall constitute an “Event of Default” hereunder:

(a) default shall be made in the due and punctual payment of the principal or Redemption Price or Purchase Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or tender, or otherwise;

(b) default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable;

(c) default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall continue for a period of 60 days or, if such default cannot reasonably be remedied within such 60-day period, such longer period so long as diligent efforts are being made to remedy such default, after written notice thereof specifying such default and requiring that it shall have been remedied and stating that such notice is a “Notice of Default” hereunder is given to the Issuer by the Trustee or to the Issuer and to the Trustee by the Holders of not less than 10% in principal amount of the Bonds Outstanding;

(d) default shall be made in the due and punctual payment of any Commodity Swap Payment or Interest Rate Swap Payment when and as the same shall become due and payable;

(e) the Issuer shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (*provided, however,* that such event shall not constitute an Event of Default hereunder unless in addition, (i) the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Clean Energy Project, or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Clean Energy Project, or any part thereof, and/or the rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts with respect to the Clean Energy Project as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing;

(f) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case or similar proceeding under any

applicable bankruptcy, insolvency or other similar law now or hereafter in effect, *(provided, however,* that such event shall not constitute an Event of Default hereunder unless in addition, (i) the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Clean Energy Project, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Clean Energy Project, or any part thereof, and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Issuer and its affairs or a decree or order finding or determining that the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; and

(g) there shall occur any other Event of Default specified in a Supplemental Indenture.

Section 8.02. Accounting and Examination of Records After Default. (a) The Issuer covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and accounts of the Issuer and all other records relating to the Clean Energy Project shall at all times during regular business hours be subject to the inspection and use of the Trustee and of its agents and attorneys.

(b) The Issuer covenants that if an Event of Default shall have happened and shall not have been remedied, the Issuer, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under this Indenture for such period as shall be stated in such demand.

Section 8.03. Enforcement of Agreements; Application of Moneys after Default. (a) The Issuer covenants that, if an Event of Default shall have occurred and be continuing, it shall upon the demand of the Trustee (i) take such additional actions on its part as shall be necessary to cause all Project Participants to make payments of all amounts due under the Power Supply Contracts to the Trustee, (ii) take such additional actions on its part as shall be necessary to cause the Commodity Swap Counterparties to make payment of all amounts due under the Commodity Swaps directly to the Trustee, (iii) take such additional actions on its part as shall be necessary to cause the Interest Rate Swap Counterparty to make payment of all amounts due under the Interest Rate Swap directly to the Trustee, (iv) execute and deliver such additional instruments that may be necessary to establish or confirm its pledge and assignment to the Trustee of its rights and remedies afforded the Issuer under the Power Supply Contracts, and (v) pay over or cause to be paid over to the Trustee any Revenues which have not been paid directly to the Trustee as promptly as practicable after receipt thereof. In addition, to secure its obligations under this Indenture, the Issuer hereby irrevocably pledges and collaterally assigns to the Trustee the Issuer's rights to issue notices (including notices to direct the remarketing of Energy) and to take any other actions that the Issuer is required or permitted to take under the Energy Purchase Agreement, the Power Supply Contracts, the Commodity Swaps and any Interest Rate Swap, and, while an Event of Default has occurred and is continuing under this Indenture, the Trustee is hereby authorized and directed, and shall have the authority, to take any such actions as it deems necessary under the Energy Purchase Agreement, the Power Supply Contracts, the Commodity Swaps and any Interest Rate Swap.

Notwithstanding this authorization, the Issuer shall retain, in the absence of any conflicting action by the Trustee while an Event of Default has occurred and is continuing, the right and obligation to exercise any rights which it has pledged and collaterally assigned to the Trustee in accordance with the foregoing; provided, however, if an Event of Default has occurred and is continuing, the Trustee shall have the right to notify the Issuer to cease exercising such rights and, upon receipt of such notice with a copy provided to the Energy Supplier under the Energy Purchase Agreement, the Project Participants under the Power Supply Contracts, and the Commodity Swap Counterparties under the Commodity Swaps, subject to the rights of the Energy Supplier with respect to the Power Supply Contracts as set forth in the Receivables Purchase Provisions, the Trustee shall have exclusive authority to exercise such rights until such time as the Event of Default has been cured pursuant to the terms of this Indenture or the Trustee issues a subsequent notice otherwise. For the avoidance of doubt, the Energy Purchase Agreement, the Power Supply Contracts and the Commodity Swaps may be amended at any time for changes in Delivery Points as provided therein, without the consent of the Bondholders, any parties other than those to the relevant agreement, and without the provision of opinions or other process hereunder.

(b) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Article in accordance with Article V of this Indenture, after the payment of the fees, charges, expenses and liabilities of the Fiduciaries (including court costs and the fees and expenses of the Fiduciaries' counsel) payable to or incurred by the Fiduciaries in connection with the performance of their duties and the exercise of their rights hereunder, *provided* that (1) moneys held in the Debt Service Account shall not be used for purposes other than payment of the interest and principal or Redemption Price then due on the Bonds and the payment of Interest Rate Swap Payments then due under the Interest Rate Swap, (2) moneys in the Commodity Swap Payment Fund shall be used first to pay any Commodity Swap Payments then due, (3) moneys held in the General Reserve Fund shall not be used other than for the payment of the items specified in Section 5.10(a), and (4) moneys held in the Administrative Fee Fund shall not be used other than as specified in Section 5.14.

(c) If and whenever all overdue installments of interest on all Bonds, together with the charges, expenses and liabilities of the Fiduciaries, and all other sums payable or secured by the Issuer under this Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the Issuer, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under this Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Issuer all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Indenture, particularly Section 5.02, to be deposited or pledged, with the Trustee), and thereupon the Issuer and the Trustee shall be restored, respectively, to their former positions and rights under this Indenture. No such payment over to the Issuer by the Trustee nor restoration of the Issuer and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 8.04. Appointment of Receiver. The Trustee shall have the right, upon the happening of an Event of Default, to apply in an appropriate proceeding for the appointment of a receiver of the Clean Energy Project.

Section 8.05. Proceedings Brought by Trustee. (a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than a majority in principal amount of the Bonds Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Issuer as if the Issuer were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

(b) All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, *provided that* the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(e) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority in principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture by any acts which may be unlawful or in violation of this Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

Section 8.06. Restriction on Bondholder's Action. (a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Holder (i) shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at

least a majority in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, (ii) shall have offered it reasonable opportunity, either to exercise the powers granted in this Indenture or by the laws of the State or to institute such action, suit or proceeding in its own name, and (iii) shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 7.02.

(b) Nothing in this Indenture or in the Bonds shall affect or impair the obligation of the Issuer, which is absolute and unconditional, to pay only from the Trust Estate, in accordance with the terms of this Indenture, at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of its Bond.

Section 8.07. Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of execution and delivery of this Indenture.

Section 8.08. Effect of Waiver and Other Circumstances. (a) No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article VIII to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

(b) Prior to the declaration of maturity of the Bonds as provided in Section 8.01, the Holders of not less than a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 8.09. Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Bonds then Outstanding at its address, if any, appearing upon the registry books of the Issuer.

ARTICLE IX

CONCERNING THE FIDUCIARIES

Section 9.01. Acceptance by Trustee of Duties. The Trustee accepts the duties and obligations imposed upon it by this Indenture and the trusts hereby created, but only, however, upon the terms and conditions set forth in this Indenture.

Section 9.02. Paying Agents; Appointment and Acceptance of Duties. (a) The Issuer shall appoint one or more Paying Agents for the Bonds, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 9.13 for a successor Paying Agent. The Trustee is hereby appointed as initial Paying Agent.

(b) Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Issuer and to the Trustee a written acceptance thereof.

(c) Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Issuer for the payment of the interest on and principal or Redemption Price of the Bonds.

Section 9.03. Responsibilities of Fiduciaries. (a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Issuer and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued hereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. Furthermore, no Fiduciary shall be responsible for any offering documents (except for information provided by any Fiduciary for inclusion in such offering documents). The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys, including bond proceeds, paid by such Fiduciary in accordance with the provisions of this Indenture to the Issuer or to any other Person. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or undertake any suit or proceeding under this Indenture or to enter any appearance in or defend any suit in respect thereof, or to advance any of its own moneys, expend or risk its own funds or otherwise incur any financial liability unless properly indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other anticipated disbursements, and against all liability except to the extent determined by a court of competent jurisdiction to have been caused by its own negligence or willful misconduct. To the extent permitted by law, the Issuer shall indemnify the Trustee for, and hold it harmless against, any loss, damage, claim, liability or expense incurred by it, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or the performance of any of its duties hereunder unless properly indemnified to its satisfaction. Subject to the provisions of subsection (b), no Fiduciary shall be liable in connection with the performance of its duties hereunder except to the extent determined by a court of competent jurisdiction to have been primarily caused by its own negligence or willful

misconduct. Notwithstanding anything to the contrary, the permissive rights of any Fiduciary to do things enumerated under this Indenture shall not be construed as duties.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 9.03 and Section 9.04.

(c) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in connection with the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(d) Notwithstanding anything to the contrary herein, the Issuer acknowledges and agrees that the Trustee is not acting as the disclosure or dissemination agent for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934 in connection with any notice required to be posted with the Municipal Securities Rulemaking Board via its EMMA system.

Section 9.04. Evidence on Which Fiduciaries May Act. (a) Each Fiduciary may conclusively rely upon any notice, direction, ordinance, resolution, request, consent, order, certificate, report, opinion, bond, statement, facsimile transmission, electronic mail or other paper or document furnished to it pursuant to any provision of this Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties and in conformity with the formal requirements of this Indenture. Each Fiduciary may consult with a consultant, accountant or counsel, who may or may not be a consultant, accountant or counsel to the Issuer, and the opinion of such consultant, accountant or counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture in good faith and in accordance therewith and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Issuer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon

the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Neither the Trustee, the Bond Registrar, the tender agent, nor the Paying Agent shall be bound to recognize any Person as a Bondholder or to take any action at its request unless its Bond shall be deposited with such entity or satisfactory evidence of the ownership of such Bond shall be furnished to such entity.

(c) The Trustee shall have the right to accept and act upon directions given pursuant to this Indenture, or any other document reasonably relating to the Bonds and delivered using Electronic Means; *provided, however*, that the Issuer shall provide to the Trustee a Written Certificate of the Issuer listing Authorized Officers with the authority to provide such directions and containing specimen signatures of such Authorized Officers, which Written Certificate of the Issuer shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee directions using Electronic Means and the Trustee in its discretion elects to act upon such directions, the Trustee's understanding of such directions shall be deemed controlling. The Issuer understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the Written Certificate of the Issuer provided to the Trustee have been sent by such Authorized Officer. The Issuer shall be responsible for ensuring that only Authorized Officers transmit such directions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys issued by the Trustee as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions notwithstanding such directions conflict or are inconsistent with a subsequent written direction. The Issuer agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Trustee and that there may be more secure methods of transmitting directions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 9.05. Compensation. The Issuer shall pay or cause to be paid to each Fiduciary from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture, in accordance with the agreements made from time to time between the Issuer and the Fiduciary. Subject to the provisions of Section 9.03, the Issuer further agrees, to the extent permitted by applicable law, to indemnify and save each Fiduciary harmless against any liabilities that it may incur in the exercise and performance of its powers and duties hereunder and that are not due to such Fiduciary's negligence or willful misconduct.

Section 9.06. Certain Permitted Acts. Any Fiduciary, individually or otherwise, may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers

or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding without the approval of the Bondholders so affected.

Section 9.07. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties created by this Indenture by giving not less than 60 days' written notice to the Issuer and mailing notice thereof to the Holders of Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless (a) previously a successor shall have been appointed by the Issuer or the Bondholders as provided in Section 9.09, in which event such resignation shall take effect immediately on the appointment of such successor, or (b) a successor shall not have been appointed by the Issuer or the Bondholders as provided in Section 9.09 on such date, in which event such resignation shall not take effect until a successor is appointed.

Section 9.08. Removal of the Trustee. The Trustee may be removed with 30 days' prior notice with or without cause by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Issuer. So long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time with 30 days' prior Written Notice, with or without cause, by delivery of a Written Certificate of the Issuer to the Trustee with respect to the foregoing. Notwithstanding the foregoing, any such removal of the Trustee shall not be effective until a successor Trustee has been appointed pursuant to Section 9.09.

Section 9.09. Appointment of Successor Trustee. (a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by the Issuer by a duly executed written instrument signed by an Authorized Officer.

(b) If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 30 days after the Trustee shall have given to the Issuer written notice as provided in Section 9.07 or within 30 days after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee or the Holder of any Bond (in any case) may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section 9.09 in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national

banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$100,000,000 if there be such a bank with trust powers or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

Section 9.10. Transfer of Rights and Property to Successor Trustee. Any successor trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the Written Request of the Issuer or of the successor Trustee, at the cost and expense of the Issuer, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property, rights, interests and estates held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 9.11. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, *provided* such company shall be a bank with trust powers or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture and shall meet the qualifications set forth in Section 9.09(c), shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 9.12. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is provided, anywhere in said Bonds or in this Indenture, that the certificate of the Trustee shall have.

Section 9.13. Resignation or Removal of Paying Agent and Appointment of Successor.
(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' written notice to the Issuer, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer. Any successor

Paying Agent shall be appointed by the Issuer and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least \$50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, at the reasonable cost and expense of the Issuer to the extent such Paying Agent is not acting as the Trustee at the time of such resignation or removal, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 9.14. Trustee's Reliance. In the absence of bad faith on its part, the Trustee may conclusively rely, and shall be protected in acting upon any notice, direction, ordinance, resolution, request, consent, order, certificate, report, opinion, bond, statement, facsimile transmission, electronic mail or other paper or document furnished to the Trustee pursuant to any provision of this Indenture and that is believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties and in conformity with the formal requirements of this Indenture. The Trustee may consult with any consultant, account, or counsel, who may or may not be counsel to the Issuer, and the opinion of such consultant, accountant, or counsel shall be full and complete authorization and protection in respect of any action taken or suffered by Trustee under this Indenture in good faith and in accordance therewith. The Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Any request, direction, authority or consent given by the Holders of any Bond shall be conclusive and binding upon all Holders of the same Bond and any Bond issued in its place.

Section 9.15. Trustee's Liability. (a) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith, in accordance with the provisions of this Indenture, in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or, except for its negligence or willful misconduct, exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Bonds. In no event shall the Trustee be liable for indirect, incidental, special, consequential or punitive damages or penalties (including, but not limited to, lost profits).

(b) The Trustee shall not be deemed to have knowledge of an Event of Default except for those Events of Default in Sections 8.1(a) and (b) unless a Responsible Officer of the Trustee shall have actual knowledge of such Event of Default. As used herein, "actual knowledge" shall mean the actual fact or statement of knowing without any independent duty to make any investigation with regard thereto.

(c) The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All rights, benefits, indemnifications and releases from liability

granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

(d) Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Issuer, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Instrument, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in connection with the performance or exercise of any of its duties hereunder, or in the exercise of any of its rights or powers hereunder, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(f) The Trustee shall not be responsible for any recital in this Indenture or on the Bonds (except with respect to the certificate of the Trustee endorsed on the Bonds) or for insuring any property conveyed or collecting any insurance monies, or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto, or instruments of further assurance, or for the sufficiency of the security for the Bonds, or for the investment of monies as herein permitted (except that no investment shall be made except in compliance with Section 6.02 and Section 6.03 hereof), or for the recording or re-recording, filing or re-filing of this Indenture, or any supplement or amendment thereto, or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof. Except as specifically provided in this Indenture, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer, but the Trustee may require of the Issuer full information and advice as to the performance of such covenants. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers. Under no circumstances shall the Trustee in any of its capacities hereunder be liable in its individual capacity for the obligations evidenced by the Bonds or be subject to any personal liability or accountability by reason of the issuance of this Bond or in respect of any undertakings by the Trustee under this Indenture. In accepting the trust hereby created, the Trustee acts solely as Trustee for the holders of the Bonds and not in its individual capacity, and all persons, including without limitation the holders of the Bonds and the Issuer, having any claim against the Trustee arising from this Indenture shall look only to the Funds and Accounts held by the Trustee hereunder for payment except as otherwise provided herein.

(g) To the extent permitted by law, the Issuer shall indemnify the Trustee for, and hold it harmless against, any loss, damage, claim, liability or expense incurred by it, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder or the performance of any of its duties hereunder, except to the extent that any such loss, damage, claim, liability or expense was due to Trustee's own negligence or willful misconduct.

(h) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

Section 9.16. Trustee's Agents or Attorneys. The Trustee may execute any of its trusts or powers under this Indenture or perform any of its duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

Section 9.17. Notice of Lien Filings. Notwithstanding anything to the contrary contained in this Indenture, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code, if applicable. In addition, unless the Trustee shall have received Written Notice from the Issuer that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected (i) in relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section 9.17 and (ii) in filing any continuation statements in the same filing offices as the initial filings were made. If applicable, the Trustee shall, upon the prior Written Direction of the Issuer, cause to be filed, in accordance with such instructions, a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Bonds which was filed at the time of the issuance thereof, for which the Issuer has directed a continuation statement to be filed, in such manner and in such places as the initial filings were made, provided that a copy of the filed original financing statement is timely delivered with such Written Direction of the Issuer to the Trustee. The Issuer shall be responsible for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder, including payment of any filing fees, and shall give the Trustee any assistance it reasonably requests in order to enable the Trustee to file continuation statements for the lien established by this Indenture.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.01. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may from time to time, subject to the conditions and restrictions in this Indenture contained, enter into a Supplemental Indenture or Indentures, in form satisfactory to the Trustee, which shall thereafter form a part hereof, without the consent of the Bondholders for any one or more of the following purposes:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture;

(b) To insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) To make any other modification or amendment of this Indenture which the Trustee shall in its sole discretion determine will not have a material adverse effect on the Bondholders or the Interest Rate Swap Counterparty; and in making such a determination, the Trustee shall be entitled to rely conclusively upon an Opinion of Counsel and/or certificates of investment bankers or other financial professionals or consultants;

(d) To add to the covenants and agreements of the Issuer in this Indenture, other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(e) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(f) To authorize the issuance of Refunding Bonds;

(g) To authorize, in compliance with all applicable law, Bonds to be issued in the form of coupon Bonds registrable as to principal only and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given hereunder to the Holders of such coupon Bonds, which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds;

(h) To provide for the execution of a Commodity Swap in accordance with the provisions hereof;

(i) To provide for a Liquidity Facility and Liquidity Facility Provider in accordance with the provisions hereof;

(j) To confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Indenture of the Revenues or of any other moneys, securities or funds;

(k) To add to the Events of Default in this Indenture additional Events of Default;

(l) To add to this Indenture any provisions relating to the application of interest earnings on any Fund or Account under this Indenture required by law to preserve the exclusion of interest on Bonds issued from gross income for federal income tax purposes;

(m) To evidence the appointment of a successor Trustee; or

(n) If the Bonds affected by such change are rated by a Rating Agency, to make any change upon receipt of a Rating Confirmation with respect to the Bonds so affected.

Each Supplemental Indenture authorized by this Section shall become effective as of the date of its execution and delivery by the Issuer and the Trustee or such later date as shall be specified in such Supplemental Indenture.

A Supplemental Indenture will be deemed to not materially adversely affect the Holders of any Bonds that are subject to mandatory tender on or before the effective date of the Supplemental Indenture.

Section 10.02. Supplemental Indentures Effective With Consent of Bondholders. At any time or from time to time, subject to Section 10.03(e) and Section 11.05(b), a Supplemental Indenture may be entered into by the Issuer and the Trustee subject to notice to and consent by Bondholders in accordance with and subject to the provisions of Article XI, which Supplemental Indenture, upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI.

Section 10.03. General Provisions. (a) This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the right or obligation of the Issuer to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 7.04 or the right or obligation of the Issuer to execute and deliver to any Fiduciary any instrument which elsewhere in this Indenture it is provided shall be delivered to said Fiduciary.

(b) Any Supplemental Indenture referred to and permitted or authorized by Section 10.01 may be entered into between the Issuer and the Trustee without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Section. A copy of every Supplemental Indenture shall be accompanied by an Opinion of Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture, and is valid and binding upon the Issuer; provided, that such Opinion of Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium, reorganization, arrangement, fraudulent conveyance or other similar laws relating to or affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy.

(c) The Trustee is hereby authorized to enter into any Supplemental Indenture referred to and permitted or authorized by Section 10.01 or Section 10.02 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an Opinion of Counsel that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto; *provided, however* this section shall not affect the rights of the Holders or the Issuer to remove the Trustee as provided in Section 9.08 herein.

(e) Notwithstanding anything in this Article X to the contrary, no Supplemental Indenture (or other amendment to this Indenture) shall change or modify (i) the order of priority of deposits set forth in Section 5.05(a), (ii) the priority of the application of funds following an Event of Default as set forth in Section 8.03, (iii) the definition of Operating Expenses, (iv) any of the rights or interests of a Commodity Swap Counterparty, the Interest Rate Swap Counterparty (if any) or the Energy Supplier, as purchaser under the Receivables Purchase Provisions, granted herein or in the Commodity Swaps, any Interest Rate Swap or the Receivables Purchase Provisions, as the case may be, or (v) the provisions of Section 5.04(b) regarding the sale by the Trustee of Put Receivables (A) in each case unless the prior written consent of the applicable Commodity Swap Counterparty has been obtained, and such Commodity Swap Counterparty shall have full right to enforce this provision, and (B) in the case of clause (iv) of this Section 10.03(e), unless the prior written consent of the Interest Rate Swap Counterparty and/or the Energy Supplier, as applicable, has been obtained.

ARTICLE XI

AMENDMENTS

Section 11.01. Mailing. Any provision in this Article XI for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only (a) to each registered owner of Bonds then Outstanding at its address, if any, appearing upon the registry books of the Issuer, and (b) to the Trustee.

Section 11.02. Powers of Amendment. Any modification or amendment of this Indenture and of the rights and obligations of the Issuer and of the Holders of the Bonds thereunder may be made by a Supplemental Indenture, subject to Section 10.03(e), with the written consent given as provided in Section 11.03(a) of the Holders of not less than a majority in principal amount of Outstanding Bonds, and (b) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of Outstanding Bonds of the particular maturity entitled to such Sinking Fund Installment; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like maturity remain Outstanding (or have become subject to mandatory purchase) the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; and *provided further, however*, that if such modification or amendment would adversely affect the Interest Rate Swap Counterparty, such modification or amendment shall be subject to the prior written consent of the Interest Rate Swap Counterparty. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For

the purposes of this Section, the Bonds shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds in any material respect. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds would be materially affected by any modification or amendment of this Indenture and any such determination shall be binding and conclusive on the Issuer and all Holders of Bonds. For purposes of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

Section 11.03. Consent of Bondholders. The Issuer and the Trustee may at any time enter into a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 11.02 to take effect when and as provided in this Section 11.03. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Issuer to Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section 11.03 provided). Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 11.02, subject to Section 11.05(b), (b) the written consent of the Interest Rate Swap Counterparty if required by Section 11.02, and (c) an Opinion of Counsel stating that such Supplemental Indenture has been duly and lawfully executed by the Issuer in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the Issuer; *provided, that* such Opinion(s) of Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium, reorganization, arrangement, fraudulent conveyance or other similar laws relating to or affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy. For purposes of clause (a) of the preceding sentence, the written consent of the Bondholder shall be deemed to have been received if the amendment is expressly referred to in the Supplemental Indenture authorizing such Bonds and in the text of such Bonds and such Bonds recite that such Bondholder shall be deemed to have consented to such amendments by accepting such Bonds. Otherwise, each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02. A certificate or certificates executed by the Trustee and filed with the Trustee and the Issuer stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be irrevocable and shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice of such consent). At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture (or have deemed to have consented to such Supplemental Indenture), the Trustee shall make and file with the Trustee and the Issuer a written statement that the Holders of such required percentages

of Bonds have consented to, such Supplemental Indenture. Such written statements shall be conclusive that such consents have been received. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture entered into by the Issuer and the Trustee on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 11.03, may be given to Bondholders by the Trustee by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 11.03 provided). A record, consisting of the certificates or statements required or permitted by this Section 11.03 to be made by the Trustee, shall be proof of the matters therein stated.

Section 11.04. Notifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the Issuer and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the execution of a Supplemental Indenture by the Trustee and the Issuer, the consent of the Holders of all of the Bonds then Outstanding (such consent to be given as provided in Section 11.03), and the consent of the Interest Rate Swap Counterparty if required by Section 11.02; *provided, however*, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary or any of the provisions referenced in Section 10.03(e) without the filing with the Trustee of the written assent thereto of such Fiduciary or the applicable Commodity Swap Counterparty, respectively, in addition to the consent of the Bondholders.

Section 11.05. Exclusion of Bonds. (a) Bonds owned or held by or for the account of the Issuer shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and the Issuer shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article XI. At the time of any consent or other action taken under this Article XI, the Issuer shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

(b) Bonds for which a Bondholder has submitted a notice of abstention in response to a request for consent received pursuant to Section 11.03 shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI with respect to any Supplemental Indenture to be entered into by the Issuer and the Trustee; *provided*, that, such notice of abstention shall not apply with respect to any proposed amendments of Section 8.01.

Section 11.06. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in Article X or this Article XI may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of its Bond for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Issuer or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Issuer to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then

Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same maturity then Outstanding, upon surrender of such Bonds.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Defeasance. (a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in this Indenture and shall pay or cause to be paid all amounts due or to become due to the Interest Rate Swap Counterparty under the Interest Rate Swap, then the pledge of all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds; *provided, however*, that this Indenture shall not be discharged until (i) the Issuer shall have paid and satisfied all claims, charges and expenses that constitute Operating Expenses hereunder, (ii) the Trustee shall have received an Opinion of Counsel to the effect that all conditions precedent to the satisfaction and discharge of this Indenture have been fulfilled and (iii) receipt by the Trustee of a Rating Confirmation. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Issuer to be prepared and filed with the Issuer and, upon the request of the Issuer, shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Issuer all moneys or securities held by them pursuant to this Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Issuer to the Holders of such Bonds shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a). In addition, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) upon compliance with the provisions of subsection (c).

(c) Subject to the provisions of subsection (d) of this Section, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee irrevocable written instructions accepted in writing by the Trustee to mail as provided in Article IV notice of redemption of such Bonds (other than Bonds which have been purchased by

the Trustee at the direction of the Issuer or purchased or otherwise acquired by the Issuer and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (ii) there shall have been deposited with the Trustee either moneys (including moneys withdrawn and deposited pursuant to Section 5.07(g)) in an amount which shall be sufficient, or Defeasance Securities (including any Defeasance Securities issued or held in book entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds (with such interest being calculated at the Maximum Rate with respect to any Bonds with interest rates that are not fixed to their redemption or maturity date, as applicable) on or prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day of the month preceding the month for which notice is mailed that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (d) of this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Issuer or purchased or otherwise acquired by the Issuer and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (i)). Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 12.01 to the retirement of said Bonds in amounts equal to the unsatisfied balances (determined as provided in Section 5.10(c)) of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in this Indenture. The Trustee shall, if so directed by the Issuer (A) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 which are not to be redeemed prior to their maturity date or (B) prior to the mailing of the notice of redemption referred to in clause (i) above with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and, the Trustee shall immediately thereafter cancel all such Bonds so purchased; *provided, however*, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds (or the deemed cancellation thereof) shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all Bonds (calculated as described above), in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (1) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 which are not to be redeemed prior to their maturity date or (2) prior to the mailing of the notice of redemption referred to in clause (i) with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their

maturity, the Issuer shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by written directions from the Issuer to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 12.01. The directions given by the Issuer to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 12.01 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations or deemed cancellations of Bonds as provided in this Section 12.01 the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under this Section 12.01 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy clause (ii) of this subsection (c) of Section 12.01, the Trustee shall, if requested by the Issuer in writing, pay the amount of such excess to the Issuer free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Indenture. Except as otherwise provided in subsections (c) and (d) of this Section 12.01, neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; *provided* that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (x) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under this Indenture, and (y) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Qualified Investments maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Indenture. Notwithstanding anything contained herein to the contrary, the Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against Defeasance Securities or the principal and interest received on Defeasance Securities.

(d) Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years (or, if shorter, one Business Day before such moneys would escheat to the State under then applicable State law) after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, at the Written Request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and

the Bondholders shall look only to the Issuer for the payment of such Bonds; *provided, however*, that before being required to make any such payment to the Issuer the Fiduciary shall, at the expense of the Issuer, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Issuer.

Section 12.02. Evidence of Signatures of Bondholders and Ownership of Bonds. (a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and, except as otherwise provided in Section 11.03, shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (1) the execution of any such instrument, or of an instrument appointing any such attorney, or (2) the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Bondholder or its attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of its authority.

(ii) The amount of Bonds transferable by delivery held by any Person executing any instrument as a Bondholder, the date of holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such Person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

(b) The ownership of Bonds registered other than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(c) Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or any Fiduciary in accordance therewith.

Section 12.03. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

Section 12.04. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture shall be retained in its possession and shall at all times during regular business hours (upon reasonable prior written notice) be subject to the inspection of the Issuer, any other Fiduciary, and any Bondholder and their agents and their representatives, any of whom may make copies thereof, subject to such reasonable regulations as such Fiduciary may from time to time determine to be advisable or required by law.

Section 12.05. Parties Interested Herein. Nothing in this Indenture expressed or implied, except for the rights and interests of the Commodity Swap Counterparties, the Interest Rate Swap Counterparty (if any) and the Energy Supplier, as purchaser under the Receivables Purchase Provisions, as described in Section 10.03(e), and the pledges of the Commodity Swap Payment Fund granted to the Commodity Swap Counterparties, is intended or shall be construed to confer upon, or to give to, any Person or corporation, other than the Issuer, the Fiduciaries, the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and, except as provided in Section 10.03(e), all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Fiduciaries, the Holders of the Bonds and the Interest Rate Swap Counterparty.

Section 12.06. No Recourse on the Bonds; Non-Liability of the Issuer. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Indenture against any source other than the Trust Estate as provided in this Indenture, including against any member of the board or officer of the Issuer, the Project Participants or any Person executing the Bonds. The Issuer shall not be obligated to pay the principal or Redemption Price or Purchase Price of or interest on the Bonds, the Interest Rate Swap Payments or the Commodity Swap Payments, except from the Trust Estate as provided in this Indenture. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Issuer, is pledged to the payment of the principal or Redemption Price of or interest on the Bonds, the Interest Rate Swap Payments or Commodity Swap Payments. The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Bonds, this Indenture, the Interest Rate Swap or the Commodity Swaps except only to the extent of the Trust Estate as provided in this Indenture.

Section 12.07. Publication of Notice; Suspension of Publication. (a) Any publication to be made under the provisions of this Indenture in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same

Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

(b) If, because of the temporary or permanent suspension of the publication or general circulation of any Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to this Indenture in the manner herein provided, then such publication in lieu thereof as shall be made by the Issuer with the written approval of the Trustee shall constitute a sufficient publication of such notice.

Section 12.08. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Issuer or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 12.09. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture, and no interest shall accrue for the period after such nominal date.

Section 12.10. Notices. (a) Except as otherwise provided herein, all notices, requests, demands and other communications required or permitted under this Indenture shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid (or sent by Electronic Means, confirmed by mail, as aforesaid), as follows:

If to the Issuer:	California Community Choice Financing Authority 1125 Tamalpais Avenue San Rafael, California 94901 Attention: Treasurer/Controller Telephone: (415) 464-6037 Email: Series2025[]@cccfa.org and notices@cccfa.org

With a copy to:

Silicon Valley Clean Energy Authority
333 W. El Camino Real Suite 330
Sunnyvale, California 94087
Attention: Monica Padilla, CEO
Telephone: []

If to the Trustee, Paying Agent, the Bond Registrar, the Custodian or the Calculation Agent for the Index Rate Bonds:	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Telephone: (213) 630-6407 Attention: Fanny Chen, Vice President Email: fanny.chen@bny.com

If to the Calculation Agent for Bonds bearing interest at a CPI Index Rate: Morgan Stanley & Co., LLC
1585 Broadway
New York, NY 10036
Telephone: (212) 761-4000
Attention: agystruct@morganstanley.com

With a copy to:

Morgan Stanley Energy Structuring, L.L.C.
1585 Broadway
New York, NY 10036
Telephone: []
Attention: []

or to such other Person or addresses as the respective party hereafter designates in writing to the Issuer and the Trustee.

(b) The Issuer may, by Written Direction to the Trustee, permit a Project Participant that is a Member to deliver to the Trustee on behalf of the Issuer any notices, requests, demands and other communications required or permitted to be delivered by the Issuer under this Indenture. Such Written Direction shall contain a certificate identifying the Authorized Officers of such Project Participant for purposes of delivery of notices under this Indenture. The Trustee shall treat all such notices received from the Project Participant as if they were delivered by the Issuer, unless an Event of Default has occurred and is continuing under this Indenture, in which case any notices from such Project Participant shall be disregarded by the Trustee and of no force or effect. The Issuer may at any time rescind and annul the Written Direction permitting such Project Participant to deliver notices hereunder on behalf of the Issuer by delivering a Written Direction to the Trustee stating that such permission has been rescinded and annulled.

Section 12.11. Notices to Rating Agencies. The Issuer shall provide to each Rating Agency rating the Bonds at the time notice of any amendment to this Indenture, the Energy Purchase Agreement, any Commodity Swaps, any Power Supply Contract, and Debt Service Fund Agreement or any other document relating to the Bonds or the Clean Energy Project.

Section 12.12. Counterparts. This Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

Section 12.13. Waiver of Jury Trial. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO OR CONNECTED WITH THIS INDENTURE OR ANY OTHER TRANSACTION DOCUMENT, THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER, AND AGREES THAT ANY SUCH PROCEEDING SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

Section 12.14. Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of this agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this agreement in a usable format.

[Signature page follows]

IN WITNESS WHEREOF, the California Community Choice Financing Authority has caused this Indenture to be signed in its own name and on its behalf by an Authorized Officer, and as evidence of its acceptance of the trusts hereby created, The Bank of New York Mellon Trust Company, N.A., the duly authorized Trustee, has caused this Indenture to be signed in its name and on its behalf by one of its officers duly authorized and its corporate seal to be hereunto affixed, attested by another of its officers duly authorized, all as of the date first above written.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: Garth Salisbury
Title: Treasurer/Controller

ATTEST:

By: _____
Name: Adrian Bankhead
Title: Secretary

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Name: _____
Title: _____

[SEAL]

ATTEST:

Attesting Party

EXHIBIT A**FORM OF BONDS**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED
No. _____

REGISTERED
\$ _____

**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
CLEAN ENERGY PROJECT REVENUE BOND
SERIES 2025[] (GREEN BONDS) (TERM RATE)]**

			[INTEREST RATE][APPLICABLE SPREAD AND APPLICABLE FACTOR]	INTEREST RATE MODE
MATURITY DATE	DATED DATE	CUSIP		
	[], 2025			

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

California Community Choice Financing Authority (the “*Issuer*”), a joint powers authority, organized and existing pursuant to the Joint Exercise of Powers Act, Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the “*Act*”), and the Joint Powers Agreement, dated June 25, 2021, as amended from time to time, for value received, hereby promises to pay in lawful money of the United States of America, to the Registered Owner identified above, or registered assigns, on the Maturity Date stated above, unless this Bond shall have been called for redemption (in whole or in part) and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, the principal amount identified above, and to pay, in the manner and from the source hereinafter provided, to the Registered Owner hereof interest on the balance of said principal amount from time to time remaining unpaid at the rate determined as provided in the Indenture identified below, until payment in full of such principal amount. The initial Interest Rate Period, as defined in the Indenture, for this Bond is set out in the

Indenture. The Interest Rate Period for this Bond may be changed from time to time as provided in the Indenture.

The following paragraph shall be inserted in the Series 2025[] Bonds:

This Bond bears interest from the Dated Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at the rate per annum set forth above, computed on the basis of a 360-day year consisting of 12 thirty-day months, payable on [] 1 and [] 1 of each year, commencing [] 1, 2025.

The following paragraph shall be inserted for any SIFMA Index Rate Bonds, and the phrase “SIFMA Index Rate” shall be inserted under the caption “Interest Rate” immediately below the title of such Bond:

This Bond bears interest from the Dated Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at a SIFMA Index Rate equal to the sum of (a) the SIFMA Index as of the day of determination plus (b) the Applicable Spread of [] basis points ([]%) (but not more than the Maximum Rate of 12% per annum), computed on the basis of a 365- or 366-day year, as applicable, for the actual number of days elapsed and payable on the first Business Day of each Month, commencing on the first Business Day of [] 20[].

The following paragraph shall be inserted for any SOFR Index Rate Bonds, and the phrase “SOFR Index Rate” shall be inserted under the caption “Interest Rate” immediately below the title of such Bond:

This Bond bears interest from the Dated Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at a SOFR Index Rate equal to the sum of (a) the Applicable Spread of [] basis points ([]%) plus (b) the product of (i) the SOFR Index as of the day of determination multiplied by (ii) the Applicable Factor of []% (but not more than the Maximum Rate of 12% *per annum*), computed on the basis of a 365- or 366-day year, as applicable, for the actual number of days elapsed and payable on the first Business Day of each Month, commencing on the first Business Day of [] 20[].

The following paragraph shall be inserted for any CPI Index Rate Bonds, and the phrase “CPI Index Rate” shall be inserted under the caption “Interest Rate” immediately below the title of such Bond:

This Bond bears interest from the Dated Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at a CPI Index Rate determined accordance with Section 2.14 of the Indenture (but not more than the Maximum Rate of 12% per annum), computed on the basis of a 360-day year of twelve 30-day calendar months and payable on the first Business Day of each Month, commencing on the first Business Day of [_____] 20[___].

The Issuer is obligated to pay the principal, Redemption Price of, and interest on this Bond solely from the Trust Estate as defined in and in accordance with the provisions of the Trust Indenture, dated as of [_____] 2025, between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (said trustee and any successor thereto under the Indenture being herein referred to as the “Trustee”), as the same may be amended and supplemented from time to time (the “Indenture”).

This Bond is one of the Clean Energy Project Revenue Bonds of the Issuer initially issued in a single series (collectively, the “Bonds”) under and by virtue of the Act and under and pursuant to the Indenture for the purpose of providing funds to pay the Cost of Acquisition of the Issuer’s Clean Energy Project. The aggregate principal amount of Bonds issued pursuant to the Indenture is limited to \$[___]. This Bond is one of the Series of Bonds designated as “Clean Energy Project Revenue Bonds, Series 2025[___] (Green Bonds) ([Term Rate]),” dated as of the Dated Date identified above. Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

All Bonds are and will be equally and ratably secured by the pledge and covenants made in the Indenture, except as otherwise expressly provided or permitted in or pursuant to the Indenture.

THIS BOND IS A LIMITED OBLIGATION OF THE ISSUER AND THE PRINCIPAL AND REDEMPTION PRICE OF, AND INTEREST ON, THIS BOND ARE PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OR THE REDEMPTION PRICE OF OR INTEREST ON THE BONDS EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR

ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO TAXING POWER.

Copies of the Indenture are on file at the office of the office of Trustee in Los Angeles, California, and reference to the Indenture and the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bonds are issued, and a statement of the rights, duties, immunities and obligations of the Issuer and of the Trustee. Such pledge and other obligations of the Issuer under the Indenture may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Indenture.

The Issuer has established a book-entry system of registration for the Bonds. Except as specifically provided otherwise in the Indenture, the Securities Depository will be the registered owner of this Bond. By acceptance of a confirmation of purchase, delivery or transfer, a Beneficial Owner shall be deemed to have agreed to this arrangement. The Securities Depository, as registered owner of this Bond, shall be treated as the Owner of it for all purposes.

The Issuer will pay the principal or Redemption Price of and interest on this Bond solely from the Trust Estate in accordance with the provisions of the Indenture. Interest will accrue on the unpaid portion of the principal of this Bond from the last Interest Payment Date for which interest has been paid or duly provided for or if no interest has been paid or duly provided for, from the Dated Date of this Bond, until the entire principal amount of this Bond is paid or duly provided for, and such interest shall be paid in the manner and on the Interest Payment Dates specified in the Indenture.

This Bond may be transferred or exchanged as provided in the Indenture.

To the extent and in the respects permitted by the Indenture, the Indenture may be modified or amended in the manner and subject to the conditions and exceptions prescribed in the Indenture. Certain such modifications and amendments may be made without the consent of the Owners of the Bonds to the extent provided in the Indenture.

The Owner or Beneficial Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an Event of Default under the Indenture or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

The Bonds are subject to tender or redemption prior to maturity upon the circumstances, at the times, in the amounts, upon payment of the amounts, with the notice, upon the other terms and provisions and with the effect set forth in the Indenture.

No director, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of any principal or Redemption Price of or interest on the Bonds or any sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of the Indenture.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of California or by the Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed in due time, form and manner, and that the issue of Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the California Community Choice Financing Authority has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chair, and attested by the manual or facsimile signature of its Secretary, all as of the Dated Date specified above.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Chair

ATTEST:

Secretary

[FORM OF TRUSTEE’S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This Bond is one of the Bonds described in the within mentioned Indenture and is one of the Clean Energy Project Revenue Bonds, Series 2025[] (Green Bonds) ([Term Rate]), of California Community Choice Financing Authority.

Date of registration and authentication: [Closing Date], 2025.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Name _____
Title _____

Customary abbreviations may be used in the name of a Bondholder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/T/M/A (= Uniform Transfers to Minors Act).

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right	(Cust) (Minor)

of survivorship and not as under Uniform Transfers to Minors Act of
tenants in common _____
(State)

Additional abbreviations may also be used though not in list above.

[FORM OF ASSIGNMENT]

For Value Received, the undersigned sells, assigns and transfers unto

Please Insert Social Security or
Other Identifying Number of Assignee

(Name and Address of Assignee)

the within Bond of the California Community Choice Financing Authority, and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Date: _____

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

FORM OF INDEX RATE DETERMINATION CERTIFICATE

Re: California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2025[]-[] (Green Bonds) ([SIFMA/SOFR] Index Rate) (the “Bonds”)

Reference is made to Section 2.09 [and Section 2.14] of the Trust Indenture, dated as of September 1, 2025 (the “Indenture”), between the California Community Choice Financing Authority (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), relating to the above captioned Bonds. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Indenture.

The undersigned Authorized Representative of the Issuer hereby notifies the Trustee and the Rating Agencies as follows with respect to the Index Rate Period commencing on the date hereof:

Include the following text separately for each Series of Index Rate Bonds:

(i) the Index Rate shall be the [SIFMA/SOFR] Index Rate and the Index Rate Period shall be _____;

(ii) if the Index Rate shall be the SOFR Index Rate, (A) the SOFR Index shall be the “Secured Overnight Financing Rate” reported on the website of the Federal Reserve Bank of New York, or reported by any successor to the Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing the SOFR Index as of the third Business Day preceding the [Conversion Date][Index Rate Reset Date], which will be used to calculate interest for the SOFR Effective Period beginning on such [Conversion Date][Index Rate Reset Date] (the “SOFR Effective Date”) (for example, for purposes of determining the SOFR Index for a SOFR Effective Date of Thursday, _____, 20__, the Calculation Agent uses SOFR published on the SOFR Publish Date of Tuesday, _____, 20__, which is the SOFR Index for the SOFR Lookback Date of Monday, _____, 20__), and (B) the Applicable Factor, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be % of SOFR.

(iii) the Applicable Spread for each Maturity Date, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be as follows:

MATURITY DATE	APPLICABLE SPREAD	MATURITY DATE	APPLICABLE SPREAD

(iv) if, during any [SIFMA/SOFR] Index Rate Period, the [SIFMA/SOFR] Index Rate is not reported by, or otherwise ceases to be available from, the relevant source,

the substitute or replacement Index Rate, as determined by the Issuer, for the Index Rate Period shall be the substitute determined in writing by the Issuer;

(v) the Index Rate Tender Date shall be _____;

(vi) the Interest Payment Date[s] shall be _____;

(vii) for a Series of Bonds bearing interest at the SIFMA Index Rate, the Index Rate Reset Date[s] shall be [Thursday of each week, or if the SIFMA Index is not issued on Wednesday of such week, the Business Day next succeeding the day on which the SIFMA Index for such week is issued]; and

(viii) for a Series of Bonds bearing interest at the SOFR Index Rate, the SOFR Effective Date shall be each Business Day.

Include the following text for any Series of CPI Bonds:

(i) the CPI Interest Period shall be _____.

(ii) the Applicable Spread for each Maturity Date, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be as follows:

MATURITY DATE	APPLICABLE SPREAD	MATURITY DATE	APPLICABLE SPREAD

(iii) the CPI Index Rate for each Maturity Date shall be calculated, in accordance with Section 2.14 of the Indenture, using the CPI Index Rate Formula, which means (i) the total of CPI for the applicable Reference Month less CPI for the twelfth month prior to the applicable Reference Month, divided by (ii) CPI for the twelfth month prior to the applicable Reference Month, which formula would be expressed mathematically as $((CPI_t - CPI_{t-12}) / CPI_{t-12})$, where:

CPI_t = CPI for the applicable Reference Month;

CPI_{t-12} = CPI for the twelfth month prior to the applicable Reference Month;

Applicable Spread = []%; and

Reference Month = the 3rd calendar month preceding each CPI Index Rate Reset Date.

(iv) the Mandatory Purchase Date shall be _____;

(v) the Interest Payment Date[s] shall be the first Business Day of each Month, commencing on the first Business Day of [____], [20__]; and

(vi) CPI Index Rate Reset Date[s] shall be the first Business Day of each calendar month; and

(vii) if, during any CPI Index Rate Period, the CPI is not reported by, or otherwise ceases to be available from, the relevant source, but the CPI has otherwise been reported by the BLS, the Calculation Agent will determine the CPI as published by the BLS for such month using a source it deems to be accurate and appropriate.

IN WITNESS WHEREOF, I have set forth my hand this ____ day of _____.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name _____
Title _____

Please sign below to signify your acknowledgement of receipt of this Certificate and, as to the Underwriter or the Remarketing Agreement, as the case may be, your agreement with the terms set forth herein.

ACKNOWLEDGED AND RECEIVED:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Name _____
Title _____

ACKNOWLEDGED, RECEIVED AND AGREED TO:

as Underwriter

By: _____
Name _____
Title _____

EXHIBIT C

Form of Written Direction and Redemption Notice

To: The Bank of New York Mellon Trust Company, N.A., as Trustee (the “*Trustee*”)

DIRECTION IS HEREBY GIVEN by **CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY** (the “*Issuer*”) to the Trustee for the Issuer’s Clean Energy Project Revenue Bonds, Series 2025[] (Green Bonds) ([Term Rate]) (the “*Bonds*”) issued pursuant to the Trust Indenture, dated as of September 1, 2025, by and between the Issuer and the Trustee (the “*Indenture*”), to call the Bonds for redemption on [], 20[] (the “*Redemption Date*”) at a redemption price equal to [FOR REDEMPTION UNDER SECTION 4.03(a): the greater of (i) the Amortized Value of the Bonds, and (ii) the sum of the present values of the remaining unpaid payments of principal and interest to be paid on the Bonds to be redeemed from and including the Redemption Date (not including any portion of the interest accrued and unpaid as of the Redemption Date) to the earlier of the stated maturity date of such Bonds or the Initial Mandatory Purchase Date, discounted to the Redemption Date on a semiannual basis at a discount rate equal to the Applicable Tax Exempt Municipal Bond Rate for the Bonds minus 0.25% per annum, in each case plus accrued and unpaid interest to the Redemption Date (the “*Redemption Price*”)] OR [FOR REDEMPTION UNDER SECTION 4.03(b): the Amortized Value of the Bonds as of the Redemption Date, plus \$0.10 per \$1,000 of the principal amount thereof plus accrued and unpaid interest to the Redemption Date (the “*Redemption Price*”).]

[“*Amortized Value*” means, with respect to any Bond to be redeemed when a Term Rate Period is in effect with respect to such Bond, the principal amount of such Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by the Issuer, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date of such Bond and a yield equal to such Bond’s original reoffering yield on the date such Bond began to bear interest at its current Term Rate. The Amortized Value of the Bonds as of certain dates during the Initial Interest Rate Period is set forth in Schedule IV to the Indenture.]

[“*Applicable Tax Exempt Municipal Bond Rate*” means, for the Bonds of any maturity, the “*Comparable AAA General Obligations*” yield curve rate for the year of such maturity or Mandatory Purchase Date, as applicable, as published by Refinitiv Global Markets, Inc. at least one Business Day and not more than 15 Business Days prior to the date that notice of redemption is required to be given pursuant to Section 4.04 of the Indenture. If no such yield curve rate is established for the applicable year, the “*Comparable AAA General Obligations*” yield curve rate for the two published maturities most closely corresponding to the applicable year shall be determined, and the Applicable Tax Exempt Municipal Bond Rate will be interpolated or extrapolated from those yield curve rates on a straight line basis. This rate is made available daily by Refinitiv Global Markets, Inc. and is available to its subscribers through its internet address: www.tm3.com. In calculating the Applicable Tax Exempt Municipal Bond Rate, should Refinitiv

Global Markets, Inc. no longer publish the “Comparable AAA General Obligations” yield curve rate, then the Applicable Tax Exempt Municipal Bond Rate shall equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Analytics, Inc. and is available to its subscribers through its internet address: www.mma-research.com. In the further event Municipal Market Analytics, Inc. no longer publishes the Consensus Scale, the Applicable Tax Exempt Municipal Bond Rate shall be determined by a major market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the annual yield to maturity, calculated using semi-annual compounding, of those tax exempt general obligation bonds rated in the highest Rating Category by Moody’s and S&P with a maturity date equal to the stated maturity date or Mandatory Purchase Date, as applicable, of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the quotation agent. The quotation agent’s determination of the Applicable Tax Exempt Municipal Bond Rate shall be final and binding on all parties in the absence of manifest error and may be conclusively relied upon in good faith by the Trustee.]

The quotation agent selected by the Issuer is [_____]. [_____] shall calculate the Redemption Price and deliver it to you five Business Days (as defined in the Indenture) prior to the Redemption Date.

[The remainder of this page is intentionally left blank]

The Issuer hereby directs you to cause notice of such optional redemption to be given pursuant to the provisions set forth in Section 4.04 of the Indenture to the registered owner of each Bond being redeemed, at its address as it appears on the bond registration books of the Trustee or at such address as such owner may have filed with the Trustee for that purpose, as of the Regular Record Date (as defined in the Indenture), such notice to be mailed by first class mail, postage prepaid, at least [] ([]) days prior to the Redemption Date, and such notice to be in substantially the form attached as APPENDIX A hereto.

Dated: [], 20[].

**CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY**

By: _____
Authorized Officer

ACKNOWLEDGED

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Name: _____
Title: _____

APPENDIX A
FORM OF
NOTICE OF CONDITIONAL OPTIONAL REDEMPTION

related to

Clean Energy Project Revenue Bonds
Series 2025[] (Green Bonds) ([Term Rate])

NOTICE IS HEREBY GIVEN to the holders of the following California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2025[] (the “**Bonds**”), which were issued on [Closing Date], 2025, that the Bonds listed below have been called for redemption prior to maturity on [], 20[] (the “**Redemption Date**”), at a redemption price equal to [the Amortized Value of the Bonds as of the Redemption Date, plus \$0.10 per \$1,000 of the principal amount thereof plus accrued and unpaid interest to the Redemption Date (the “**Redemption Price**”)] OR [the greater of (i) the Amortized Value of the Bonds, and (ii) the sum of the present values of the remaining unpaid payments of principal and interest to be paid on the Bonds to be redeemed from and including the Redemption Date (not including any portion of the interest accrued and unpaid as of the Redemption Date) to the earlier of the stated maturity date of such Bonds or the Initial Mandatory Purchase Date, discounted to the Redemption Date on a semiannual basis at a discount rate equal to the Applicable Tax Exempt Municipal Bond Rate for the Bonds minus 0.25% per annum, in each case plus accrued and unpaid interest to the Redemption Date (the “**Redemption Price**”).]

[“**Amortized Value**” means, with respect to any Bond to be redeemed when a Term Rate Period is in effect with respect to such Bond, the principal amount of such Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by the Issuer, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date of such Bond and a yield equal to such Bond’s original reoffering yield on the date such Bond began to bear interest at its current Term Rate. The Amortized Value of the Bonds as of certain dates during the Initial Interest Rate Period is set forth in Schedule IV to the Indenture.]

[“**Applicable Tax Exempt Municipal Bond Rate**” means, for the Bonds of any maturity, the “**Comparable AAA General Obligations**” yield curve rate for the year of such maturity or Mandatory Purchase Date, as applicable, as published by Refinitiv Global Markets, Inc. at least one Business Day and not more than 15 Business Days prior to the date that notice of redemption is required to be given pursuant to Section 4.04 of the Indenture. If no such yield curve rate is established for the applicable year, the “**Comparable AAA General Obligations**” yield curve rate for the two published maturities most closely corresponding to the applicable year shall be determined, and the Applicable Tax Exempt Municipal Bond Rate will be interpolated or extrapolated from those yield curve rates on a straight line basis. This rate is made available daily

by Refinitiv Global Markets, Inc. and is available to its subscribers through its internet address: www.tm3.com. In calculating the Applicable Tax Exempt Municipal Bond Rate, should Refinitiv Global Markets, Inc. no longer publish the “Comparable AAA General Obligations” yield curve rate, then the Applicable Tax Exempt Municipal Bond Rate shall equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Analytics, Inc. and is available to its subscribers through its internet address: www.mma-research.com. In the further event Municipal Market Analytics, Inc. no longer publishes the Consensus Scale, the Applicable Tax Exempt Municipal Bond Rate shall be determined by a major market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the annual yield to maturity, calculated using semi-annual compounding, of those tax exempt general obligation bonds rated in the highest Rating Category by Moody’s and S&P with a maturity date equal to the stated maturity date or Mandatory Purchase Date, as applicable, of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the quotation agent. The quotation agent’s determination of the Applicable Tax Exempt Municipal Bond Rate shall be final and binding on all parties in the absence of manifest error and may be conclusively relied upon in good faith by the Trustee.]

<u>CUSIP</u> <u>NUMBER</u> ¹	<u>MATURITY</u> <u>DATE</u>	<u>INTEREST</u> <u>RATE</u>	<u>OUTSTANDING</u> <u>PRINCIPAL</u> <u>AMOUNT</u>	<u>PRINCIPAL</u> <u>AMOUNT</u> <u>TO BE</u> <u>REDEEMED</u>	<u>REDEMPTION</u> <u>DATE</u>

The quotation agent selected by California Community Choice Financing Authority is [____]. [____] shall calculate the Redemption Price five Business Days (as defined in the Indenture) prior to the Redemption Date.

On the Redemption Date, there shall become due and payable on the Bonds to be redeemed, upon presentation and surrender of such Bonds as set forth below, the above mentioned Redemption Price, together with interest accrued and unpaid on the Bonds to be redeemed to such Redemption Date and, if payment has been made as provided for, then interest on the Bonds to be redeemed shall cease to accrue from and after the Redemption Date.

The redemption of the Bonds is subject to the condition that the Redemption Price will be due and payable on the Redemption Date only if moneys sufficient to accomplish such redemption are held by the Trustee on the scheduled Redemption Date.

¹ No representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in this notice and an error in a CUSIP number as printed on such Bonds or as contained in this notice shall not affect the validity of the proceedings for redemption.

On [insert redemption date], the Bonds to be redeemed shall be surrendered for redemption to:

FIRST CLASS/REGISTERED/CERTIFIED	EXPRESS DELIVERY ONLY	BY HAND ONLY

Any inquiries can be made by calling the following telephone number: (____) ____-____.

The method of delivery of the Bonds to be redeemed is at the option and risk of the holder, but, if mail is used, registered mail, properly insured, with receipt requested, is recommended.

**CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY**

By: **THE BANK OF NEW YORK
MELLON TRUST COMPANY, N.A.**, as
Trustee

By: _____
Name:
Title:

Dated: [____], 20[____]

EXHIBIT D

Form of Index Rate Continuation Notice

Re: California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 20[]-[] (Green Bonds) ([SIFMA/SOFR] Index Rate) (the “Bonds”)

Reference is made to [Section 2.09][and][Section 2.14] of the Trust Indenture, dated as of September 1, 2025 (the “Indenture”), between the California Community Choice Financing Authority (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), relating to the above captioned Bonds. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Indenture.

The undersigned Authorized Officer of the Issuer hereby notifies the Trustee and the Rating Agencies as follows with respect to the Index Rate Period commencing on the date hereof:

Include the following text separately for each Series of Index Rate Bonds:

(i) the Index Rate shall be the [SOFR/SIFMA] Index Rate; and the Index Rate Period shall be;

(ii) if the Index Rate shall be the SOFR Index Rate, (A) the SOFR Index shall be the “Secured Overnight Financing Rate” reported on the website of the Federal Reserve Bank of New York, or reported by any successor to the Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing the SOFR Index as of the third Business Day preceding the [Conversion Date][Index Rate Reset Date], which will be used to calculate interest for the SOFR Effective Period beginning on such [Conversion Date][Index Rate Reset Date] (the “SOFR Effective Date”) (for example, for purposes of determining the SOFR Index for a SOFR Effective Date of Thursday, _____, 20__, the Calculation Agent uses SOFR published on the SOFR Publish Date of Tuesday, _____, 20__, which is the SOFR Index for the SOFR Lookback Date of Monday, _____, 20__), and (B) the Applicable Factor, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be []% of SOFR.

(iii) the Applicable Spread for each Maturity Date, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be as follows:

MATURITY DATE	APPLICABLE SPREAD

(iv) if, during any [SIFMA/SOFR] Index Rate Period, the [SIFMA/SOFR] Index Rate is not reported by, or otherwise ceases to be available from, the relevant source, the substitute or replacement Index Rate, as determined by the Issuer, for the Index Rate Period shall be the substitute determined in writing by the Issuer;

(v) the first day of the new Index Rate Period shall be;

(vi) the Index Rate Tender Date shall be;

(vii) if a Liquidity Facility is to be in effect for the Bonds during the new Index Rate Period, the Liquidity Facility Provider shall be;

(viii) for a Series of Bonds bearing interest at the SIFMA Index Rate, the Index Rate Reset Date[s] shall be [Thursday of each week, or if the SIFMA Index is not issued on Wednesday of such week, the Business Day next succeeding the day on which the SIFMA Index for such week is issued]; and

(ix) for a Series of Bonds bearing interest at the SOFR Index Rate, the SOFR Effective Date shall be [each Business Day][____], 20[____].

Include the following text for any Series of CPI Bonds:

(i) the CPI Rate Period shall be _____;

(ii) the Applicable Spread for each Maturity Date, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be as follows:

MATURITY DATE	APPLICABLE SPREAD

(iii) the CPI Index Rate for each Maturity Date shall be calculated, in accordance with Section 2.14 of the Indenture, using the CPI Index Rate Formula, which means $[(CPI_t - CPI_{t-12}) / CPI_{t-12}] + \text{Applicable Spread}$, where:

CPI_t = CPI for the applicable Reference Month;

CPI_{t-12} = CPI for the twelfth month prior to the applicable Reference Month;

Applicable Spread = [____]%; and

Reference Month = the 3rd calendar month preceding each CPI Index Rate Reset Date.

- (iv) the Mandatory Purchase Date shall be;
- (v) the Interest Payment Dates shall be the first Business Day of each Month;
- (vi) the CPI Index Rate Reset Date[s] shall be the first day of each calendar month; and
- (vii) if, during any CPI Index Rate Period, the CPI is not reported by, or otherwise ceases to be available from, the relevant source, but the CPI has otherwise been reported by the BLS, the Calculation Agent will determine the CPI as published by the BLS for such month using a source it deems to be accurate and appropriate.

[The remainder of this page is intentionally left blank; signatures follow.]

IN WITNESS WHEREOF, I have set forth my hand this ____ day of _____.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name _____
Title _____

Please sign below to signify your acknowledgement of receipt of this Notice and, as to the Underwriter or the Remarketing Agreement, as the case may be, your agreement with the terms set forth herein.

ACKNOWLEDGED AND RECEIVED:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Name _____
Title _____

ACKNOWLEDGED, RECEIVED AND AGREED TO:

as Underwriter

By: _____
Name _____
Title _____

SCHEDULE I

INITIAL PROJECT PARTICIPANT

Silicon Valley Clean Energy Authority

Notice Address:

333 W. El Camino Real Suite 330

Sunnyvale, California 94087

SCHEDULE II

Scheduled Debt Service Deposits⁽¹⁾

DATE	SCHEDULED MONTHLY DEPOSIT	MINIMUM INTEREST EARNINGS ACCRUAL ⁽¹⁾	CUMULATIVE SCHEDULED BALANCE
___/___/20__	\$[]		\$[]

DATE	SCHEDULED MONTHLY DEPOSIT	MINIMUM INTEREST EARNINGS ACCRUAL ⁽¹⁾	CUMULATIVE SCHEDULED BALANCE

DATE	SCHEDULED MONTHLY DEPOSIT	MINIMUM INTEREST EARNINGS ACCRUAL ⁽¹⁾	CUMULATIVE SCHEDULED BALANCE

(1) Excludes projected interest earnings on the ISDA Agreement with the Energy Supplier.

SCHEDULE III

TERMS OF COMMODITY SWAPS

For each Month beginning with [____] 20[____] and ending with [____] 20[____], the Issuer will determine for each “Primary Delivery Point” as set forth on Exhibit A to the Energy Purchase Agreement, (i) the price under the “Contract Index Price” (as set forth on such Exhibit A), (ii) the difference (which may be positive or negative) between such Contract Index Price and the aggregate fixed prices for Energy set forth in the Commodity Swaps, and (iii) the product of such difference and the Energy quantity, as applicable, for such Primary Delivery Point as set forth on Exhibit A to the Energy Purchase Agreement.

The Issuer will then calculate a net settlement amount for all Primary Delivery Points for such Month due by or to the Issuer under the Commodity Swaps that aggregates the amounts determined under clause (iii) above.

All payments from the Issuer or the Commodity Swap Counterparties will be due on each “Payment Date” under the Commodity Swaps (which shall be the twenty-fifth (25th) day of the Month following the Month of Energy deliveries or, if such day is not a Business Day under the Commodity Swaps, then the next following Business Day).

SCHEDULE IV

**AMORTIZED VALUE OF
SERIES 2025[_] BONDS**

REDEMPTION DATE	REDEMPTION PRICE	REDEMPTION DATE	REDEMPTION PRICE
[_]/1/20_	\$____.____	_/_/20_	\$____.____]

SM Draft 23 July 2025

PREPAID ENERGY SALES AGREEMENT

between

ENERGY PREPAY IX, LLC

and

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

Dated as of [____], 2025

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PREPAID ENERGY SALES AGREEMENT

This Prepaid Energy Sales Agreement (hereinafter, this “Agreement”) is made and entered into as of [____], 2025 (the “Execution Date”), by and between Energy Prepay IX, LLC, a Delaware limited liability company (“Seller”), and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 *et seq.* of the California Government Code, as amended) (“Buyer”).

WITNESSETH:

WHEREAS, Seller desires to sell Energy to Buyer, and Buyer desires to purchase Energy from Seller, upon the terms and conditions hereinafter set forth; and

WHEREAS, in connection with the execution of this Agreement, Seller shall enter into that certain Energy Management Agreement, dated as of the date hereof (the “Energy Management Agreement”), with Morgan Stanley Capital Group Inc., a Delaware corporation (“MSCG”), pursuant to which Seller shall acquire Energy for delivery under this Agreement; and

WHEREAS, in connection with Buyer’s execution of the Power Supply Contract (as defined below), the Project Participant (as defined below) under such Power Supply Contract will assign to MSCG pursuant to the Initial Assignment Agreement certain Assigned Rights and Obligations, including the right to receive Assigned Product, which Assigned Product will be resold by MSCG to Seller under the Energy Management Agreement, then resold by Seller to Buyer hereunder and then resold to the Project Participant under the Power Supply Contract.

NOW, THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Buyer and Seller (the “Parties” hereto; each is a “Party”) agree as follows:

ARTICLE I. DEFINITIONS

Section 1.1 Defined Terms. The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Acceleration Event” has the meaning specified in Section 17.1.

“Affiliate” means, with respect to either Party, any entity which is a direct or indirect parent or subsidiary of such Party or which directly or indirectly (i) owns or controls such Party, (ii) is owned or controlled by such Party, or (iii) is under common ownership or control with such Party. For purposes of this definition, “control” of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or Persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

“Agreement” has the meaning specified in the preamble and shall include exhibits, recitals and attachments referenced herein and attached hereto and all amendments, supplements and modifications hereto and thereto.

“Annual Quantity” means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth on Exhibit A-3; provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate amount of any quantities of Base Energy required to be remarketed under this Agreement for any given Contract Year.

“Assigned Delivery Point” has the meaning specified in the applicable Assignment Agreement.

“Assigned Energy” has the meaning specified in the applicable Assignment Agreement; provided that any Assigned Energy shall be EPS Compliant Energy as set forth in the Assignment Letter Agreement.

“Assigned Paygo Quantity” means any Assigned Products delivered under this Agreement in excess of the Annual Quantity for any Contract Year.

“Assigned PPA” has the meaning specified in the Participant Custodial Agreement.

“Assigned PPA Index Adder” means the amount (in \$/MWh) specified in Exhibit A-2 for each Month of the Delivery Period.

“Assigned Product” means, as applicable, PCC1 Product, Long-Term PCC1 Product, PCC2 Product, Assigned Energy, Assigned RECs and any other product included in an Assignment Agreement.

“Assigned RECs” means any RECs to be delivered to MSCG or Seller pursuant to any Assigned Rights and Obligations.

“Assigned Rights and Obligations” means a portion of the Project Participant’s rights and obligations under a power purchase agreement assigned pursuant to an Assignment Agreement.

“Assignment Agreement” means the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

“Assignment Letter Agreement” means that certain Letter Agreement, dated as of the date hereof, by and among MSCG, Seller, Buyer and Project Participant.

“Assignment Period” has the meaning specified in the applicable Assignment Agreement.

“Available Discount” has the meaning specified in the Re-Pricing Agreement.

“Balancing Authority” has the meaning specified in the CAISO Tariff.

“Base Energy” means Firm (LD) Energy to be delivered to an Energy Delivery Point.

“Billing Date” has the meaning specified in Section 14.1(b).

“Billing Statement” has the meaning specified in Section 14.1(b).

“Bond Closing Date” means the first date on which the Bonds are issued pursuant to the Bond Indenture.

“Bond Documents” means this Agreement, the Power Supply Contract, the Bond Indenture and all other documents, agreements and instruments entered into or delivered by Buyer in connection with any of the foregoing or the transactions thereunder.

“Bond Indenture” means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Buyer and the Trustee, as supplemented and amended from time to time in accordance with its terms, and (ii) any trust indenture entered into in connection with the commencement of any Interest Rate Period after the initial Interest Rate Period between Buyer and the Trustee containing substantially the same terms as the Trust Indenture described in clause (i) and which is intended to replace the Trust Indenture described in clause (i) as of the commencement of such Interest Rate Period which follows.

“Bonds” means the bonds issued pursuant to the Bond Indenture.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks in either New York, New York or the State of California are authorized or required by Law to close, or (iv) any other day excluded pursuant to the Bond Indenture.

“Buyer” has the meaning specified in the preamble.

“Buyer Custodial Agreement” means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among Swap Counterparty, Buyer, the Trustee and The Bank of New York Mellon Trust Company, N.A., as custodian as the same may be amended, modified or supplemented from time to time.

“Buyer Swap” means (i) the transaction confirmation entered into under the ISDA Master Agreement, dated as of the date hereof, between Buyer and the Swap Counterparty, and (ii) each replacement Buyer Swap entered into pursuant to Section 17.5.

“Buyer’s Statement” has the meaning specified in Section 14.1(a).

“CAISO” means California Independent System Operator or its successor.

“CAISO Tariff” means CAISO’s FERC-approved tariff, as modified, amended or supplemented from time to time.

“California Long-Term Contracting Requirements” means the long-term contracting requirement set forth in the Clean Energy and Pollution Reduction Act of 2015 (SB 350), California Public Utilities Code section 399.13(b), and CPUC Decision 17-06-026 and CPUC Decision 18-05-026, as may be modified by subsequent decision of the California Public Utilities Commission or by other Law.

“Call Option Notice” has the meaning specified in Exhibit G.

“Claiming Party” has the meaning specified in Section 11.1.

“Claims” means all claims or actions, threatened or filed, that directly or indirectly relate to the indemnities provided herein, and the resulting losses, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Clean Energy Project” has the meaning specified in the Bond Indenture.

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

“Contract Index Price” means the index price specified on Exhibit A-1 with respect to the Hourly Quantity of Energy (which index prices may be Day-Ahead Market Price or Real-Time Market Price).

“Contract Quantity” means (i) with respect to Assigned Energy, the Annual Quantity of Assigned Energy for each Contract Year of the Delivery Period; and (ii) with respect to Base Energy, the Hourly Quantity of Base Energy set forth in Exhibit A-1 for any Month, as such Exhibits A-1 and A-2 shall be updated from time to time in accordance with Section 6.2.

“Contract Year” means each period of 12 Months from January 1 until December 31 during the Delivery Period.

“Custodial Agreements” means the Buyer Custodial Agreement and the Seller Custodial Agreement.

“Daily Basis Differential” has the meaning specified in Section 18.11(a)(ii).

“Daily Commodity Reference Price” means (A) the Day-Ahead Market Price, (B) the Day-Ahead Average Price or (C) the Real-Time Market Price.

“Daily Replacement Index” has the meaning specified in Section 18.11(a)(ii).

“Day-Ahead Average Price” means, for any Assigned Energy in any EPS Energy Period¹, the result of (i) (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 plus (ii) the Assigned PPA Index Adder for the relevant Month. As used in this definition, “Pricing Interval” means each unit of time for which CAISO establishes a separate price.

“Day-Ahead Market Price” means the Day Ahead Market or Locational Marginal Price for the Energy Delivery Point for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

“Default Rate” means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the “Money Rates” section as the “Prime Rate” for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

“Delivery Hours” means each Hour commencing at 00:00 (PPT) on the first day of the Delivery Period, and each Hour thereafter during the Delivery Period.

“Delivery Period” has the meaning specified in Exhibit F.

“Delivery Point” means (i) the applicable Assigned Delivery Point(s) for Assigned Energy and (ii) the applicable Energy Delivery Point for Base Energy (as set forth in Exhibits A-1 and A-2).

“Early Termination Payment Date” means the last Business Day of the first Month that commences after an Acceleration Event; *provided* that, in the case of an Acceleration Event due to a Failed Remarketing, the Early Termination Payment Date shall be the last Business Day of the then-current Interest Rate Period.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in MWs.

“Energy Delivery Point” has the meaning specified in Exhibit A-1.

“Energy Delivery Termination Date” means a date that occurs pursuant to Section 17.4(a) upon which the Delivery Period will end and Buyer’s and Seller’s respective obligations to receive and deliver Energy under this Agreement will terminate.

“Energy Delivery Termination Event” has the meaning specified in Section 17.2.

“Energy Management Agreement” has the meaning specified in the recitals.

¹ NTD: Parties to confirm pricing for the Initial Assignment Agreement.

“EPS” means California’s Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

“EPS Compliant Energy” means Energy that the Project Participant can contract for and purchase in compliance with EPS requirements that are applicable to such Project Participant.

“EPS Energy Period” means the Initial EPS Energy Period and any subsequent Assignment Period established by future assignments of power purchase agreements consistent with the Assignment Letter Agreement.

“Execution Date” has the meaning specified in the preamble.

“Failed Remarketing” has the meaning specified in the Bond Indenture.

“FERC” means the Federal Energy Regulatory Commission and any successor thereto.

“Firm (LD)” means, with respect to the obligation to deliver Energy, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure. In the absence of Force Majeure, the Party to which performance is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article IV.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Buyer’s markets; (ii) Buyer’s inability economically to use or resell any Energy purchased hereunder; (iii) the loss or failure of Seller’s supply except if such loss or failure results from curtailment by a Transmission Provider; or (iv) Seller’s ability to sell the Energy at a higher price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (a) such Party (or an upstream supplier with respect to Seller or the Project Participant with respect to Buyer) has contracted for firm transmission with such Transmission Provider for the Energy to be delivered to or received at the Energy Delivery Point and (b) such curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the Transmission Provider’s tariff; *provided*, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that Force Majeure as defined in the first sentence hereof has occurred. Notwithstanding the foregoing or anything to the contrary herein, (I) to the extent that (x) a PPA Supplier fails to deliver any Assigned Energy and claims force majeure with respect to such failure to deliver or (y) a PPA Supplier otherwise is unable to deliver any portion of the Annual Quantity due to an event that would be considered Force Majeure under this Agreement if it affected Seller

directly, then such event shall be deemed to constitute Force Majeure in respect of Seller hereunder; and (II) to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Seller until the earlier of (A) the commencement of an Assignment Period under a replacement Assignment Agreement, (B) the commencement of the delivery of EPS Compliant Energy procured by MSCG consistent with the Assignment Letter Agreement or (C) the end of the second Month following the Month in which such early termination occurs.

“Funding Agreement” means initially that certain [____], dated as of [____], 2025 by and between Seller and the Funding Recipient and any replacement funding agreement entered into for a subsequent Reset Period.

“Funding Recipient” means initially, [____], or its successors to or permitted assignees of the Funding Agreement, and any other Person that becomes counterparty to Seller under a Funding Agreement for a subsequent Reset Period.

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Hour” means each 60-minute period commencing at 00:00 (PPT) on the first day of the Delivery Period. The term “Hourly” shall be construed accordingly.

“Hourly Quantity” means, with respect to each Delivery Hour during the Delivery Period, the quantity (in MWh) of Base Energy set forth on Exhibit A-1 for the Month in which such Delivery Hour occurs (as such Exhibit A-1 may be updated from time to time in accordance with Section 6.2).

“Initial Assignment Agreement” means that certain Limited Assignment Agreement, dated on or around the Bond Closing Date, by and among the Project Participant, Initial PPA Supplier, Seller and Buyer.

“Initial EPS Energy Period” means the “Assignment Period” as defined in the Initial Assignment Agreement.

“Initial PPA Supplier” means Clean Power Alliance of Southern California, a California joint powers authority.

“Interest Rate Period” has the meaning specified in the Bond Indenture, provided that if the Bonds are outstanding in two or more series with separate, concurrent and co-terminus Interest Rate Periods, “Interest Rate Period” shall mean all such Interest Rate Periods collectively.

“Law” means any statute, law, rule or regulation or any judicial or administrative interpretation thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time in the future.

“Ledger Event” has the meaning specified in Exhibit C.

“Long-Term PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to MSCG, Seller or any successors thereto pursuant to any Assigned Rights and Obligations.

“Mandatory Purchase Date” has the meaning specified in the Bond Indenture.

“Master Custodial Agreement” means that certain Master Custodial Agreement, dated as of the date hereof, by and among Seller, MSCG, Buyer and the Master Custodian, as the same may be amended, modified or supplemented from time to time.

“Master Custodian” means The Bank of New York Mellon, a New York banking corporation, as custodian under the Master Custodial Agreement, and its successors as Master Custodian under the Master Custodial Agreement.

“Minimum Discount” has the meaning specified in the Power Supply Contract.

“Month” means a calendar month. The term “Monthly” shall be construed accordingly.

“Monthly Excess Quantity” means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered under an Assigned PPA in such Month exceeds the Monthly Projected Quantity for such Assigned PPA such Month.

“Monthly Projected Quantity” means, with respect to each Assigned PPA and each Month of the Assignment Period for each Assigned PPA, the quantity (in MWh) of Assigned Product for such Month as set forth on Exhibit A-2 for such Assigned PPA (as such Exhibit A-2 may be updated from time to time in accordance with Section 6.2).

“Morgan Stanley” means Morgan Stanley, a Delaware corporation.

“MSCG” has the meaning specified in the recitals.

“MWh” means megawatt-hour.

“Participant Custodial Agreement” means that certain [Second Consolidated, Amended and Restated Custodial Agreement], dated as of the Bond Closing Date, by and among the Project Participant, Buyer, Morgan Stanley Energy Structuring, L.L.C., MSCG and the Participant Custodian, as from time to time amended, restated, supplemented or otherwise modified.

“Participant Custodian” means The Bank of New York Mellon Trust Company, N.A.

“Party” has the meaning specified in the recitals.

“PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to MSCG, Seller or any successors thereto pursuant to any Assigned Rights and Obligations.

“PCC2 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 2 to be delivered to MSCG, Seller or any successors thereto pursuant to any Assigned Rights and Obligations.

“Person” means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

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

“Portfolio Content Category 2” 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.

“Power Supply Contract” has the meaning specified in the Bond Indenture.

“PPA Supplier” means the Initial PPA Supplier and any subsequent supplier who enters into an Assignment Agreement consistent with the Assignment Letter Agreement.

“PPT” means Pacific Prevailing Time.

“Prepayment” means the amount specified in Exhibit F.

“Prepayment Outside Date” means the date specified in Exhibit F.

“Project Participant” means Silicon Valley Clean Energy Authority, a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code.

“Provisional Payment” has the meaning specified in the Exhibit C.

“PSC Remarketing Termination” means, with respect to the Power Supply Contract, that the Project Participant delivered a valid Remarketing Termination Notice (other than a Voided Remarketing Termination Notice) (as such terms are defined in the Power Supply Contract) in accordance with [Section 3.4(b)] of the Power Supply Contract.

“Put Option Notice” has the meaning specified in Exhibit G.

“Rating Confirmation” has the meaning specified in the Bond Indenture.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the Bond Closing Date, by and between Buyer and Seller.

“Real-Time Market Price” means The Five Minute Market (FMM) Locational Marginal Price for the Energy Delivery Point for each applicable interval as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

“Remarketing Notice” has the meaning specified in Exhibit C.

“Renewable Energy Credit” or “REC” has the meaning specified for “Renewable Energy Credit” in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

“Repurchase Offer” has the meaning specified in Exhibit G.

“Reset Period” means each “Reset Period” under the Re-Pricing Agreement.

“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.

“Schedule”, “Scheduled” or “Scheduling” means the actions of Seller, Buyer and/or their designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

“Seller” has the meaning specified in the preamble.

“Seller Custodial Agreement” means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among Swap Counterparty, Seller, the Trustee and The Bank of New York Mellon Trust Company, N.A., as custodian, as the same may be amended, modified or supplemented from time to time.

“Seller Swap” means (i) the transaction confirmation entered into under the ISDA Master Agreement, dated as of the date hereof, by Seller and the Swap Counterparty, and (ii) each replacement Seller Swap entered into pursuant to Section 17.5.

“Specified Discount” means the amount specified in Exhibit F.

“Specified Fixed Price” means the amount specified in Exhibit F.

“Specified Investment Agreement” means a guaranteed investment contract between the Trustee and a provider concerning the investment of funds in the Debt Service Account (as defined in the Bond Indenture).

“Swap Counterparty” means (i) BP Energy Company, a Delaware corporation, and (ii) any other Person that becomes counterparty to Buyer under a Buyer Swap or to Seller under a Seller Swap, in each case pursuant to Section 17.5.

“Swap Replacement Period” has the meaning specified in Section 17.5(a).

“Terminating Party” means any Party that has the right to terminate this Agreement pursuant to Article XVII.

“Termination Payment” means, with respect to any Early Termination Payment Date, the amount specified on Exhibit D-1 for the calendar month in which such Early Termination Payment Date occurs (as adjusted by any applicable Termination Payment Adjustment Amount specified on Exhibit D-2) without any set-off or netting of amounts then due from Buyer.

“Termination Payment Adjustment Amount” means, with respect to any Early Termination Payment Date, the amount specified on Exhibit D-2 for the calendar month in which such Early Termination Payment Date occurs. For the avoidance of doubt, the Termination Payment Adjustment Amount for the period commencing on the Execution Date is zero (0).

“Termination Payment Adjustment Schedule” means the schedule of Termination Payment Adjustment Amounts set forth in Exhibit D-2, as such exhibit may be populated and amended from time to time in accordance with Section 17.8.

“Transaction Documents” has the meaning specified in Article XIII.

“Transmission Provider(s)” means any entity or entities transmitting or transporting Energy on behalf of Seller or Buyer to or from an Energy Delivery Point.

“Trustee” means The Bank of New York Mellon Trust Company, N.A. and its successors as Trustee under the Bond Indenture.

“WREGIS” means the Western Renewable Energy Generation Information System or its successor.

Section 1.2 Definitions; Interpretation. References to “Articles,” “Sections,” “Schedules” and “Exhibits” shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the scope of such general statement, term or matter. Any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time, and any reference to a party

to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

ARTICLE II. EXECUTION DATE AND DELIVERY PERIOD

Section 2.1 Execution Date; Delivery Period. This Agreement shall become effective upon the Execution Date and, unless this Agreement is terminated early pursuant to Section 2.2, all of Seller's and Buyer's obligations under this Agreement shall be deemed to have been incurred upon the Execution Date. Unless this Agreement is terminated pursuant to Section 2.2, then, upon receipt of the Prepayment, the delivery of Energy under this Agreement shall commence and continue for the Delivery Period.

Section 2.2 Termination by Seller Prior to Prepayment. Seller shall have no obligation to perform under this Agreement unless and until it has received the Prepayment from Buyer pursuant to Section 3.2. In the event Seller has not received the Prepayment prior to noon local time in New York, New York on the Prepayment Outside Date, Seller shall have the right, until such Prepayment has been paid, to terminate this Agreement without any further obligation or liability of either Party; *provided* that, for the avoidance of doubt, in the event Seller so terminates, such termination shall be effective upon the Prepayment Outside Date regardless of whether Buyer tenders the Prepayment after Seller's notice of termination but prior to the Prepayment Outside Date. For the avoidance of doubt, no Termination Payment shall be payable by Seller under any circumstances if this Agreement terminates pursuant to this Section 2.2.

ARTICLE III. SALE AND PURCHASE

Section 3.1 Sale and Purchase of Energy.

(a) Seller agrees to sell and deliver or cause to be delivered to Buyer, and Buyer agrees to take or cause to be taken from Seller, in each case, on a Firm (LD) basis, the Contract Quantity pursuant to the terms and conditions set forth in this Agreement. Energy delivered to Buyer under this Agreement shall be re-delivered to the Project Participant on a floating price basis throughout the Delivery Period. The Parties acknowledge and agree that Seller's delivery obligation for (i) Assigned Products will be measured on an annual basis and (ii) Base Energy will be measured on an Hourly basis, as reflected in the definition of Contract Quantity and further set forth in the terms of this Agreement.

(b) In recognition that Seller will have increased floating price payment obligations to the Swap Counterparty under the Seller Swap with respect to negatively priced Energy and the Swap Counterparty will have increased floating price payment obligations to Buyer under the Buyer Swap with respect to negatively priced Energy, the Parties acknowledge and agree that Seller shall have no payment obligations to Buyer with respect to negatively priced Energy. Furthermore, with respect to any negatively priced Energy remarketed pursuant to this Agreement, Seller's payment obligations under Exhibit C shall be reduced to the extent that such Energy is negatively priced.

Section 3.2 Prepayment. Prior to the commencement of the Delivery Period, Buyer shall pay Seller for all Energy to be delivered during the Delivery Period in an amount equal to the Prepayment, and Seller shall accept the Prepayment as payment in full for all Energy to be delivered hereunder. Buyer shall pay the Prepayment in a single lump sum payment by wire transfer of immediately available funds to an account designated by Seller. In no event shall Buyer be entitled to any rebate or refund of the Prepayment, but nothing in this Section 3.2 shall limit Buyer's rights under (i) Article IV for Seller's failure to deliver Energy (whether or not excused), (ii) Article XVII upon early termination of this Agreement or (iii) Exhibit C with respect to remarketing of Energy in accordance therewith. In no event shall Buyer be required to pay the Prepayment unless and until the Bonds are issued in exchange for a purchase price sufficient to pay costs of issuance, to fund required reserves under the Bond Indenture (or purchase surety bonds or enter into any similar arrangements in lieu of funding such reserves), and to pay the Prepayment.

Section 3.3 Other Amounts Payable with Respect to Assigned Products.

(a) With respect to Monthly Excess Quantities and Assigned Paygo Quantities delivered hereunder, Buyer shall pay Seller an amount equal to the quantity of such Monthly Excess Quantities and Assigned Paygo Quantities, as applicable, multiplied by the price specified for Assigned Product under the applicable Assignment Agreement(s); provided that the Parties acknowledge and agree that the Project Participant's payment of the Retained Payment Amount (as defined in the Participant Custodial Agreement) shall be deemed to satisfy Buyer's payment obligation hereunder with respect to any such Monthly Excess Quantities and Assigned Paygo Quantities. To the extent the Project Participant fails to pay any amounts when due under the Participant Custodial Agreement with respect to Monthly Excess Quantities or Assigned Paygo Quantities, Buyer shall promptly transfer the resulting Excess Receivables (as defined in Exhibit G) to Seller, and the transfer of such Excess Receivables shall satisfy Buyer's payment obligation with respect thereto.

(b) After the Annual Quantity has been delivered for any Contract Year, Seller shall pay Buyer the Day-Ahead Average Price with respect to any remaining Monthly Projected Quantities for any such Contract Year.

Section 3.4 No Obligation to Take Base Energy. Notwithstanding anything to the contrary in this Agreement, Buyer shall not be required to purchase and receive any Base Energy hereunder, and Seller shall remarket any portion of the Contract Quantity that is Base Energy pursuant to the provisions of Exhibit C.

Section 3.5 Reduction of Contract Quantity. The Parties recognize and agree that the Contract Quantity may be reduced in a Reset Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement if necessary to achieve a successful remarketing of the Bonds. The Parties agree further that if, pursuant to the Re-Pricing Agreement, Buyer and the Calculation Agent (as defined in the Bond Indenture) determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and

(B) the Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

ARTICLE IV. FAILURE TO DELIVER OR TAKE ENERGY

Section 4.1 Assigned Product. Notwithstanding anything herein to the contrary, neither Seller nor Buyer shall have any liability or other obligation to one another under this Agreement for any failure to Schedule, take, or deliver Assigned Product other than as set forth in Section 5(a) of Exhibit C for any failure to Schedule, take or deliver Assigned Energy.

Section 4.2 Failure to Deliver or Take Due to Force Majeure. If with respect to all or any portion of the Contract Quantity of Base Energy:

(a) Buyer fails to take or Seller fails to deliver all or any portion of the Contract Quantity at any Delivery Point pursuant to the terms of this Agreement; and

(b) such failure is due to Force Majeure claimed by either Party,

then Seller shall pay to Buyer the result determined by the following formula with respect to each such Delivery Point:

$$P = Q \times IP$$

Where:

P = The amount payable by Seller under this Section 4.2;

Q = The quantity of Energy described in the lead-in to this Section 4.2;
and

IP = With respect to Base Energy, the Contract Index Price applicable to such Delivery Hour and Energy Delivery Point for Base Energy.

The Parties acknowledge and agree that any failure to deliver the Annual Quantity of Assigned Energy, whether or not due to Force Majeure, is subject to the terms of Section 5(a) of Exhibit C.

ARTICLE V. TRANSMISSION AND DELIVERY; COMMUNICATIONS

Section 5.1 Delivery of Energy.

(a) Assigned Product. All Assigned Energy delivered under this Agreement shall be Scheduled at the applicable Assigned Delivery Point and in accordance with the terms of the applicable Assignment Agreement. All other Assigned Product shall be delivered consistent with the terms of the applicable Assignment Agreement. Except as set forth in the two foregoing sentences, Buyer and Seller shall have no liability or obligations under this Article V with respect to Assigned Product.

(b) Updates to Exhibits. Buyer and Seller may, upon mutual agreement, update Exhibit A-1 to modify the Delivery Points thereunder, provided that the Parties shall promptly notify the Swap Counterparty of any such updates and furthermore shall update the corresponding exhibits to the Buyer Swap and the Seller Swap in accordance with the terms thereof. Furthermore, following the Initial EPS Energy Period and thereafter in connection with the establishment, expiration or termination of any subsequent EPS Energy Period, the Parties shall update (i) the exhibits hereto in accordance with Section 6.2 and (ii) the exhibits to the Buyer Swap and the Seller Swap in accordance with the terms thereof. For the avoidance doubt, such updates will reflect that deliveries will be made to (A) the Energy Delivery Point at the Day-Ahead Market Price for any Base Energy and (B) an Assigned Delivery Point at the Day-Ahead Average Price for any Assigned Energy.

Section 5.2 Scheduling. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Section 5.3 Title and Risk of Loss. The transfer of title and risk of loss for all Assigned Product other than Assigned Energy shall be in accordance with the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with WREGIS.

Section 5.4 PCC1 Product, Long-Term PCC1 Product, and PCC2 Product. To the extent that any Assigned Product is PCC1 Product, Long-Term PCC1 Product or PCC2 Product, the following provisions apply:

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Clean Energy Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Clean Energy Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009].** As used above, any capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(b) Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the renewable energy credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC REC-1, Non-modifiable. D.11-01-025].** As used above, any capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(c) Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. **[STC REC-2, Non-modifiable. D.11-01-025]**. As used above, any capitalized terms not otherwise defined herein shall have the meaning specified in the Assignment Agreement.

(d) Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the Laws of the State of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]**

(e) Seller Representations and Warranties.

Seller represents and warrants:

- (i) Seller has the right to sell the Assigned Product from the Applicable Project;
- (ii) Seller has not sold the Assigned Product or any REC or other attributes of the Assigned Product to be transferred to Buyer to any other person or entity;
- (iii) the Energy component of the Assigned Product produced by the Applicable Project for PCC2 Product and purchased by Seller for resale to Buyer hereunder is not being sold by Seller back to the Applicable Project or PPA Supplier;
- (iv) Assigned Energy and Assigned RECs to be purchased and sold pursuant to this Agreement are not committed to another party;
- (v) the Assigned Product is free and clear of all liens or other encumbrances;
- (vi) Seller will deliver to Buyer all Assigned Energy and associated RECs generated by the Applicable Project for PCC1 Product in compliance with the requirements set forth in California Public Utilities Code Section 399.16(b)(1) and the California RPS compliance requirements for Portfolio Content Category 1 as set forth in CPUC Decision 11-12-052, if applicable;
- (vii) Seller will deliver to Buyer all Assigned Energy and associated RECs generated by the Applicable Project for PCC2 Product in compliance with the requirements set forth in California Public Utilities Code 399.16(b)(2) and the California RPS compliance requirements for Portfolio Content Category 2 as set forth in CPUC Decision 11-12-052, if applicable;
- (viii) Seller will deliver to Buyer all Assigned Energy and associated RECs generated by the Applicable Project for Long-Term PCC1

Product in compliance with the California Long-Term Contracting Requirements, if applicable;

- (ix) the Assigned Product supplied to Buyer under this Agreement that is Long-Term PCC1 Product will be sourced solely from Applicable Projects that have an Assignment Period of ten years or more in length, or otherwise in compliance with the California Long Term Contracting Requirements; and
- (x) Seller will cooperate and work with Buyer, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product's classification as Portfolio Content Category 1 or Portfolio Content Category 2, as applicable, as set forth in California Public Utilities Code Sections 399.16(b)(1) or 399.16(b)(2), as applicable, and compliance with the California Long-Term Contracting Requirements, if applicable.

Seller further represents and warrants to Buyer that, to the extent that the PCC1 Product sold by Seller is a resale of part or all of a contract between Seller and one or more third parties, Seller represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below during the Assignment Period and throughout the generation period:

- (i) the original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1);
- (ii) this Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;
- (iii) the electricity transferred by this Agreement is transferred to Buyer in real time; and
- (iv) if the Applicable Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

Seller further represents and warrants to Buyer that, to the extent that the PCC2 Product sold by Seller is a resale of part or all of a contract between Seller and one or more third parties, Seller represents, warrants and covenants that the resale complies with the following conditions in (i) through (v) below during the Assignment Period and throughout the generation period:

- (i) the original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(2);
- (ii) this Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;

- (iii) this Agreement transfers the original arrangement for substitute electricity (e.g., source and quantity);
- (iv) this Agreement retains the scheduling of the substitute electricity into a California balancing authority as set out in the original firming and shaping transaction; and
- (v) this Agreement continues to provide incremental electricity scheduled into a California balancing authority.

(f) Subsequent Changes in Law. In the event that the qualifications or requirements of the RPS program, PCC1 Product, PCC2 Product, or the California Long-Term Contracting Requirements change, Seller shall take commercially reasonable actions to meet the amended qualifications or requirements of the RPS Law, PCC1 Product, PCC2 Product or the California Long-Term Contracting Requirements but will not be required to incur any unreimbursed costs to comply with the RPS Law, PCC1, PCC2 or the California Long-Term Contracting Requirements, collectively.

(g) Limitations. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree as follows:

- (i) Seller has relied exclusively upon the representations and warranties of each respective seller set forth in the Assignment Agreements in making the representations and warranties set forth in this Section 5.4 and has not performed any independent investigation with respect thereto;
- (ii) Seller agrees that it will terminate or cause MSCG to terminate the applicable Assignment Period in the event that any representation or warranty in this Section 5.4 proves to be incorrect in any respect;
- (iii) Buyer agrees that its sole recourse for any breach of the provisions of this Section 5.4 shall be the termination of the applicable Assignment Period and Buyer shall have no other recourse against Seller or remedies under this Agreement; and
- (iv) Section 5.4(d) shall only apply to the provisions of this Section 5.4 and all other provisions of this Agreement shall remain subject to and interpreted in accordance with Section 18.4.

Section 5.5 Deliveries within CAISO or Another Balancing Authority. The Parties acknowledge that Energy delivered by Seller at a Delivery Point within CAISO or another Balancing Authority will be delivered in accordance with the CAISO Tariff and rules of the Balancing Authority as applicable. Scheduling such Energy in accordance with the requirements of the applicable Balancing Authority shall constitute delivery of such Energy to Buyer; provided that, any Assigned Products associated with such Energy are also delivered to Buyer hereunder.

Section 5.6 Assigned Products. Notwithstanding anything to the contrary herein, the Parties shall have no liability under this Article V with respect to any Assigned Products.

ARTICLE VI. PARTIAL ASSIGNMENTS OF PPAS

Section 6.1 Future PPA Assignments. Subsequent to the Initial EPS Energy Period, the Project Participant, Seller, Buyer and MSCG shall cooperate to obtain EPS Compliant Energy for delivery hereunder in accordance with the Assignment Letter Agreement.

Section 6.2 Updates to Exhibits A-1 and A-2.

(a) To the extent that an EPS Energy Period terminates or expires and Assigned Energy is not available for delivery immediately following (i) the end of the period for which Force Majeure is deemed to occur in the event of an early termination of an EPS Energy Period or (ii) the expiration of an EPS Energy Period, the Parties shall update (A) Exhibit A-1 to reflect an increase in the Hourly Quantities of Base Energy and (B) Exhibit A-2 to reflect a decrease in the Monthly Projected Quantities associated with the relevant Assigned PPA, in each case, in an amount equal to the Assigned Energy associated with the EPS Energy Period that terminated or expired. For the avoidance of doubt, any updates to Exhibits A-1 and A-2 due to an early termination of an EPS Energy Period shall be effective as of the earlier of (1) the commencement of an “Assignment Period” under a replacement Assignment Agreement or (2) the start of the third Month following the Month in which such early termination occurs.

(b) In connection with the execution of any subsequent Assignment Agreement, the Parties shall update Exhibits A-1 and A-2 to reflect (i) appropriate decreases in the Hourly Quantities of Base Energy and increases in the Monthly Projected Quantities of Assigned Energy and (ii) any other changes in connection therewith.

ARTICLE VII. ENERGY REMARKETING

Section 7.1 Energy Remarketing. If (a) the Project Participant is in default under the Power Supply Contract or does not require or is unable to receive all or any portion of the Energy purchased by Buyer under this Agreement as a result of (i) the Project Participant’s decreased Energy requirements, (ii) decreased demand by the Project Participant’s retail customers and its request that such Energy be remarketed or (iii) EPS Compliant Energy not being available for delivery hereunder; or (b) a quantity of Assigned Energy less than the Annual Quantity is delivered hereunder in any Contract Year for any reason other than Force Majeure, then Buyer shall request (and pursuant to Exhibit C may be deemed to request) remarketing services from Seller pursuant to the provisions of Exhibit C.

Section 7.2 Delegation of Authority. Buyer hereby acknowledges and agrees that Seller shall delegate its rights and obligations under Exhibit C to MSCG pursuant to the Energy Management Agreement.

ARTICLE VIII. REPRESENTATIONS AND WARRANTIES

Section 8.1 Representations and Warranties. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party as of the Execution Date as follows:

(a) it is duly organized and validly existing under the Laws of the state in which it is organized;

(b) it has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement;

(c) there is no litigation, action, suit, proceeding or investigation pending or, to the best of such Party's knowledge, threatened, before or by any Government Agency, which could reasonably be expected to materially and adversely affect the performance by such Party of its obligations under this Agreement or that questions the validity, binding effect or enforceability hereof, any action taken or to be taken by such Party pursuant hereto, or any of the transactions contemplated hereby;

(d) the execution, delivery and performance of this Agreement by such Party has been duly authorized by all necessary action on the part of such Party and does not require any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party;

(e) this Agreement has been duly executed and delivered on behalf of such Party by an appropriate officer or authorized Person of such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity;

(f) the execution, delivery and performance of this Agreement by such Party shall not violate any provision of any Law, decree or other legal or regulatory determination applicable to it;

(g) the execution, delivery and performance by such Party of this Agreement, and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its financial obligations under this Agreement, shall not result in any violation of any term of any material contract or agreement applicable to it, or any of its charter or bylaws or of any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, Law or ordinance applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties or obligations are bound or affected, or of any determination or award of any arbitrator applicable to it, and shall not conflict with, or cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets, except with respect to Buyer, the lien of the Bond Indenture;

(h) to the best of the knowledge and belief of such Party, no consent, approval, order or authorization of, or registration, declaration or filing with, or giving of notice to, obtaining

of any license or permit from, or taking of any other action with respect to, any Government Agency is required in connection with the valid authorization, execution, delivery and performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those that have been obtained; and

(i) it enters this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by both Parties, considers this Agreement a legally enforceable contract.

Section 8.2 Additional Representations and Warranties of Buyer. As a material inducement to entering into this Agreement, Buyer hereby represents and warrants to Seller as of the Execution Date as follows:

(a) Buyer is entering into this Agreement for the purpose of acquiring Energy for sale to the Project Participant pursuant to the Power Supply Contract;

(b) any amounts payable by Buyer under this Agreement shall (i) other than the Prepayment, be payable as an item of Operating Expense under (and as defined in) the Bond Indenture, and (ii) not constitute an indebtedness or liability of Buyer within the meaning of any constitutional or statutory limitation or restriction applicable to Buyer;

(c) Buyer will promptly alert Seller of any notice received by Buyer alleging a breach under the Bond Indenture or of any covenant of Buyer in the agreements entered into by Buyer in connection with the Clean Energy Project;

(d) Buyer shall not (i) enter into any Bond Documents (excluding any contracts applicable to Energy being resold by Buyer or the Project Participant (or a related joint powers authority selling Energy to the Project Participant)), (ii) consent to, waive or agree to or permit any material amendment to or rescission of any such Bond Documents or (iii) consent to, waive or agree to permit any amendment (whether or not material) to or rescission of the Bond Indenture, in each case, without the prior written consent of Seller;

(e) Buyer shall collect and forthwith cause to be deposited in the relevant funds pursuant to the Bond Indenture all amounts payable to it pursuant to the Power Supply Contract. Buyer shall enforce the provisions of the Power Supply Contract, as well as any other contract or contracts entered into relating to the Clean Energy Project, and duly perform its covenants and agreements thereunder. Buyer shall not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Power Supply Contract which will impair the ability of Buyer to pay all of its debts and obligations as they come due; provided that this provision shall not prevent Buyer from otherwise taking any action under or in connection with the Power Supply Contract which is expressly permitted pursuant to the provisions thereof. A copy of the Power Supply Contract and any amendment thereto certified by an authorized officer of Buyer shall be provided to Seller. Buyer shall not enter into any new Power Supply Contract following the Bond Closing Date without the prior written consent of Seller;

(f) Buyer shall keep or cause to be kept with respect to the Clean Energy Project, proper books of record and account (separate from all other records and accounts) in

accordance with generally accepted accounting principles, as such may be modified by the provisions of the Bond Indenture, in which complete and correct entries shall be made of its transactions relating to the Clean Energy Project, the amount of revenues and the application thereof and each fund and account established under the Bond Indenture and relating to its costs and charges under the Power Supply Contract and any other contracts for the sale or purchase of Energy, and which, together with all contracts and all other books and papers of Buyer relating to the Clean Energy Project, shall, subject to the terms thereof, at all times during regular business hours be subject to the inspection of Seller;

(g) Buyer shall from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of Buyer or upon the rights, revenues, income, receipts, and other moneys, securities and funds of Buyer when the same shall become due, and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which Buyer shall in good faith contest by proper legal proceedings if Buyer shall in all such cases have set aside on its books reserves deemed adequate by Buyer with respect thereto;

(h) Buyer shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to maintain its existence; and

(i) Buyer shall not consolidate or amalgamate with, or merge with or into, or transfer all or substantially all its assets to, or reorganize, reincorporate or reconstitute into or as, another entity unless (i) prior to such event, Buyer receives confirmation from Seller that such event does not trigger a termination event under this Agreement or the Buyer Swap and (ii) at the time of such consolidation, amalgamation, merger, transfer, reorganization, reincorporation or reconstitution, the resulting, surviving or transferee entity assumes all the obligations of Buyer under this Agreement and the Buyer Swap.

Section 8.3 Warranty of Title. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Energy sold under this Agreement and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY SELLER IN THIS ARTICLE VIII, SELLER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 8.4 Funding Agreement.

(a) Except (i) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Funding Agreement, (ii) to insert such provisions clarifying matters or questions arising under the Funding Agreement as are necessary or desirable and are not contrary to or inconsistent therewith, (iii) to convert or supplement any provision in a manner consistent with the intent of the Funding Agreement and the other Transaction Documents or (iv) for any transfer of the Funding Agreement to MSCG pursuant to [Section 17.6(a)] of the Energy Management Agreement, Seller agrees that it shall not agree to any amendment, alteration, modification, assignment, sale or transfer of the Funding Agreement without receipt of (A) a Rating Confirmation and (B) the prior written consent of Buyer; provided that, for the avoidance

of doubt, no such consent of Buyer shall be required in connection with the replacement, refinancing or re-pricing of the Funding Agreement at the end of any Interest Rate Period in accordance with the terms of the Funding Agreement.

(b) Upon the occurrence of an [Event of Default as defined in the Funding Agreement], Seller shall (i) exercise any right it has pursuant to [] of the Funding Agreement to designate an early termination thereof and (ii) exercise Commercially Reasonable Efforts to recover amounts due thereunder. Additionally, Seller agrees that it shall not withdraw the Early [Repayment Amount] under and as defined in the Funding Agreement pursuant to the provision of [Exhibit A to the Funding Agreement titled “Early Repayment Date and Early Repayment Amount”] unless such Early Repayment Amount plus other available funds are sufficient for the early redemption of the Bonds.

Section 8.5 Notice of PSC Termination. Seller covenants and agrees that it shall provide prompt notice to MSCG if the Project Participant makes a PSC Remarketing Termination for any Reset Period.

ARTICLE IX. TAXES

Seller shall (i) be responsible for all ad valorem, excise and other taxes assessed with respect to Energy delivered pursuant to this Agreement upstream of the Delivery Points, and (ii) indemnify Buyer and its Affiliates for any such taxes paid by Buyer or its Affiliates. Buyer shall (x) be responsible for all such taxes assessed at or downstream of the Delivery Points, and (y) indemnify Seller and its Affiliates for any such taxes paid by Seller or its Affiliates.

ARTICLE X. DISPUTE RESOLUTION

Section 10.1 Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. (“JAMS”) pursuant to its Comprehensive Arbitration Rules and Procedures. Within 15 days after the commencement of arbitration, each of the Parties shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the “chairperson”) within 30 days of the commencement of the arbitration. If either Party is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the Party-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by either Party or have any direct pecuniary interest in either Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by each of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a

judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party, if any, the costs and attorneys' fees reasonably incurred in seeking to enforce the application of this Section 10.1 and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 10.1, any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

Section 10.2 Dispute Resolution.

(a) Judicial Reference. Without limiting the provisions in Section 10.1, if Section 10.1 is ineffective or unenforceable, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "Dispute") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 *et seq.* of the California Code of Civil Procedure ("CCP"), or their successor sections (a "Reference Proceeding"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 10.2(b).

(b) Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "Disputing Party") shall provide the other Party (the "Responding Party") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "Notice of Dispute"). Within 10 days after receiving the Notice of Dispute, the Responding Party shall provide the Disputing Party with a written notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "Dispute Response"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by mutual agreement within 60 days after receipt of the Dispute Response, (the "Negotiation Period"), then either Party may provide to the other Party written notice of intent for judicial reference (the "Impasse Notice") in accordance with the further provisions of this Section 10.2.

(c) Applicability; Selection of Referees.

(i) The Party that provides the Impasse Notice shall nominate one referee at the same time it provides the Impasse Notice. The other Party shall nominate one referee within 10 days of receiving the Impasse Notice. The two referees (the "Party-Appointed Referees") shall appoint a third referee (the "Third Referee", together with the

Party-Appointed Referees, the “Referees”). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least 10 years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of either Party and of the other referees and not employed by any of the Parties in any prior matter.

(ii) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the “Court”), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each Party shall have one (1) peremptory challenge to the referee selected by the Court.

(d) Discovery; Proceedings.

(i) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(ii) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(iii) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(iv) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

(e) Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the

court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

(f) Expenses. Each Party shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between the Parties.

ARTICLE XI. FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall mitigate the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party's non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Section 11.2 Settlement of Labor Disputes. Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance, and the failure of a Party to settle such strikes, lockouts or other industrial disturbances shall not prevent the existence of Force Majeure or of reasonable dispatch to remedy the same.

ARTICLE XII. GOVERNMENTAL RULES AND REGULATIONS

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with such Laws; *provided*, however, that nothing herein shall be construed to restrict or limit either Party's right to object to or contest any such Law, or its application to this Agreement or the transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance of this Agreement by either Party.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would otherwise materially affect the rights or obligations of the Parties under this Agreement.

ARTICLE XIII. ASSIGNMENT

Neither Party shall assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other Party; provided, however, that:

(a) pursuant to the Bond Indenture, Buyer may, without the consent of Seller, transfer, sell, pledge, encumber or assign this Agreement to the Trustee in connection with any financing or other financial arrangements; provided that Buyer shall not assign this Agreement unless, contemporaneously with the effectiveness of such assignment, Buyer also assigns the Buyer Swap (and the Buyer Custodial Agreement) to the same assignee;

(b) upon written notice to Buyer, Seller may, without Buyer's consent, assign this Agreement to an Affiliate of Seller which assignment shall constitute a novation; provided that, Seller shall not assign this Agreement unless (i) Seller delivers a Rating Confirmation to Buyer with respect to such assignment, (ii) contemporaneously with the effectiveness of such assignment, Seller also assigns the Seller Swap, the Seller Custodial Agreement and the Master Custodial Agreement to the same assignee and either (A) Seller assigns the Funding Agreement and Energy Management Agreement to the same assignee or (B) the assignee provides to Buyer a guarantee of its obligations by Morgan Stanley, and (iii) the assignee is a special purpose entity approved by Buyer or its obligations under this Agreement are guaranteed or otherwise supported by (A) Morgan Stanley or (B) a Funding Recipient to the satisfaction of Buyer; and

(c) if either (A) Seller notifies Buyer that the Funding Agreement will not be replaced, refinanced or re-priced as of the end of any Interest Rate Period, (B) Seller is unable to provide, under the Re-Pricing Agreement, an Estimated Available Discount (as defined in the Re-Pricing Agreement) that is equal to or greater than the Minimum Discount under the Power Supply Contract, or (C) both (1) Seller has agreed under the Re-Pricing Agreement to provide an Available Discount equal to or greater than the Minimum Discount but for a Reset Period shorter than the entire remaining term to maturity of this Agreement and (2) Buyer has identified a potential assignee that has agreed to provide an Available Discount equal to or greater than the Minimum Discount for a Reset Period equal to the entire remaining term to maturity of this Agreement then, at the request of Buyer, Seller will reasonably cooperate with Buyer to cause Seller's (or Seller's Affiliate's, if applicable) right, title and interest in this Agreement, the Re-Pricing Agreement, the Seller Swap, the Seller Custodial Agreement and any Specified Investment Agreement with a term that extends past the then-current Interest Rate Period to which Seller or any Affiliate is a party and all agreements related to any of the foregoing (the "Transaction Documents") to be novated to a replacement seller; provided that (x) a Rating Confirmation is obtained for any Bonds required to be redeemed on the first Mandatory Purchase Date following the effective date of such novation,

(y) the Swap Counterparty shall have provided its prior written consent to such assignment in accordance with the terms of the Seller Swap, and (z) after giving effect to such novation, Seller will not have any obligations (contingent or otherwise, including any obligation to make or repeat any representations or warranties other than basic representations on authority and the right to transfer its rights, title and interests under this Agreement without encumbrances) or be required to make any payment under any Transaction Document or otherwise in connection with or following such novation other than any obligations that would have existed or payments that would have been required had this Agreement terminated as of the end of the last Reset Period that commenced prior to such novation.

ARTICLE XIV. PAYMENTS

Section 14.1 Monthly Statements.

(a) No later than the 5th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period, Buyer shall deliver to Seller a statement (a “Buyer’s Statement”) listing any other amounts due to Buyer in connection with this Agreement with respect to the prior Month(s).

(b) No later than the 10th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period (the “Billing Date”), Seller shall deliver a statement (a “Billing Statement”) to Buyer and each of the Parties to the Participant Custodial Agreement indicating (i) the total amount due to Buyer, if any, under Article IV, Article V, Article VII and Exhibit C with respect to the prior Month(s), (ii) any amounts due to Seller in connection with this Agreement with respect to the prior Month(s), and (iii) the net amount due to Buyer or Seller; provided that invoicing for Monthly Excess Quantities and Assigned Paygo Quantities shall occur under the Participant Custodial Agreement. If a Participant Monthly Statement (as defined in the Participant Custodial Agreement) for an Assigned PPA has not been delivered by the 10th day of the Month following deliveries², Seller shall provisionally prepare or cause to be prepared a Billing Statement for this Agreement that assumes all of the Monthly Projected Quantities were delivered under the applicable Assigned PPA for such Month, and any subsequent resettlements required with respect thereto shall occur under the Participant Custodial Agreement. As set forth in Section 5(a) of Exhibit C, in any Billing Statement that Seller delivers that reflects a Provisional Payment due, Seller shall indicate (x) the total amount of any Provisional Payment due for such Month and (y) the portion of such Provisional Payment that reflects the Net Participant Price that would otherwise be payable with respect thereto. The Parties acknowledge and agree that all amounts owed to and from Seller in connection with the Clean Energy Project shall be paid pursuant to the Master Custodial Agreement, and the Billing Statement may be provided by MSCG, as Seller’s agent, in the form of a consolidated statement regarding all amounts owed to and from Seller in connection with the Clean Energy Project for each Month, including payments to be made under this Agreement, the Funding Agreement, the Energy Management Agreement and the Seller Swap.

² NTD: Parties to discuss PPA invoice timing.

(c) Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing as such requesting Party may reasonably request.

Section 14.2 Payment.

(a) If the Billing Statement indicates an amount due from Buyer, then Buyer shall remit such amount to Seller by wire transfer (pursuant to Seller's instructions), in immediately available funds, on or before the later of (i) the 25th day of the Month following the most recent Month to which such Billing Statement relates, or (ii) the 10th day following Buyer's receipt of Seller's Billing Statement, or if either such day is not a Business Day, the following Business Day. If the Billing Statement indicates an amount due from Seller, then Seller shall remit such amount to Buyer by wire transfer (pursuant to the Trustee's instructions for payments due under this Agreement, provided that amounts due from Seller under Section 5(a) of Exhibit C shall be paid to the Provisional Payments Account under and as defined in the Participant Custodial Agreement), in immediately available funds, on or before the later of (i) the 24th day of the Month following the most recent Month to which such Billing Statement relates, or (ii) the 10th day following Seller's receipt of Buyer's Statement, or if either such day is not a Business Day, the preceding Business Day.

(b) If Buyer fails to issue a Buyer's Statement with respect to any Month, Seller shall not be required to estimate any amounts due to Buyer for such Month, *provided* that Buyer may include any such amount on subsequent Buyer's Statements issued within the next sixty (60) days. The sixty (60)-day deadline in this subsection (b) replaces the two (2)-year deadline in Section 14.5 with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

Section 14.3 Payment of Disputed Amounts. If Seller disputes any amounts included in the Buyer's Statement, Seller shall (a) (except in the case of manifest error) nonetheless calculate the Billing Statement based on the amounts included in Buyer's Statement and (b) pay any amount required by the Billing Statement in accordance with Section 14.2 without regard to any right of set-off, counterclaim, recoupment or other defenses to payment that Seller may have; *provided*, however, that Seller shall have the right, after payment, to dispute any amounts included in a Buyer's Statement or otherwise used to calculate payments due under this Agreement pursuant to Section 14.5(b). If Buyer disputes any amounts included in the Billing Statement, Buyer may withhold payment to the extent of the disputed amount; *provided*, however, that interest shall be due at the Default Rate for any withheld amount later found to have been properly due.

Section 14.4 Late Payment. If a Party owing a net payment under Section 14.2 fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

(a) A Party shall have the right, at its own expense, upon reasonable notice to the other Party and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party to the extent reasonably necessary, but only to such extent, to verify the accuracy of any statement, charge, payment, or

computation made under this Agreement. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement.

(b) Each Buyer's Statement and each Billing Statement shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such Buyer's Statement or Billing Statement is objected to in writing, with adequate explanation and/or documentation, within two (2) years after the applicable Month of Energy delivery.

(c) All retroactive adjustments shall be paid in full by the Party owing payment within 30 days of notice and substantiation of such inaccuracy. If the Parties are unable to agree upon any retroactive adjustments requested by either Party within the time period specified in Section 14.5(b), then either Party may pursue any remedies available with respect to such adjustments at law or in equity. Retroactive adjustments for payments made based on incorrect Buyer's Statements or Billing Statements shall bear interest at the Default Rate from the date such payment was made. Buyer shall cause the Project Participant to comply with the provisions of Section 14.5(a) to the extent necessary to allow Seller to verify any amounts due under this Agreement.

Section 14.6 Netting. The Parties shall net all amounts due and owing, including any past due amounts (which, for the avoidance of doubt, shall include any accrued interest), arising under this Agreement such that the Party owing the greater amount shall make a single payment of the net amount to the other Party in accordance with this Article XIV. Notwithstanding the foregoing, Seller shall not be entitled to net (i) any amounts that are in dispute or (ii) any payments due to Seller against (A) the Termination Payment if it becomes due, or (B) any payments due from Seller pursuant to Article IV, Article V or Exhibit C.

ARTICLE XV. RECEIVABLES PURCHASES

In accordance with the provisions of Exhibit G, Buyer shall put and Seller shall purchase certain Put Receivables (as defined in Exhibit G) from Buyer relating to payment defaults by the Specified Project Participant (as defined in Exhibit G).

ARTICLE XVI. NOTICES

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing and shall either be sent by electronic means, courier, or personally delivered (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) on the date it is delivered by electronic means, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods.

Notwithstanding the foregoing, a Party may at any time notify the other Party that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

ARTICLE XVII. ACCELERATION; TERMINATION; REMEDIES

Section 17.1 Acceleration Event. Each of the following events shall constitute an “Acceleration Event” under this Agreement:

- (a) The acceleration of the Funding Recipient’s payment obligations under the Funding Agreement pursuant to Section [] of the Funding Agreement due to an [Event of Default (as defined in the Funding Agreement)];
- (b) Seller is unable to replace, refinance or re-price the Funding Agreement for any Reset Period by the date that is one week prior to the beginning of the first Month following a Reset Period;
- (c) MSCG designates an “Early Termination Date” under the Energy Management Agreement due to the Project Participant making a PSC Remarketing Termination;
- (d) MSCG purchases the Funding Agreement from Seller pursuant to [Section 17.6(a)] of the Energy Management Agreement following the occurrence of a Ledger Event; or
- (e) a Failed Remarketing occurs.

Section 17.2 Energy Delivery Termination Events. Each of the following events shall constitute an “Energy Delivery Termination Event” under this Agreement:

Termination Related to:	Energy Delivery Termination Event:
(a) Ledger Event	The occurrence of a Ledger Event.
(b) Termination of Energy Management Agreement and Failure to Replace MSCG	Both (A) an “Early Termination Date” occurs under the Energy Management Agreement, and (B) Seller is unable to enter into a replacement Energy Management Agreement by the date that is 120 days following such Early Termination Date under the Energy Management Agreement (provided that, for the avoidance of doubt, Seller may only enter into such a replacement Energy Management Agreement if Seller delivers a Rating Confirmation to Buyer with respect to its entry into such replacement Energy Management Agreement).

Termination Related to:	Energy Delivery Termination Event:
(c) Termination of a Buyer Swap	Both (A) an Early Termination Date (as defined in the Buyer Swap) is designated pursuant to the terms of the Buyer Swap for any reason or occurs automatically pursuant to the terms of the Buyer Swap based on an Event of Default or Termination Event (as each term is defined in the Buyer Swap), and (B) either the Seller Swap or the Buyer Swap is not replaced within the Swap Replacement Period.
(d) Termination of a Seller Swap	Both (A) an Early Termination Date (as defined in the Seller Swap) is designated pursuant to the terms of the Seller Swap for any reason or occurs automatically pursuant to the terms of the Seller Swap based on an Event of Default or Termination Event (as each term is defined in the Seller Swap), and (B) either such Seller Swap or the Buyer Swap is not replaced within the Swap Replacement Period.

Section 17.3 Payments Following a Ledger Event. If a Ledger Event occurs and MSCG has not purchased the Funding Agreement pursuant to [Section 17.6(a)] of the Energy Management Agreement, then Seller shall pay to Buyer any amounts paid by MSCG to Seller pursuant to [Section 17.6(b)] of the Energy Management Agreement, which amounts will accrue from the first day of the Month following the Month during which a Ledger Event occurs until (but not including) the earlier of (a) an Early Termination Payment Date or (b) the Initial Mandatory Purchase Date (as defined in the Bond Indenture); provided that the Parties acknowledge and agree that such amounts shall not accrue for any Month in which an Early Termination Payment Date has been designated as a result of MSCG's purchase of the Funding Agreement pursuant to [Section 17.6(a)] of the Energy Management Agreement.

Section 17.4 Remedies and Termination.

(a) Acceleration Event and Delivery Period Termination. An Energy Delivery Termination Date shall occur automatically upon the date of the occurrence of an Acceleration Event or an Energy Delivery Termination Event. As of the Energy Delivery Termination Date, (i) the Delivery Period shall end, (ii) the obligation of Seller to make any further deliveries of Energy to Buyer under this Agreement shall terminate and shall be replaced with a continuing obligation to make payment of the amounts set forth in Exhibit D-3 to Buyer until the earlier of (A) the Month in which an Early Termination Payment Date occurs and (B) the last due date for such payments under Exhibit D-3, and (iii) the obligation of Buyer to receive deliveries of Energy from Seller under this Agreement shall terminate. For the avoidance of doubt, (i) except as set forth in this Section 17.4(a), this Agreement will continue past an Energy Delivery Termination Date, and (ii) an Acceleration Event may arise contemporaneously with an Energy Delivery Termination Date or at any time thereafter and the occurrence of an Energy Delivery Termination Date shall not prevent the occurrence of an Acceleration Event.

(b) Early Termination Payment Date. Following an Acceleration Event, Seller shall (i) promptly notify the Master Custodian of the Early Termination Payment Date and (ii) pay the Termination Payment to the Trustee on the Early Termination Payment Date pursuant to payment instructions issued by Buyer or, in the absence of such instructions, by wire transfer. Such amounts shall be paid together with interest thereon (before as well as after judgment) from (and including) the Early Termination Payment Date to (but excluding) the date such amount is paid, at the Default Rate. The Parties acknowledge that it is impractical and difficult to assess actual damages as a result of a termination of the Delivery Period under this Agreement, and the Parties therefore agree that the payment of the Termination Payment or the continued payment of amounts specified in Exhibit D-3, as applicable, is a fair and reasonable pre-estimate of the actual damages that would be incurred by Buyer as a result of termination of the Delivery Period under this Agreement for any reason and is not a penalty. The obligation of Seller to pay the Termination Payment on the Early Termination Payment Date is unconditional, irrespective of the validity or enforceability of this Agreement or any other agreement contemplated hereby, any waiver or consent by Buyer or any other circumstances that might otherwise constitute a legal or equitable discharge of Seller or a defense of Seller to pay the Termination Payment. Seller waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to Seller with regard to Seller's obligation to pay the Termination Payment on the Early Termination Payment Date.

(c) Exclusive Termination Rights. Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII and in Section 2.2. Except with respect to amounts due for periods prior to termination, the payment of the Termination Payment and, if applicable, any amounts specified in Exhibit D-3 shall be the sole and exclusive remedy for each Party upon the termination of the Delivery Period and this Agreement for any reason, including as a result of rejection of this Agreement by either Party in any bankruptcy proceedings.

Section 17.5 Replacement of Swaps.

(a) In the event that (i) any Buyer Swap or any Seller Swap terminates, (ii) any notice of termination is delivered by any party to a Buyer Swap or a Seller Swap, or (iii) any Buyer Swap or Seller Swap is otherwise reasonably anticipated to become subject to immediate termination, in each case for any reason other than a Seller Specified Termination or insolvency of either Buyer or Seller, then each Party whose swap is affected shall notify the other Party and the Parties shall cooperate in good faith for a period of 120 days (commencing no later than the date on which any notice of termination (or anticipated termination) is delivered by any party to a Buyer Swap or a Seller Swap) (such period, the "Swap Replacement Period") to (x) cause the same Swap Counterparty whose Buyer Swap or Seller Swap has been terminated (or is anticipated to terminate) to terminate its unaffected Seller Swap or Buyer Swap, as applicable, and (y) locate replacement agreements with an alternate Swap Counterparty, to be mutually agreed upon by Buyer and Seller, to replace both the affected swap and the unaffected swap; provided, however, that neither Party shall be required to breach any obligation under the unaffected swap or to expend any amounts to cause the unaffected swap to be replaced or to cause an alternate counterparty to replace both swaps. Neither Party shall terminate this Agreement as a result of the termination of any Seller Swap or any Buyer Swap without first complying with this Section 17.5.

As used in this Section 17.5, the term “Seller Specified Termination” means a termination or potential termination of the Seller Swap due to (i) an Event of Default (as such term is defined in the Seller Swap) with respect to Seller pursuant to Section 5(a)(iii) of the Seller Swap, in either case other than where (A) any such failure to pay or transfer was caused solely by error or omission of an administrative or operational nature; (B) funds were available to enable Seller to make such payment or transfer when due; and (C) such payment or transfer is made within two (2) Business Days of Seller’s receipt of written notice of its failure to pay or transfer, or (ii) an Event of Default (as such term is defined in the Seller Swap) with respect to Seller under Section 5(a)(vii) of the Seller Swap.

(b) In the event of a termination (or anticipated termination) of the Seller Swap, if Seller (i) presents to Buyer a proposed alternate Swap Counterparty, (ii) requests in writing that Buyer enter into a replacement swap with such alternate Swap Counterparty, and (iii) agrees to pay Buyer’s reasonable expenses in connection therewith, Buyer shall (y) enter into a master agreement with such alternate Swap Counterparty and (z) either (A) terminate the Buyer Swap when permitted thereby and enter into a replacement transaction under such new master agreement to the same effect as the terminated Buyer Swap or (B) cause such Buyer Swap to be novated to such replacement Swap Counterparty, *provided* that, in each instance, such replacement Swap Counterparty, replacement master agreement and replacement transaction meet the requirements specified for such under the Bond Indenture. Buyer shall not replace a Buyer Swap without Seller’s consent.

(c) Each of Buyer and Seller agree that it will not enter into a replacement Buyer Swap or Seller Swap, as applicable, unless the other Party is replacing its Buyer Swap or Seller Swap, as applicable, with the same replacement Swap Counterparty.

(d) In the event that the Seller Swap terminates or is no longer in effect and the Prepay LLC Payments Period (as defined in the Seller Custodial Agreement) is in effect, then, during such Prepay LLC Payments Period, Seller shall comply with the terms of the Seller Custodial Agreement and make all payments as and when required under Section 3(e) of the Seller Custodial Agreement. In the event that the Buyer Swap terminates or is no longer in effect and the Issuer Payments Period (as defined in the Buyer Custodial Agreement) is in effect, then, during such Issuer Payments Period, Buyer shall comply with the terms of the Buyer Custodial Agreement and make all payments as and when required under Section 3(e) of the Buyer Custodial Agreement. The Parties agree that during any Prepay LLC Payments Period (as defined in the Seller Custodial Agreement) and during any Issuer Payments Period (as defined in the Buyer Custodial Agreement), Seller shall act as calculation agent under the Seller Custodial Agreement or the Buyer Custodial Agreement, as applicable. Seller agrees not to permit any amendment or other modification to the Seller Custodial Agreement that could adversely affect the right of Buyer to receive payments pursuant to Section 3(e) of the Seller Custodial Agreement. Buyer agrees not to permit any amendment or other modification to the Buyer Custodial Agreement that could adversely affect the right of Seller to receive payments pursuant to Section 3(e) of the Buyer Custodial Agreement.

Section 17.6 Limitation on Damages. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY

PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN COMMODITY PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN. THE PARTIES ACKNOWLEDGE THAT THIS IS A SALE OF GOODS SUBJECT TO ARTICLE 2 OF THE NEW YORK UNIFORM COMMERCIAL CODE, INCLUDING WITHOUT LIMITATION, §§ 2-706(6), 2-711, 2-718, AND 2-719.

Section 17.7 Option to Purchase Bonds. In connection with any new Interest Rate Period established under the Bond Indenture after the initial Interest Rate Period, Seller shall have the option to purchase Bonds to be remarketed on the relevant Mandatory Purchase Date by delivering notice to Buyer and the Trustee no later than the last Business Day of the Reset Period that Seller will purchase a quantity of Bonds necessary to avoid the occurrence of a Failed Remarketing. In the event that Seller exercises such option, (x) Seller will be obligated to pay the purchase price of such Bonds in immediately available funds on the Mandatory Purchase Date, and (y) to the extent a PSC Remarketing Termination is in effect with respect to the Reset Period commencing immediately prior to such Interest Rate Period, then Seller shall be required to remarket the Contract Quantities associated with the PSC Remarketing Termination, *provided* that:

- (a) Seller shall be entitled to purchase such Energy for its own account,
- (b) for all such Energy, regardless of how it is remarketed, Seller will pay Buyer the amount determined pursuant to Section 5(b)(iv) of Exhibit C, and

(c) to the extent that it is determined that interest on the Bonds purchased by Seller is not excluded from gross income for federal income tax purposes, Section 7 through Section 9 of Exhibit C shall not apply to any such remarketing.

Section 17.8 Termination Payment Adjustment Schedule. Seller shall prepare revisions to the then-current Exhibit D-2 (Termination Payment Adjustment Schedule) in connection with each successive Interest Rate Period pursuant to the terms of the Re-Pricing Agreement by delivering a revised Exhibit D-2 to Buyer no later than the last day of the applicable Reset Period, in which case such amendments will be effective as of the first day of the next Interest Rate Period.

ARTICLE XVIII. MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. No later than delivery of the Prepayment, Buyer will deliver to Seller a copy of the Bond Indenture. The following documents shall be delivered by the Parties contemporaneously with this Agreement (unless otherwise specified):

- (a) by Seller no later than the date of issuance of the Bonds, an executed copy of the Funding Agreement;
- (b) by Buyer, a certificate of the Secretary or Assistant Secretary of Buyer setting forth (i) the resolutions of its governing body with respect to the authorization of Buyer to execute and deliver this Agreement, the Bond Indenture and the Power Supply Contract, (ii) the appropriate individuals who are authorized to sign such agreements, (iii) specimen signatures of such authorized individuals, and (iv) the organization documents of Buyer, certified as being true and complete;
- (c) by Seller, evidence reasonably satisfactory to Buyer of (i) Seller's authority to execute and deliver this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement; and
- (d) at Seller's request at any time, Buyer shall provide Seller with a valid sales tax exemption certificate and any other required exemption or resale certificate in jurisdictions where sales of Energy occur under this Agreement to the extent such a certificate can be obtained

and is necessary for exemption from any relevant state taxes that may be levied against the Parties in relation to the transactions under, or pursuant, to this Agreement.

Section 18.3 Entirety; Amendments. This Agreement and the Re-Pricing Agreement, including the exhibits and attachments hereto and thereto, constitute the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof and thereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein and in the Re-Pricing Agreement. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no amendment, modification or change herein shall be enforceable unless reduced to writing and executed by both Parties.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAW; *PROVIDED*, HOWEVER, THAT THE AUTHORITY OF BUYER TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party granting such waiver. No waiver of any breach shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationships of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other, except that Seller shall act on behalf of Buyer in remarketing Energy pursuant to Exhibit C. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Buyer represents and covenants to and agrees with Seller that it is not entitled to and shall not assert the defense of sovereign immunity with respect to its obligations or any Claims under this Agreement.

Section 18.11 Rates and Indices.

(a) Commodity Reference Prices.

(i) Price Replacement Process for Energy. If a Daily Commodity Reference Price for Energy is not available for any Hour but such Daily Commodity Reference Price has not permanently ceased to be published, then the Parties shall promptly endeavor to agree on an alternative source for determination of such Daily Commodity Reference Price for the applicable Hours. If such agreement is not reached by the Parties within three (3) Business Days, the Parties shall request quotations for the applicable Daily Commodity Reference Price from four (4) recognized dealers in the applicable commodity (two (2) selected by each Party) for the period that such Daily Commodity Reference Price is expected to be unavailable. If four (4) quotations are provided as requested, the applicable Daily Commodity Reference Price for the applicable Hours shall be the arithmetic mean of the quotations provided by each recognized dealer after disregarding the quotations having the highest and lowest values; *provided* that, if more than one (1) quotation has the same value, then one (1) of such quotations shall be disregarded. If exactly three (3) quotations are provided, the applicable Daily Commodity Reference Price for the applicable Hours shall be the quotation provided by the relevant dealer that remains after disregarding the quotations having the highest and lowest values; *provided* that, if more than one (1) quotation has the same value, then the value of the two (2) quotations with the same value shall control. If fewer than three (3) quotations are provided, the Parties shall seek additional quotations until at least three (3) have been received.

(ii) Price Replacement Process for Non-Published Index. If a Daily Commodity Reference Price is not available because it has permanently ceased to be published, then the Parties shall promptly endeavor to agree on an alternative source for determination of such Daily Commodity Reference Price, which may include agreeing upon a published index or a basket of published indices ("Daily Replacement Index") from which to seek quotes for basis differentials as the replacement for the applicable Daily Commodity Reference Price. If such agreement is not reached by the Parties within three (3) Business Days, then the Daily Replacement Index shall be selected by Seller, acting reasonably. The Parties shall request quotations from four (4) recognized dealers in the applicable commodity (two (2) selected by each Party) for a basis differential ("Daily Basis Differential") between the Daily Replacement Index and physical prices at the relevant Delivery Point for the remaining term of this Agreement. If four (4) quotations are

provided as requested, the Daily Basis Differential will be the arithmetic mean of the quotations provided by each recognized dealer, after disregarding the quotations having the highest and lowest values; *provided* that, if more than one (1) quotation has the same value, then one (1) of such quotations shall be disregarded. If exactly three (3) quotations are provided, the Daily Basis Differential shall be the quotation provided by the relevant dealer that remains after disregarding the quotations having the highest and lowest values; *provided* that, if more than one (1) quotation has the same value, then the value of the two (2) quotations with the same value shall control. If fewer than three (3) quotations are provided, the Parties shall seek additional quotations until at least three (3) have been received. The applicable Daily Commodity Reference Price shall be the Daily Replacement Index plus the Daily Basis Differential calculated in accordance with the provisions of this clause (iii).

(b) Corrections. If a value published for any rate or index used or to be used in this Agreement is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within thirty (30) days after the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any other applicable provisions of this Agreement, to the other Party that amount, together with interest on that amount at the Default Rate for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

Section 18.12 Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Buyer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Buyer payable solely from Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Buyer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Buyer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Buyer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

Section 18.13 Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

Section 18.14 Rights of Trustee. Pursuant to the terms of the Bond Indenture, Buyer has irrevocably appointed the Trustee as its agent to issue notices (including Remarketing Notices, Call Option Notices, Put Option Notices and Repurchase Offers) and, as directed under the Bond Indenture, to take any other actions that Buyer is required or permitted to take under this Agreement. Seller may rely on notices or other actions taken by Buyer or the Trustee and Seller has the right to exclusively rely on any notices delivered by the Trustee that the Trustee is authorized to deliver under the Bond Indenture, regardless of any conflicting notices that it may receive from Buyer.

Section 18.15 Waiver of Defenses. Seller waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to Seller with regard to Seller's obligations pursuant to the terms of this Agreement.

Section 18.16 U.S. Resolution Stay. The Parties agree that (i) to the extent that prior to the date hereof the Parties hereto have adhered to the 2018 ISDA U.S. Resolution Stay Protocol (the "Protocol"), the terms of the Protocol are incorporated into and form a part of this Agreement, and for such purposes this Agreement shall be deemed a Protocol Covered Agreement and each Party shall be deemed to have the same status as Regulated Entity or Adhering Party as applicable to it under the Protocol; (ii) to the extent that prior to the date hereof the Parties have executed a separate agreement the effect of which is to amend the qualified financial contracts between them to conform with the requirements of the QFC Stay Rules (the "Bilateral Agreement"), the terms of the Bilateral Agreement are incorporated into and form a part of this Agreement and for such purposes each Party shall be deemed to have the same status as "Covered Entity", "Counterparty Entity" or "Client Entity" (or other similar term) as applicable to it under the Bilateral Agreement; or (iii) if clause (i) and clause (ii) do not apply, the terms of Section 1 and Section 2 and the related defined terms (together, the "Bilateral Terms") of the form of bilateral template entitled "Full-Length Omnibus (for use between U.S. G-SIBs and Corporate Groups)" or the "Agency Version of Omnibus Agreement (for use with U.S. G-SIBs)", as applicable, published by ISDA on November 2, 2018 (currently available on the 2018 ISDA U.S. Resolution Stay Protocol page at www.isda.org), the effect of which is to amend the qualified financial contracts between the Parties thereto to conform with the requirements of the QFC Stay Rules, are hereby incorporated into and form a part of this Agreement, and for such purposes this Agreement shall be deemed a "Covered Agreement," Seller shall be deemed a "Covered Entity" and Buyer shall be deemed a "Counterparty Entity" (or "Client Entity" for the Agency version, as applicable). In the event that, after the date of this Agreement, the Parties hereto become adhering Parties to the Protocol, the terms of the Protocol will replace the terms of this section. In the event of any inconsistencies between this Agreement and the terms of the Protocol, the Bilateral Agreement or the Bilateral Terms (each, the "QFC Stay Terms"), as applicable, the QFC Stay Terms will govern. Terms used in this paragraph without definition shall have the meanings assigned to them under the QFC Stay Rules. For purposes of this paragraph, references to "this Agreement" include any related credit enhancements entered into between the Parties, directly or indirectly through an agent, or provided by one to the other. In addition, the Parties agree that the terms of this paragraph shall be incorporated into any related covered affiliate credit enhancements, as applicable, with all references to Seller replaced by references to the covered affiliate support provider.

"QFC Stay Rules" means the regulations codified at 12 C.F.R. 252.2, 252.81–8, 12 C.F.R. 382.1–7 and 12 C.F.R. 47.1–8, which, subject to limited exceptions, require an express recognition of the

stay-and-transfer powers of the FDIC under the Federal Deposit Insurance Act and the Orderly Liquidation Authority under Title II of the Dodd Frank Wall Street Reform and Consumer Protection Act and the override of default rights related directly or indirectly to the entry of an affiliate into certain insolvency proceedings and any restrictions on the transfer of any covered affiliate credit enhancements.

Section 18.17 Rate Changes.

(a) Absent the agreement of the Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in Section 18.17(b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the “public interest” application of the “just and reasonable” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008) and further refined in NRG Power Marketing v. Maine Public utilities Commission, 558 U.S. 165 (2010).

(b) In addition, and notwithstanding Section 18.17(a), to the fullest extent permitted by applicable Law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Section 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable Law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable Law or market conditions that may occur. In the event it were to be determined that applicable Law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this Section 18.17(b) shall not apply, *provided* that, consistent with Section 18.17(a), neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in Section 18.17(a).

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Separate Signature Page(s) Attached]

ENERGY PREPAY IX, LLC

By: Morgan Stanley Capital Group Inc. its Manager

By: _____

Name: _____

Title: _____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A-1
BASE ENERGY HOURLY QUANTITIES
[To be attached.]

EXHIBIT A-2
EPS ENERGY PERIOD MONTHLY PROJECTED QUANTITIES
[To be attached.]

EXHIBIT A-3
ANNUAL QUANTITY

[To be attached.]

EXHIBIT B

NOTICES

IF TO SELLER: Energy Prepay IX, LLC
c/o Morgan Stanley & Co.
Attention: Commodities Sales & Trading
[1585 Broadway
New York, NY 10036-8293]
With a mandatory copy to:
Email: msdoc-misc-notices@morganstanley.com and
CCCFA_2025[X]_ms_notices@morganstanley.com

General Notices: Attn: Miscellaneous Notices
Phone 24/7: 914-225-1500
Email: msdoc-misc-notices@morganstanley.com

Power Scheduling: Attn: Power Scheduling
Phone 24/7: 914-225-1500
Email: schedulers@morganstanley.com

Payments/Invoicing/
Statements: Attn: Ops Manager, Power and Natural Gas
Phone: 212-762-3723 or 212-762-1049
Email: commodpsg@morganstanley.com

Attn: Mar
Phone: 44
Email: ph

IF TO BUYER:

General Notices: California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: notices@cccfa.org

Invoicing/Payments: Email: invoices@cccfa.org

EXHIBIT C

ENERGY REMARKETING

Section 1. Defined Terms. Capitalized terms used but not otherwise defined in this Exhibit shall have the meanings given to such terms in this Agreement, unless otherwise indicated. The following terms, when used in this Exhibit C and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires. In the event that any of the provisions of the Code or the Treasury Regulations referenced in this Section 1 (the “Original Code Provisions”) (x) cease to be effective or no longer apply to remarketing and remediation under this Agreement and (y) upon or following such change to the Original Code Provisions, other Code provisions, Treasury Regulations or Laws apply to remarketing and remediation under this Agreement (the “New Code Provisions”), then the references herein to any such Original Code Provisions shall be deemed to refer to the applicable New Code Provisions.

“Code” means the Internal Revenue Code of 1986, as amended.

“Energy Remarketing Reserve Fund” means an account established under the Bond Indenture into which Buyer shall deposit the amounts specified in Section 5(b) of this Exhibit C.

“Expired Non-Private Business Sales Ledger” has the meaning specified in Section 9(a) of this Exhibit C.

“Expired Private Business Sales Ledger” has the meaning specified in Section 9(a) of this Exhibit C.

“Ledger Entry” has the meaning specified in Section 7(d) of this Exhibit C.

“Ledger Event” has the meaning specified in Section 9(c) of this Exhibit C.

“Minimum Remarketing Sales Price” is an amount determined for Energy by the following formula:

$$\text{MRSP} = \text{RRPP} - (\text{RRPP} \times (\text{RRF}/\text{CLB}))$$

Where:

MRSP = The Minimum Remarketing Sales Price for one MWh

RRPP = The Remediation Remarketing Purchase Price for one MWh

RRF = The balance of the Energy Remarketing Reserve Fund

CLB = The combined cash balance of the Non-Private Business Sales Ledger and the Private Business Sales Ledger

“Monthly Discount” has the meaning specified in the Power Supply Contract.

“Monthly Remarketing Notice” has the meaning specified in Section 3(b) of this Exhibit C.

“Municipal Utility” means any Person that (a)(i) is a “governmental person” as defined in Treasury Regulation Section 1.141-1(b) and (ii) owns an electric distribution utility (or provides Energy at wholesale to entities described in clause (i) that own such utilities), or (b) is a community choice aggregator organized under the Laws of the State of California. Buyer shall from time to time to the extent necessary revise the definition of “Municipal Utility” to conform to the applicable provisions of the Code or Treasury Regulations by delivery of written notice to Seller setting forth the revised definition together with a Tax Opinion.

“Net Participant Price” means, with respect to the Project Participant, the Contract Index Price less the Monthly Discount.

“Non-Private Business Remarketing Proceeds” means all proceeds received by Buyer under Section 5 of this Exhibit C from Seller’s remarketing of Energy in any Non-Private Business Sale.

“Non-Private Business Sale” means a sale (other than a Qualified Sale) of Energy to a “governmental person” as defined in Treasury Regulation Section 1.141-1(b) that in each case agrees in writing to not use any part of such Energy for a Private Business Use.

“Non-Private Business Sales Ledger” has the meaning specified in Section 7(a) of this Exhibit C.

“Non-Qualifying Remarketing Limit” means a quantity of Energy, in MWhs, equal to 10% of the total quantity of Energy, in MWhs, to be delivered hereunder, as such Non-Qualifying Remarketing Limit may be increased from time to time upon receipt by Buyer and Seller of a Tax Opinion setting forth a higher Non-Qualifying Remarketing Limit

“Private Business Remarketing Limit” means a quantity of Energy in MWhs equal to (a) \$15,000,000, divided by (b) the Specified Fixed Price, as such Private Business Remarketing Limit may be increased from time to time upon receipt by Buyer and Seller of a Tax Opinion setting forth a higher Private Business Remarketing Limit.

“Private Business Remarketing Proceeds” means all proceeds received by Buyer under Section 5 of this Exhibit C from Seller’s remarketing of Energy in any Private Business Sale (including the purchase of such Energy by Seller for its own account).

“Private Business Sale” means any sale of Energy other than in a Non-Private Business Sale or a Qualified Sale.

“Private Business Sales Ledger” has the meaning specified in Section 7(b) of this Exhibit C.

“Private Business Use” has the meaning ascribed to such term in Section 141 of the Code.

“Provisional Payment” has the meaning specified in Section 5(a) of this Exhibit C.

“Qualified Sale” means the sale of Energy to a Municipal Utility that agrees in writing (i) to use all of such Energy for a Qualifying Use that is not a Private Business Use and (ii) not to count any purchase of such Energy towards any remediation obligations such Municipal Utility may have with respect to proceeds received from the sale of property purchased with tax-exempt financing proceeds. Buyer shall from time to time to the extent necessary revise the definition of “Qualified Sale” to conform to the applicable provisions of the Code or Treasury Regulations by delivery of written notice to Seller setting forth the revised definition together with a Tax Opinion.

“Qualifying Use” with respect to Energy has the meaning ascribed to such term in Treasury Regulations Section 1.148-1(e)(2)(iii)(A)(2) or (B)(2), as applicable.

“Remarketing Fee” means the amount specified in Exhibit F of this Agreement.

“Remarketing Notice” means a Monthly Remarketing Notice.

“Remediation Remarketing” means the remarketing of Energy in Qualified Sales by Seller pursuant to Section 8 of this Exhibit C in an effort to reduce to zero (0) any Ledger Entry balances in either the Non-Private Business Sales Ledger or the Private Business Sales Ledger.

“Remediation Remarketing Purchase Price” has the meaning specified in Section 8(b)(ii) of this Exhibit C.

“Tax Opinion” means an [Opinion of Bond Counsel or Special Tax Counsel (as defined in the Bond Indenture)] to the effect that an action proposed to be taken or an event will not, in and of itself, cause interest on the applicable Bonds to be included in gross income for purposes of federal income taxation.

“Treasury Regulations” means the U.S. Treasury Regulations under the Code.

Section 2. Buyer’s Right and Obligation to Request Remarketing. Buyer may, and, if required to do so under the Bond Indenture or the terms of this Agreement shall, request Seller to remarket, pursuant to this Exhibit C, all or a specified part of the Contract Quantities for any Delivery Point.

Section 3. Remarketing Notice.

(a) Generally. To request remarketing under this Exhibit C, Buyer must issue a Remarketing Notice, which Remarketing Notice must state as applicable (i) the portion of the Contract Quantity to be remarketed from each relevant Delivery Point, and (ii) the Delivery Hours in which such portion of the Contract Quantity is to be remarketed.

(b) Monthly Remarketing Notice. Buyer may designate a Remarketing Notice as a “Monthly Remarketing Notice” if the Remarketing Notice is delivered to Seller not later than three (3) Business Days prior to the start of the first Month in which it applies and applies to a period of one (1) Month or more; provided furthermore that, in the event Seller is obligated to remarket Base Energy under Section 3.4 of the Agreement, Buyer shall be deemed to have delivered a Monthly Remarketing Notice with respect thereto.

Section 4. Seller's Remarketing Obligations Generally.

(a) All Energy remarketed by Seller pursuant to this Exhibit C shall be for the benefit of Buyer, meaning all remarketed Energy shall first be sold by Seller to Buyer and then resold by or for the account of Buyer pursuant to the terms and provisions of this Exhibit C.

(b) Seller may act directly as principal to the remarketing buyer or may cause a supplier to Seller to act directly as principal to the remarketing buyer. Neither Seller nor any Person acting on Seller's behalf shall owe any fiduciary duties to Buyer with respect to the remarketing of any Energy. Buyer acknowledges and agrees that Seller or a Person acting on Seller's behalf in remarketing Energy may have other supplies of Energy available to sell to potential remarketing buyers, and Energy designated for remarketing shall not be entitled to any preference over any such other supplies of Energy.

(c) Seller shall prepare, maintain and provide Monthly to Buyer accurate and complete records showing (i) the identity of each purchaser in a Qualified Sale, a Non-Private Business Sale, or a Private Business Sale undertaken by Seller on Buyer's behalf, (ii) the aggregate amount of Energy remarketed under this Agreement in Qualified Sales, (iii) the aggregate amount of Energy remarketed under this Agreement in Non-Private Business Sales, and (iv) the aggregate amount of Energy remarketed under this Agreement in Private Business Sales. Notwithstanding the foregoing or anything to the contrary herein, in the event that either Party (x) reasonably determines that interest on the Bonds is not excluded from gross income for federal income tax purposes due to a change in Law, (y) receives an opinion of counsel to such effect (provided that such opinion of counsel shall be rendered by counsel of nationally recognized standing in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States) and (z) notifies the other Party of such determination (which notice shall include a copy of the opinion of counsel referenced in clause (y)), then (I) the terms of this Exhibit C regarding the remediation obligations of the Parties shall cease to apply and shall be of no further force and effect, and (II) Seller shall no longer maintain the records described in the immediately preceding sentence and shall not record Ledger Entries or otherwise maintain the ledgers described in Exhibit C Section 7 and **Error! Reference source not found.** of this Exhibit C.

(d) Any amounts due to Buyer for Energy remarketed by Seller or purchased by Seller under this Exhibit C shall be remitted to Buyer pursuant to Section 14.2 of this Agreement in the Month following the Month in which such Energy is remarketed or purchased, as applicable. Additionally, the Parties acknowledge and agree that Seller's payment obligations under this Exhibit C shall be reduced to the extent that any Energy remarketed hereunder is negatively priced.

Section 5. Remarketing.

(a) Provisional Payments for and Remarketing of Assigned Product. Notwithstanding anything to the contrary herein, the following terms shall apply to under-deliveries of Assigned Product.

(i) To the extent that (A) the Annual Quantity has not been delivered for the then-current Contract Year as of the end of a Month and (B) the quantity of Assigned

Product delivered under an Assigned PPA in any such Month is less than the Monthly Projected Quantity, then Seller shall pay Buyer for any such Month the product of (I) the Monthly Projected Quantity for the relevant Assigned PPA(s), minus the quantity of Assigned Product actually delivered under such Assigned PPA(s), multiplied by (II) the Day-Ahead Average Price for the relevant Month (any such payment, a “Provisional Payment”). Any Provisional Payments due from Seller to Buyer under this Section 5(a)(i) shall be paid to the Provisional Payments Account established under and defined in the Participant Custodial Agreement, and Seller shall have fully satisfied any Provisional Payment obligation upon payment of such amount in accordance with the Participant Custodial Agreement, regardless of whether the Participant Custodian complies with its obligations thereunder. In any Billing Statement that Seller delivers under Section 14.2(b) that reflects a Provisional Payment due, Seller shall indicate (x) the total amount of any Provisional Payment due for such Month and (y) the portion of such Provisional Payment that reflects the Net Participant Price that would otherwise be payable with respect thereto.

(ii) To the extent that a quantity of Assigned Products equal to or greater than the Annual Quantity are delivered for any Contract Year, any Provisional Payments made during such Contract Year shall not result in Ledger Entries under this Exhibit C.

(iii) To the extent that less than the Annual Quantity of Assigned Product is delivered for any Contract Year, then (A) Buyer shall be deemed to have requested for Seller to remarket a quantity of Assigned Product equal to the Annual Quantity minus the quantity of Assigned Products actually delivered during such Contract Year (such quantities, the “Remarketed Quantities”), provided that (x) the Remarketed Quantities shall be reduced by any Assigned Products not delivered due to Force Majeure and (y) any Provisional Payment attributable to Assigned Products not delivered due to Force Majeure shall be excluded from the calculations described below, and (B) Seller shall be deemed to have purchased such Remarketed Quantities for its own account at a price equal to the Average Provisional Price (as defined in Section 5(a)(iv) below). Any purchase by Seller of the Remarketed Quantities for its own account pursuant to this Section 5(a) shall constitute a Private Business Sale and shall be reflected on the Private Business Sales Ledger effective as of the first day of the Ledger Month (as defined below). Buyer shall notify Seller if and to the extent the proceeds from any such Private Business Sales are applied to amounts owed by the Project Participant pursuant to Section 7.5 of the Power Supply Contract, and, to the extent so applied, such proceeds shall remediate such Private Business Sales and be entered as debits on the Private Business Sales Ledger.

(iv) The following terms have the meaning specified below for the purpose of this Section 5(a).

“Average Provisional Price” means the sum of all Provisional Payment Allocation Amounts for such Contract Year.

“Ledger Month” means, for any Contract Year, the Month immediately following the last Month for which the Pro-Rated Monthly Quantity was fully delivered for such Contract Year. For example, if (x) a Contract Year is from January 1 to December 31, (y) the Annual Quantity

is 120 MWhs and (z) 110 MWhs are delivered in a given Contract Year, then the resulting Ledger Entries would be entered on December 1 for such Contract Year. For another example, if (x) a Contract Year is from January 1 to December 31, (y) the Annual Quantity is 120 MWhs and (z) 85 MWhs are delivered in a given Contract Year, then the resulting Ledger Entries would be entered on September 1 for such Contract Year.

“Pro-Rated Monthly Quantity” means, for each Contract Year, the quantity attributable to each Month of such Contract Year if the Annual Quantity is divided into twelfths. For example, if the Annual Quantity is 120 MWhs, the Pro-Rated Monthly Quantity for each Month in a Contract Year is 10 MWhs – and, in such case, if (x) 110 MWhs are delivered in a given Contract Year, the Pro-Rated Monthly Quantity would be fully delivered for 11 of the 12 Months in such Contract Year; and (y) if 85 MWhs are delivered in a given Contract Year, the Pro-Rated Monthly Quantity would be fully delivered for 8 of the 12 Months in such Contract Year.

“Provisional Payment Allocation Amount” means, for each Provisional Payment in a Contract Year, an amount (in \$/MWh) determined by multiplying the Weight for such Provisional Payment by the price used to calculate such Provisional Payment.

“Weight” means an amount (in \$/MWh) determined for each Provisional Payment in a Contract Year by dividing the amount of each such Provisional Payment by the sum of all Provisional Payments for such Contract Year.

(b) Remarketing of Base Energy. The following provisions shall apply to the remarketing of Base Energy by Seller:

(i) Seller shall use Commercially Reasonable Efforts to remarket or cause to be remarketed all Base Energy specified for remarketing. In exercising such Commercially Reasonable Efforts, Seller shall first attempt to remarket or cause to be remarketed all Energy specified in a Remarketing Notice in Qualified Sales and then, if Seller is unable to so remarket all of such Energy for such purposes, in Non-Private Business Sales. If Seller is unable to remarket all or any portion of the Energy designated in a Remarketing Notice, then Seller shall purchase such Energy for its own account at the prices set forth in Section 5(b)(v) of this Exhibit C as if such Energy had been remarketed to it.

(ii) Seller shall not be required to remarket any Base Energy at a net price to Seller (after deducting all transportation and transmission costs and all other costs) that is anticipated to be less than the Day-Ahead Market Price applicable to such Energy in the case of a Monthly Remarketing Notice.

(iii) Notwithstanding the foregoing or anything to the contrary herein, provided that (A) the Project Participant is not in default under its Power Supply Contract and (B) Seller is remarketing such Project Participant's portion of the Contract Quantity because an EPS Energy Period is not in effect, then:

A. Seller shall purchase Energy for its own account and shall pay Buyer the product of (A) the quantity of such Energy purchased for its own account multiplied by (B) the result of (I) the applicable Day-Ahead Market Price minus (II) the Remarketing Fee;

B. Proceeds received by Buyer under this Section 5(b)(iii) that exceed the amount Buyer would have received for the same quantity of Energy at the Net Participant Price shall be deposited in the Participant Rebate Account (as defined in the Bond Indenture) of the Energy Remarketing Reserve Fund;

C. the Project Participant shall be required under Section 7.5 of the Power Supply Contract to exercise Commercially Reasonable Efforts to purchase Energy for a Qualifying Use to remediate any Ledger Entry resulting from Seller's purchase of Energy; and

D. if any Ledger Entry has not been reversed within twelve Months of the date of any such Ledger Entry, Seller thereafter shall exercise Commercially Reasonable Efforts to remediate any such Ledger Entry by making a Qualified Sale to the Project Participant or any other Municipal Utility.

(iv) Proceeds from Qualified Sales and Non-Private Business Sales.

A. For any Energy specified in a Monthly Remarketing Notice that Seller remarkets in a Qualified Sale or Non-Private Business Sale, Seller shall deliver to Buyer the actual proceeds less the Remarketing Fee per MWh sold, *provided* that the aggregate amount delivered by Seller under this clause (A) for any Month shall not be less than the aggregate quantity so remarketed during such Month multiplied by the Net Participant Price.

B. Reserved.

C. In the event the payment due date under a Qualified Sale or Non-Private Business Sale has not yet occurred prior to the date upon which payment is due under this Agreement for the applicable Month, the Parties shall nonetheless issue statements as if the full amount from such Qualified Sale or Non-Private Business Sale had been paid and, if such full payment is not received prior to the next Monthly due date under this Agreement, the Parties shall issue the appropriate statements to reflect the actual proceeds received and true-up any difference.

(v) Proceeds from Private Business Sales.

A. For any Energy specified in a Monthly Remarketing Notice that is not remarketed in a Qualified Sale or Non-Private Business Sale, Seller shall pay to Buyer the positive result determined by the following formula with respect to each Delivery Point to which such Monthly Remarketing Notice applied, provided that the aggregate amount delivered by Seller under this clause (A) for any Month shall not be less than the aggregate quantity so remarketed during such Month multiplied by the Net Participant Price:

$$P = Q \times (IP - RF)$$

Where:

P = The amount payable by Seller under this Section 5(b)(v)(A)

Q = The quantity of such Energy remarketed with respect to such Delivery Point

IP = The Contract Index Price for such Delivery Point

RF = The Remarketing Fee

B. Reserved.

(vi) Energy Remarketing Reserve Fund. Any proceeds received by Buyer under this Section 5 for Energy remarketed in sales other than Qualified Sales that exceed the amount Buyer would have received for the same quantity of Energy at the Net Participant Price shall be deposited in the Energy Remarketing Reserve Fund.

Section 6. Reserved.

Section 7. Tracking Remarketing Proceeds. Seller shall maintain four (4) separate ledgers related to remarketing proceeds as described below:

(a) One (1) ledger (the “Non-Private Business Sales Ledger”) shall include, (A) as dollar credits, the Non-Private Business Remarketing Proceeds, and (B) as a MWh credit, the MWhs corresponding to such Non-Private Business Remarketing Proceeds.

(b) Another ledger (the “Private Business Sales Ledger”) shall include, (A) as dollar credits, Private Business Remarketing Proceeds, and (B) as a MWh credit, the MWhs corresponding to such Private Business Remarketing Proceeds.

(c) The other two (2) ledgers shall be maintained as described in Section 9(a) of this Exhibit C.

(d) The credits to be recorded in the ledgers described in Section 7(a) and (b) of this Exhibit C (collectively, the “Ledger Entries”) shall be dated as of the first day of the Month prior to the Month in which Buyer or Project Participant receives the proceeds corresponding to such Ledger Entries.

(e) The four (4) ledgers described in this Section 7 of this Exhibit C and all debits and credits to such ledgers shall be kept on an aggregate basis for purposes of this Exhibit C.

Section 8. Remediation Remarketing and Bond Redemptions. At any time that the net Ledger Entry balance of either the Non-Private Business Sales Ledger or the Private Business Sales Ledger is greater than zero (0):

(a) Buyer shall exercise Commercially Reasonable Efforts to utilize the proceeds represented by the dollar balances of such Ledger Entries to purchase Energy for resale in Qualified Sales and shall promptly notify Seller following such purchase and sale.

(b) Seller shall exercise Commercially Reasonable Efforts to locate opportunities for Buyer to purchase Energy to sell in Qualified Sales to remediate the proceeds represented by the dollar balances of the Ledger Entries. In this regard, if Seller locates a Remediation Remarketing opportunity, then

(i) Seller shall notify Buyer of such opportunity;

(ii) Buyer shall, upon receipt of such notice, purchase Energy from Seller at a price determined by Seller in a Commercially Reasonable manner based upon applicable market prices at the location where the remarketing opportunity sale will occur (the "Remediation Remarketing Purchase Price");

(iii) Seller shall remarket such Energy on Buyer's behalf in a Qualified Sale;

(iv) Seller shall remit to Buyer the proceeds collected from such Qualified Sale, but in no event shall Seller remit less than the Minimum Remarketing Sales Price for the remarketing transaction; *provided*, however, that to the extent Seller does not receive the Remediation Remarketing Purchase Price from Buyer prior to the Remediation Remarketing described herein, Seller shall credit the proceeds collected from such remarketing sale against the Remediation Remarketing Purchase Price owed to Seller, and Seller shall be reimbursed from the Energy Remarketing Reserve Fund to the extent necessary to make Seller whole for such Qualified Sale; and

(v) Seller shall issue to Buyer a confirmation notice (including the dollar price and MWhs) of each purchase of Energy by or on behalf of Buyer, and each sale of Energy on Buyer's behalf, under this Section 8, and amounts due from or to Buyer shall be separately stated on the Billing Statement for the Month in which such remarketing transactions occur.

For the avoidance of doubt, Seller shall not sell, nor be required to sell, Energy to Buyer for a Remediation Remarketing if such Energy is to be remarketed by Seller on behalf of Buyer for less than the Minimum Remarketing Sales Price.

(c) Unless the terms of a Remediation Remarketing undertaken by Seller on Buyer's behalf are specifically assumed by Buyer, Seller shall indemnify Buyer for any costs or

liabilities associated with such Remediation Remarketing (other than costs related to the price at which such Energy is sold and the risk of collecting the sale proceeds from the remarketing buyer), including, without limitation, any cover or replacement costs; termination payments; fees, penalties, costs or charges (in cash or in kind) assessed by any Transmission Provider for failure to satisfy its balance or nomination requirements; Claims for breach of warranty; taxes, fees, levies, penalties, licenses or charges imposed by any Government Agency; and Claims from personal injury or property damages.

(d) The total purchase price of any Energy purchased by Buyer or Seller pursuant to Section 8(b) of this Exhibit C will be entered by Seller as a dollar debit on (i) first, the Private Business Sales Ledger, if and to the extent such ledger has a positive balance and such Energy is remarketed in a Qualified Sale and (ii) second, on the Non-Private Business Sales Ledger, if and to the extent such ledger has a positive balance, the Private Business Sales Ledger has a zero (0) balance, and such Energy is remarketed in a Qualified Sale, with such debit in the case of (i) or (ii) dated as of the last day of the Month in which such Energy was purchased. Each dollar debit shall offset and reverse an equal amount of the dollar credits to such ledger (that have not previously been transferred to the Expired Non-Private Business Sales Ledger or the Expired Private Business Sales Ledger) in the order in which they were made (beginning with the oldest credit not previously offset and reversed by any prior debit). Whenever a debit is made to the dollar balance of the Ledger Entries of either such ledger, Seller shall also debit the Energy balance of the Ledger Entries of such ledger based on (i) such dollar debit divided by (ii) an average Energy price calculated from the net Ledger Entry then present on the relevant ledger being debited. For the avoidance of doubt, neither the Non-Private Business Sales Ledger nor the Private Business Sales Ledger shall ever have a negative balance, and the same purchase transaction shall not result in a debit to more than one ledger except to the extent that a debit for the transaction causes one (1) ledger to have a zero (0) balance and the remaining portion of the permitted debit is made to the other ledger.

(e) In addition to the ability of Seller or Buyer to engage in Remediation Remarketing to reduce the balances of any Ledger Entries through Qualified Sales of Energy, the proceeds represented by the dollar balances of such Ledger Entries may also be remediated through the purchase of natural gas that will be remarketed in Qualified Sales. For the purposes of entering MMBtu debits for natural gas to the Ledger Entries in accordance with Section 8(d) of this Exhibit C for any Remediation Remarketing of natural gas, a quantity of MWhs will be debited based on (i) the total proceeds paid for such natural gas divided by (ii) an average Energy price calculated from the net Ledger Entry then present on the relevant ledger being debited.

Section 9. Ledger Event.

(a) In addition to the Non-Private Business Sales Ledger and the Private Business Sales Ledger described in Section 7(a) and (b) of this Exhibit C, above, Seller shall also maintain an “Expired Non-Private Business Sales Ledger” and an “Expired Private Business Sales Ledger.” Whenever a credit to the dollar balance of the Ledger Entries of the Non-Private Business Sales Ledger has not been reversed in full within two (2) years of such credit by an offsetting dollar debit in accordance with Section 8(d) or (e) of this Exhibit C, then Seller shall (i) debit the remaining portion of such dollar credit and the MWh balance of the Ledger Entries in the manner described in the penultimate sentence of Section 8(d) and (ii) record such debits as credits to the

Expired Non-Private Business Sales Ledger. Similarly, whenever a credit to the dollar balance of the Ledger Entries of the Private Business Sales Ledger has not been reversed in full within two (2) years of such credit by an offsetting dollar debit in accordance with Section 8(d) or (e) of this Exhibit C, then Seller shall (i) debit the remaining portion of such dollar credit and the MWh balance of the Ledger Entries in the manner described in the penultimate sentence of Section 8(d) and (ii) record such debits as credits to the Expired Private Business Sales Ledger.

(b) No later than the tenth (10th) day of each Month, Seller shall provide to Buyer copies of the Non-Private Business Sales Ledger, the Private Business Sales Ledger, the Expired Non-Private Business Sales Ledger and the Expired Private Business Sales Ledger showing all credits and debits to each such ledger since the Execution Date.

(c) A “Ledger Event” shall occur if, upon delivery of a ledger statement under Section 9(b) above, either (i) (A) the sum of all MWh credits on the Expired Non-Private Business Sales Ledger and the Expired Private Business Sales Ledger exceeds (B) the Non-Qualifying Remarketing Limit, or (ii) (A) the sum of all MWh credits on the Expired Private Business Sales Ledger exceeds (B) the Private Business Remarketing Limit, unless Buyer has obtained a Tax Opinion with respect to such event or any remedial action that may have been taken with respect to the Bonds.

(d) The occurrence of a Ledger Event and any remedies associated therewith in Article XVII of this Agreement shall be Buyer’s sole and exclusive remedies with respect to any inability by Seller to purchase and remarket Energy for Buyer pursuant to, or any breach by Seller of its obligations under, this Exhibit C.

Section 10. Buyer Right to Request to Purchase Remarketed Energy. Notwithstanding any other provision of this Exhibit C, Buyer may request in a Remarketing Notice delivered to Seller that Buyer be the remarketing buyer of the quantities of Energy described in such Remarketing Notice, in which case Seller will sell such remarketed Energy to Buyer at a price, at Delivery Point(s) and on date(s) to be mutually agreed (but the price, with respect to Energy remarketed pursuant to a Monthly Remarketing Notice, shall in no event be less than the Net Participant Price) by the Parties, provided that Seller shall be obligated to remarket such Energy to Buyer only if all of the following conditions are satisfied:

- (a) Buyer is not in default under any Transaction Document;
- (b) Buyer has certified to Seller in the Remarketing Notice that the condition in (a) above is true;
- (c) Buyer has provided such adequate assurances of Buyer’s performance, if any, as may have been reasonably requested by Seller;
- (d) there is a master agreement in effect between Buyer and Seller that will govern the remarketing transaction between Buyer and Seller; and
- (e) Buyer covenants to resell the Energy only in Qualified Sales.

EXHIBIT D-1

TERMINATION PAYMENT SCHEDULE

The Termination Payment for any Early Termination Payment Date will be the amount set forth on the attached table in the column corresponding to the month in which the Early Termination Date occurs, plus the product of (a) the Monthly Projected Quantity for such Month and the Hourly Quantities for such Month, as applicable, minus the quantity of Energy delivered in such Month prior to the effectiveness of such Early Termination Date, multiplied by (b) the result of (i) the applicable Fixed Price for Energy (as defined in the Buyer Swap), minus (ii) the Specified Discount then in effect.

[To be attached.]

EXHIBIT D-2

TERMINATION PAYMENT ADJUSTMENT SCHEDULE

(To be attached pursuant to Section 17.8 as required.)

EXHIBIT D-3
POST TERMINATION PAYMENT SCHEDULE

[To be attached.]

EXHIBIT E
RESERVED

EXHIBIT F

PRICING AND OTHER TERMS

Delivery Period:	The period beginning on [____], 2025 and ending on [____], 20[____] or earlier upon the Early Termination Date
Minimum Discount:	\$[____]/MWh for each Reset Period after the Initial Reset Period (as defined in the Re-Pricing Agreement)
Monthly Discount:	\$[____]/MWh from [____] through and including [____] and \$[____]/MWh from [____] through and including [____], and for each Month of a Reset Period thereafter, the Monthly Discount portion of the Available Discount for such Reset Period determined by the Calculation Agent (as defined in the Bond Indenture) pursuant to the Re-Pricing Agreement
Prepayment:	\$[____]
Prepayment Outside Date:	[____], 2025
Remarketing Fee:	\$[0.50]/MWh, provided that: (i) the Remarketing Fee shall be \$[1.50] for any remarketing pursuant to [Section 5(b)(iii)] of Exhibit C; and (ii) the Remarketing Fee shall be zero with respect to any Product remarketed to Buyer in accordance with Section 10 of <u>Exhibit C</u>.
Specified Fixed Price:	\$[____]/MWh
Specified Discount:	(a) From [____] through and including [____]: \$[____]/MWh; and (b) From [____] until the end of the Delivery Period: \$[____]MWh.
ESR Fee:	\$[____]/MWh
Swap Fee:	\$[____]/MWh

EXHIBIT G
RECEIVABLES PURCHASES

[To be attached.]

SM Draft 10 June 2025

RE-PRICING AGREEMENT

This RE-PRICING AGREEMENT, dated as of [____], 2025 (this “Agreement”), is entered into by and between Energy Prepay [____], LLC, a Delaware limited liability company (“Prepay LLC”) and California Community Choice Financing Authority (“Issuer”). Prepay LLC and Issuer are sometimes referred to herein individually as a “Party” and collectively as the “Parties.” Capitalized terms used herein shall have the meanings set forth in Section 1.

WHEREAS, Issuer is issuing the [Clean Energy Project Revenue Bonds, 2025 Series [X]] pursuant to the Indenture in order to provide funds to acquire the Energy Supply from Prepay LLC pursuant to the Prepaid Agreement; and

WHEREAS, in connection with its acquisition of the Energy Supply, Issuer has entered into the Power Supply Contract with the Project Participant providing for the sale of the Energy Supply by Issuer to the Project Participant; and

WHEREAS, the price payable by the Project Participant for the Energy Supply includes a discount to the price set forth in the Power Supply Contract, which discount has been established for the Initial Reset Period therein and will be re-established for each subsequent Reset Period under the terms and conditions set forth herein; and

WHEREAS, under the terms of the Power Supply Contract, prior to each Reset Period after the Initial Reset Period, the Project Participant may elect to have its Energy Supply remarketed if the Available Discount established for such Reset Period is less than the Minimum Discount specified in the Power Supply Contract;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Definitions. When used herein, the following capitalized terms shall have the following meanings:

“Additional Reduction Amount” has the meaning set forth in Appendix A.

“Available Discount” has the meaning specified in the Power Supply Contract and also means, for each Reset Period, the final amount determined by Prepay LLC as of the applicable Bond Pricing Date pursuant to Appendix A, expressed in cents per MWh (rounded down to the nearest one-half cent).

“Bond Closing Date” means the date on which the Bonds are issued pursuant to the Indenture.

“Bond Pricing Date” means, for any Reset Period, the date upon which the interest rate and yield on the Bonds is established pursuant to the applicable bond remarketing agreement or bond purchase agreement.

“Bonds” has the meaning set forth in the Indenture.

“Business Day” has the meaning set forth in the Indenture.

“Contract Quantity” has the meaning set forth in the Prepaid Agreement.

“Delivery Period” has the meaning set forth in the Prepaid Agreement.

“Delivery Period Implied Rate” has the meaning set forth in Appendix A.

“Determination Month” has the meaning set forth in Appendix A.

“Energy” has the meaning set forth in the Prepaid Agreement.

“Energy Supply” means with respect to the Prepaid Agreement, the aggregate Contract Quantities of Energy to be delivered by Prepay LLC under the Prepaid Agreement.

“Estimated Available Discount” has the meaning set forth in Section 5(a).

“Excess Amount” is the positive difference, if any, of the Prior Remaining Energy Value less the New Remaining Delivery Cost.

“Fixed Price” means \$[____]/MWh.

“Fixed Rate” has the meaning set forth in Appendix A.

“Funding Agreement” has the meaning set forth in the Prepaid Agreement.

“Funding Bidder” has the meaning set forth in the LLC Agreement.

“Funding Recipient” has the meaning set forth in the Prepaid Agreement.

“Indenture” means the Trust Indenture, dated as of the first day of the month of the Bond Closing Date, between Issuer and the Trustee, as the same may be amended or supplemented from time to time pursuant to one or more Supplemental Indentures, or any other trust indenture under which refunding bonds are issued and secured.

“Initial Reset Period” means the period from [____], 2025 until [____], 20[____].

“Interest Rate Period” has the meaning set forth in the Indenture, provided that if the Bonds are Outstanding in two or more Series with separate, concurrent and co-terminus Interest Rate Periods, “Interest Rate Period” shall mean all such Interest Rate Periods collectively.

“LLC Agreement” means the Amended and Restated Limited Liability Company Agreement of Prepay LLC, dated as of [____], 2025.

“Mandatory Purchase Date” has the meaning set forth in the Indenture.

“Minimum Discount” has the meaning set forth in the Power Supply Contract.

“Monthly Contract Quantity” means, for any month, the aggregate Contract Quantities scheduled to be delivered by Prepay LLC to Issuer under the Prepaid Agreement for such month.

“Monthly Discount” has the meaning set forth in Section 6(b).

“MWh” has the meaning set forth in the Prepaid Agreement.

“Prepay LLC” has the meaning set forth in the preamble.

“New Remaining Delivery Cost” has the meaning set forth in Appendix A.

“New Reset Period” has the meaning set forth in Appendix A.

“Old Reset Period” has the meaning set forth in Appendix A.

“Outstanding” has the meaning set forth in the Indenture.

“Participant Notification Deadline Day” means, with respect to each Reset Period, the last day on which Issuer is permitted to provide a notice of the Estimated Available Discount to the Project Participant under the Power Supply Contract.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or government agency.

“Power Supply Contract” has the meaning set forth in the Indenture.

“Prepaid Agreement” means the Prepaid Energy Sales Agreement, dated as of [____], 2025, between Prepay LLC and Issuer, as the same may be amended or supplemented in accordance with its terms.

“Prior Remaining Energy Value” has the meaning set forth in Appendix A.

“Project Participant” has the meaning set forth in the Indenture.

“Re-pricing Date” means, for any Reset Period, any Business Day not earlier than ninety (90) days prior to the earlier of (i) the date on which the Bonds then Outstanding may be called for optional redemption in accordance with the Indenture and (ii) the day following the last day of the Reset Period then in effect.

“Re-pricing Firm Offer” means, for any Reset Period after the Initial Reset Period, a binding offer from a Funding Bidder on the Bond Pricing Date for such Reset Period to provide a Funding Agreement that reflects (i) a Reset Period Implied Rate that is sufficient to achieve the Minimum Discount for such Reset Period, and (ii) a Reset Period length that complies with the requirements of Section 3.

“Re-pricing Indicative Offer” means, for any Reset Period after the Initial Reset Period, indicative pricing from a Funding Bidder that would constitute a Re-pricing Firm Offer if made on the proposed Bond Pricing Date for such Reset Period.

“Remaining Delivery Cost” has the meaning set forth in Appendix A.

“Remaining Energy Value” has the meaning set forth in Appendix A.

“Reset Period” means the Initial Reset Period and each period determined pursuant to Section 3.

“Reset Period Implied Rate” has the meaning set forth in Appendix A.

“Series” means Bonds designated as a Series and authorized to be issued by Issuer pursuant to Section 2.01 of the Indenture.

“SOFR” means the Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York (or a successor administrator) and provided on the New York Fed’s Website.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture executed and delivered by Issuer and the Trustee in accordance with Article X of the Indenture.

“Termination Payment Adjustment Schedule” has the meaning set forth in the Prepaid Agreement.

“Trustee” means the trustee under the Indenture and its successors and assigns.

Section 2. Purpose of Agreement and Intention of Parties. The Parties are entering into this Agreement in connection with the execution and delivery of the Indenture, the Prepaid Agreement and the other transaction documents for the purpose of establishing the methodology for determining the Available Discount for each Reset Period following the Initial Reset Period.

Section 3. Reset Periods. Each Reset Period shall commence on the next day that follows the last day of the Initial Reset Period or, subsequently, the immediately prior Reset Period. The length of each Reset Period shall be the remaining term of the Delivery Period unless Prepay LLC elects, in its sole discretion following consultation with Issuer, a shorter period, which period may not be shorter than the lesser of (a) three (3) years or (b) the remaining term of the Delivery Period without Issuer’s consent; *provided further* that:

- (i) The Initial Reset Period and each subsequent Reset Period (other than the final Reset Period) shall end the last day of the month preceding the end of the applicable Interest Rate Period. For example, if the Interest Rate Period ends October 31, the last day of the Reset Period would end September 30, and
- (ii) the final Reset Period shall end on the last day of the Delivery Period.

Section 4. Reserved.

Section 5. Estimated Available Discount.

(a) On any Business Day not earlier than the 70th day prior to the earliest potential Re-pricing Date for any Reset Period and not later than ten (10) Business Days prior to the latest potential Re-pricing Date for any Reset Period, Prepay LLC (either on its own initiative or at Issuer's request) shall provide to Issuer an estimate of the length of such Reset Period, the Reset Period Implied Rate and the Available Discount (the "Estimated Available Discount") that are anticipated to apply to such Reset Period. In determining the Estimated Available Discount, Prepay LLC shall utilize the methodology set forth in Appendix A. After Prepay LLC provides an initial estimate for a Reset Period, Prepay LLC may provide updated estimates on its own initiative or upon a subsequent request from Issuer.

(b) Issuer shall notify the Project Participant of the Estimated Available Discount and any updates thereto under the relevant provisions of the Power Supply Contract. Unless Prepay LLC and Issuer otherwise agree, in any notice of Estimated Available Discount provided to a Project Participant prior to the Participant Notification Deadline Day, Issuer shall clearly indicate in such notice that the notice is provisional and is not intended to, and does not, trigger a Project Participant's right to provide a Remarketing Election Notice (as defined in the Power Supply Contract).

(c) If, at any time during the re-pricing period for a Reset Period, a Funding Bidder provides a Re-pricing Firm Offer for such Reset Period that Prepay LLC accepts in accordance with the LLC Agreement, Issuer agrees that it will execute a bond purchase or remarketing agreement reflecting a Funding Agreement for such Reset Period between Prepay LLC and the Funding Bidder selected by Prepay LLC for such Reset Period.

(d) Issuer agrees to cooperate in good faith with Prepay LLC and to take all steps reasonably within Issuer's control that are necessary, in each case, to cause a Bond Pricing Date to occur for any Re-pricing Indicative Offer that Prepay LLC elects to pursue, which steps shall include retaining an underwriter or remarketing agent for the Bonds to be priced and participating in the Bond marketing or remarketing process.

(e) Issuer shall notify the Project Participant of the Estimated Available Discount and any updates thereto under the relevant provisions of the Power Supply Contract. Unless Prepay LLC and Issuer otherwise agree, in any notice of Estimated Available Discount provided to a Project Participant prior to the Participant Notification Deadline Day, Issuer shall clearly indicate in such notice that the notice is provisional and is not intended to, and does not, trigger a Project Participant's right to provide a Remarketing Notice (as defined in the Power Supply Contract).

Section 6. Determination of Available Discount and Monthly Discount.

(a) Prepay LLC shall determine on the Bond Pricing Date the Available Discount for such Reset Period (expressed in cents per MWh and rounded down to the nearest one-half cent) in accordance with the methodology set forth in Appendix A.

(b) For each Reset Period after the Initial Reset Period, Prepay LLC shall determine the monthly discount portion of the Available Discount for such Reset Period (the "Monthly Discount"). Issuer and Prepay LLC then shall mutually agree upon the projected Annual Refund (as defined in the Power Supply Contract) for such Reset Period, which shall be determined

consistent with Section 3.2(b) of the Power Supply Contract and shall be the remaining portion of the Available Discount. Prepay LLC and Issuer acknowledge that the purpose of retaining a portion of the Available Discount for distribution in the Annual Refund is to mitigate the risk to bondholders of reduced or lost investment income on any investments held under the Indenture.

Section 7. Termination Payment Adjustment Schedule; Monthly Quantity Changes.

(a) For any Reset Period, Prepay LLC may modify the Termination Payment Adjustment Schedule to reflect changes in the Remaining Energy Values set forth on Attachment 1 to Appendix A and otherwise, provided that such modifications are sufficient to meet the redemption requirements of the Bonds to be sold for such Reset Period.

(b) Issuer and Prepay LLC agree that the Prepaid Agreement will be amended to reflect any reductions to Monthly Contract Quantities determined pursuant to Appendix A.

Section 8. Timing. The dates and time intervals stated in this Agreement may be waived or altered by the mutual agreement of the Parties.

Section 9. Termination. This Agreement shall terminate automatically upon the occurrence of an Early Termination Payment under and as defined in the Prepaid Agreement. For the avoidance of doubt, any such termination shall not be considered a failure by Prepay LLC to act in good faith hereunder, regardless of whether the Parties have previously discussed pricing that may apply to any Reset Period or otherwise taken the steps required under this Agreement.

Section 10. Communications.

(a) All notices, requests and other communications shall be in writing (including facsimile, electronic mail or other electronic means) provided to the address and/or electronic mail address set forth below:

Prepay LLC: As provided in the Prepaid Agreement

Issuer: As provided in the Prepaid Agreement

(b) Each Party may change the address for communications to it pursuant to the terms of the referenced agreement, which notice shall be effective when delivered at the address specified herein.

Section 11. Miscellaneous.

(a) *Miscellaneous.* Article X (Dispute Resolution) and Sections 18.3 (Entirety; Amendments), 18.4 (Governing Law), 18.5 (Non-Waiver), 18.6 (Severability), 18.7 (Exhibits), 18.9 (Relationship of Parties), 18.12 (Limitation of Liability) and 18.13 (Counterparts) of the Prepaid Agreement are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

(b) *Amendments to Power Supply Contract and Indenture.* Issuer shall not agree to or consent to any modification, supplement, amendment or waiver of any provision of the Power Supply Contract or the Indenture that affects the meaning of any defined term herein or the operation of any provision hereof.

(c) *Assignment.* This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either Party hereto without the prior written consent of the other Party; provided that each Party acknowledges and agrees that the other Party shall assign all of its right, title and interest in, to and under this Agreement in connection with any assignment by either Party of its right, title and interest in, to and under the Prepaid Agreement to the assignee thereof, which assignment shall constitute a novation.

[Separate Signature Page(s) Attached]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first above written.

ENERGY PREPAY [], LLC
By: Morgan Stanley Capital Group Inc., its
Manager

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

Appendix A

Prepay LLC will undertake the following steps in determining the Available Discount for any Reset Period (each, a “New Reset Period”):

- Step 1: Determine the “Prior Remaining Energy Value”
 - Prepay LLC will determine the Remaining Energy Value for the last month of the current Reset Period (the “Old Reset Period”) based on Attachment 1 hereto, as such Attachment initially existed or was last updated at the beginning of the prior Reset Period (the “Prior Remaining Energy Value”).
 - “Remaining Energy Value” means, for any month, the amount set forth on Attachment 1 of Appendix A as the “Remaining Energy Value” for such month, as Attachment 1 may be updated pursuant to this Appendix A in connection with the establishment of any new Reset Period.
- Step 2: Prepay LLC will specify the length of the New Reset Period pursuant to Section 3 of this Agreement
- Step 3: Prepay LLC will specify a Reset Period Implied Rate for the New Reset Period and a Delivery Period Implied Rate
 - “Reset Period Implied Rate” means, for any Reset Period other than the Initial Reset Period, a fixed rate offered by the Funding Recipient for such Reset Period as of the Bond Pricing Date for such Reset Period, which rate the Parties acknowledge (i) will be determined by the Funding Recipient in its sole and absolute discretion based on the rate of the Funding Recipient, and (ii) for which the Funding Recipient may consider all relevant factors, including (w) the nature of the source of funding provided by the Funding Agreement, including any applicable regulatory or capital charges, (x) the tenor, (y) market interest for such funding at the time, and (z) any other unique attributes of the Funding Agreement funding relative to other sources available to the Funding Recipient. The Parties acknowledge that, for purposes of providing an Estimated Available Discount, Prepay LLC may rely on indicative pricing proposals from a Funding Bidder.
 - “Delivery Period Implied Rate” means, for any portion of the Delivery Period that is not covered by a Reset Period, a fixed rate determined by Prepay LLC in its sole and absolute discretion as of the Bond Pricing Date for such Reset Period which Prepay LLC determines (in its sole discretion) that the Funding Recipient would be able to acquire, as of the date of determination, funding from other sources comparable to the funding provided by the Funding Agreement as of the date of determination if such Funding Agreement were extended for the entire Delivery Period. In determining such a rate, Prepay LLC may consider all relevant factors, including (w) the nature of the source of funding provided by the Funding Agreement, including any applicable regulatory or capital charges, (x) the length of the Delivery Period, (y) market interest for such funding at the time, and (z) any other unique attributes of the

Funding Agreement funding relative to other sources available to the Funding Recipient.

- Step 4: Determine the “New Remaining Delivery Cost”
 - Prepay LLC will determine the “Remaining Delivery Cost” for each month of the Delivery Period after the Old Reset Period. The Remaining Delivery Cost for the first month of the New Reset Period is the “New Remaining Delivery Cost”.
 - “Remaining Delivery Cost” means, for the first month of any New Reset Period (the “Determination Month”), an amount calculated by Prepay LLC equal to the net present value of a stream of monthly payments equal to the Monthly Contract Quantities multiplied by the Fixed Price for the remainder of the Delivery Period (including such Determination Month), discounted at the Reset Period Implied Rate for the New Reset Period and the Delivery Period Implied Rate for the remainder of the Delivery Period after the New Reset Period.
- Step 5: Additional Reduction Amount or changing Monthly Contract Quantities
 - If the Prior Remaining Energy Value is less than the New Remaining Delivery Cost:
 - If the Reset Period will go to the end of the Delivery Period, Prepay LLC will reduce the Monthly Contract Quantities to zero in as many months as necessary at the end of the Delivery Period (and, to the extent necessary, reduce the Monthly Contract Quantities in the last remaining month of the Reset Period to a quantity greater than zero) such that the Prior Remaining Energy Value is equal to the New Remaining Delivery Cost.
 - If the Reset Period will end prior to the end of the Delivery Period, Prepay LLC in its sole discretion may reduce the Monthly Contract Quantities as provided above.
 - If the Prior Remaining Energy Value is greater than the New Remaining Delivery Cost:
 - Subject to the following bullet, Prepay LLC will pay to Issuer the amount, if any, by which (A) the Prior Remaining Energy Value exceeds (B) the New Remaining Delivery Cost (the “Additional Reduction Amount”) on the first day of the contemplated Interest Rate Period, which payment shall be applied by Issuer to the retirement of Bonds.
 - Notwithstanding the immediately prior bullet, Prepay LLC may elect to retain a portion of the Excess Amount if (i) the Reset Period will end prior to the end of the Delivery Period, (ii) such retention does not reduce the Available Discount, and (iii) doing so is consistent with the amortization requirement of the Bonds. If Prepay LLC elects to retain a portion of such Excess Amount pursuant to the foregoing proviso, the

Additional Reduction Amount shall be the portion of such Excess Amount that Prepay LLC elects to pay.

- Any Additional Reduction Amount or changes in Monthly Contract Quantities will then be included in calculating the New Remaining Delivery Cost. An Additional Reduction Amount will reduce the Prior Remaining Energy Value for this purpose.
 - Once the New Reset Period goes into effect, Attachment 1 hereto will be amended such that the Remaining Energy Value for each month in the New Reset Period and the remainder of the Delivery Period is equal to the Remaining Delivery Cost for such month as determined under Step 4 and updated under this Step 5.
- Step 6: Determine the Fixed Rate for the Bonds for the term of such contemplated Interest Rate Period
 - The remarketing agent or underwriter of the Bonds for such contemplated Interest Rate Period will specify the Fixed Rate.
 - “Fixed Rate” means, for any New Reset Period, the fixed rate or rates of interest payable by Issuer with respect to a Series of Bonds or, in the case of a Series of Variable Rate Bonds (as defined in the Indenture), the fixed rate payable by Issuer under the related fixed rate swap transaction, which Fixed Rates will be determined on the Bond Pricing Date at a rate sufficient to enable all the Bonds to be sold or remarketed on such Bond Pricing Date in accordance with the Indenture (which sale price may include a premium or discount to par), as determined based on market information then available.
 - Step 7: Determine Monthly Discount Portion of Available Discount
 - Prepay LLC will determine the Monthly Discount portion of the Available Discount for the Reset Period based on the expected differences between monthly revenues and monthly debt service and other obligations of the Clean Energy Project (as defined in the Indenture).
 - Step 8: Determine Annual Refund Portion of Available Discount
 - Prepay LLC and Issuer shall mutually agree upon the projected Annual Refund (as defined in the Power Supply Contract) for the Reset Period, which shall be determined consistent with Section 3.2 of the Power Supply Contract and shall be the remaining portion of the Available Discount applicable to such Project Participant.

Attachment 1 to Appendix A

REMAINING ENERGY VALUES

[To be incorporated.]

PRELIMINARY OFFICIAL STATEMENT DATED [] 1, 2025

Chapman Draft 07.08.25

NEW ISSUE - BOOK-ENTRY ONLY

RATING: (SEE "RATING" HEREIN)

In the opinion of Ballard Spahr LLP, Bond Counsel to CCCFA, interest on the Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of federal tax laws. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations. Bond Counsel is also of the opinion that, based upon existing laws, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

[CCCFA LOGO]/[KESTREL LOGO]	\$[]* CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY CLEAN ENERGY PROJECT REVENUE BONDS, SERIES 2025[] (GREEN BONDS) (TERM RATE)

DATED: Date of Delivery

DUE: As shown on the inside cover

California Community Choice Financing Authority ("CCCFA") is issuing its Clean Energy Project Revenue Bonds, Series 2025[] (Green Bonds) (Term Rate) (the "Series 2025[] Bonds" or "Bonds"), under a Trust Indenture between CCCFA and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Bonds will be issued in book-entry form through the facilities of The Depository Trust Company ("DTC"). Purchases of the Bonds will be made in book-entry form through DTC participants in denominations of \$5,000 or any multiple thereof. Payments of principal of, premium, if any, and interest on the Bonds will be made directly to DTC and will subsequently be disbursed to DTC participants and thereafter to Beneficial Owners of the Bonds, all as described herein. Capitalized terms used and not otherwise defined on this cover page have the meanings set forth herein.

From their initial issue date (the "Initial Issue Date") to and including [], 20[]* (the "Initial Interest Rate Period"), the Bonds will bear interest in a Term Rate Period, as shown on the inside cover page and described herein. During the Initial Interest Rate Period, interest on the Bonds is payable semiannually on each [] 1 and [] 1, commencing [] 1, 20[]*. The Bonds are subject to optional and extraordinary mandatory redemption during the Initial Interest Rate Period, and the Bonds maturing on [] 1, 20[]* are subject to mandatory tender for purchase on [] 1, 20[]* (the "Mandatory Purchase Date").

Proceeds of the Bonds will be used to prepay the costs of the acquisition of EPS Compliant Energy to be delivered over approximately 30 years under a Prepaid Energy Sales Agreement (the "Prepaid Energy Sales Agreement"), between Energy Prepay [], LLC, a Delaware limited liability company (the "Energy Supplier") and CCCFA. "EPS Compliant Energy" means three-phase, 60-cycle alternating current electric energy ("Energy") that the Project Participant (hereinafter defined) can contract for and purchase in compliance with California's Emissions Performance Standards ("EPS"), as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law, that are applicable to the Project Participant. Pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier is obligated to deliver specified quantities of EPS Compliant Energy to CCCFA (the "Prepaid Energy"), make certain payments for any Prepaid Energy not delivered, remarket quantities of Base Energy (defined herein) in respect of Prepaid Energy not taken by the Project Participant and make a Termination Payment upon any early termination of the Prepaid Energy Sales Agreement in whole or in part. Any such Termination Payment (defined herein) will be applied to the mandatory redemption of the Bonds in whole or in part, as applicable.

The Energy Supplier will use proceeds from the prepayment it receives from CCCFA to purchase a [] (the "Funding Agreement") with [] ("Funding Recipient"), and will enter into an Energy Management Agreement (the "Energy Management Agreement") with Morgan Stanley Capital Group Inc. ("MSCG"). Under the Energy Management Agreement, MSCG will sell electricity to the Energy Supplier in the quantities and at the delivery points necessary for the Energy Supplier to meet its obligations to CCCFA under the Prepaid Energy Sales Agreement and for CCCFA to meet its obligations to the Project Participant under the Power Supply Contract (as defined herein). The scheduled payments under the Funding Agreement provide amounts sufficient to enable the Energy Supplier to meet its payment obligations under the Energy Management Agreement and, if applicable, the Energy Supplier Commodity Swap. The payment obligations of MSCG under the Energy Management Agreement are unconditionally guaranteed by Morgan Stanley under a guarantee agreement (the "Morgan Stanley Guarantee").

CCCFA will sell all of the Prepaid Energy acquired under the Prepaid Energy Sales Agreement to Silicon Valley Clean Energy Authority ("SVCE" or the "Project Participant") under a Power Supply Contract (the "Power Supply Contract") between CCCFA and the Project Participant. Under the terms of the Prepaid Energy Sales Agreement and the Power Supply Contract, the Project Participant may assign its rights to the delivery of EPS Compliant Energy under existing and future power purchase agreements to the Energy Supplier or to MSCG for ultimate delivery of such EPS Compliant Energy from such agreements to the Project Participant. The Project Participant has entered into a limited assignment agreement relating to specific power purchase agreement(s) as of the Date of Delivery.

The Bonds have been designated "Green Bonds". See "DESIGNATION OF BONDS AS GREEN BONDS" and Second Party Opinion by Kestrel set forth herein.

THE PAYMENT OF THE BONDS IS NOT GUARANTEED BY THE ENERGY SUPPLIER, MSCG, MSCS, MORGAN STANLEY, THE FUNDING RECIPIENT, THE UNDERWRITER, THE COMMODITY SWAP COUNTERPARTY, THE INVESTMENT AGREEMENT PROVIDER, CCCFA OR ITS MEMBERS, OR THE PROJECT PARTICIPANT. THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF CCCFA, THE MEMBERS OF CCCFA, THE PROJECT PARTICIPANT, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE AND NEITHER THE FAITH AND CREDIT OF CCCFA NOR THE

* Preliminary, subject to change.

TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO PAYMENTS PURSUANT TO THE INDENTURE OR THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF CCCFA, PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE.

This Official Statement describes the Bonds only during the Initial Interest Rate Period and must not be relied upon if the Bonds are converted to any other interest rate period. The purchase and ownership of the Bonds involve investment risk and may not be suitable for all investors. This cover page is not intended to be a summary of the terms of or the security for the Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds, giving particular attention to the matters discussed under "INVESTMENT CONSIDERATIONS" herein.

The Bonds are offered, when, as and if issued by CCCFA and accepted by the Underwriter, subject to the approval of validity by Ballard Spahr LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for CCCFA by its General Counsel, for the Project Participant by Chapman and Cutler LLP; for the Energy Supplier by Sheppard, Mullin, Richter & Hampton LLP; and for the Underwriter by Nixon Peabody LLP. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about [____], 2025.

Morgan Stanley

This Official Statement is dated _____, 2025.

\$[]*

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
CLEAN ENERGY PROJECT REVENUE BONDS, SERIES 2025[] (TERM RATE)

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS¹

\$ _____ SERIAL BONDS

<u>MATURITY DATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YIELD</u>	<u>CUSIP</u>
[] 1, 20[]				
[] 1, 20[]				
[] 1, 20[]				
[] 1, 20[]				
[] 1, 20[]				
[] 1, 20[]				
[] 1, 20[]				
[] 1, 20[]				
[] 1, 20[]				
[] 1, 20[]				
[] 1, 20[]				

\$ _____ % Term Bond due [] 1, 20[]², Yield: ____%, CUSIP _____

* Preliminary; subject to change.

¹ CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above have been provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and are included solely for the convenience of bondholders only. CCCFA and the Underwriter make no representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to a refunding in whole or in part of the Bonds.

² The Bonds maturing on [] 1, 20[] are required to be tendered for purchase on [] 1, 20[]².

The information contained in this Official Statement has been obtained from CCCFA, the Project Participant, the Energy Supplier, MSCG, MSCS, the Funding Recipient, Morgan Stanley, the Commodity Swap Counterparty, DTC and other sources believed to be reliable. This Official Statement is submitted in connection with the sale of the securities described herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement speaks only as of its date and the information contained in this Official Statement is subject to change without notice and neither the delivery of this Official Statement nor any sale made by means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of any party since the date of this Official Statement.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by CCCFA or the Underwriter. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other government entity or agency has or will have passed upon the adequacy of this Official Statement or, except for CCCFA, approved the Bonds for sale.

In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. No commission or authority has confirmed the accuracy or determined the adequacy of this document.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICES OF THE BONDS. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

CCCFA and the Project Participant each maintain a website and certain social media accounts. However, the information presented on such website and on such accounts is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. CCCFA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

**1125 TAMALPAIS AVENUE
SAN RAFAEL, CA 94901**

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Sonoma Clean Power Authority
Valley Clean Energy Alliance

PROJECT PARTICIPANT

Silicon Valley Clean Energy Authority

GREEN BONDS EXTERNAL REVIEWER

Kestrel

BOND COUNSEL

Ballard Spahr LLP

PROJECT PARTICIPANT'S COUNSEL

Chapman and Cutler LLP

TRUSTEE

The Bank of New York Mellon Trust Company,
N.A.

FINANCIAL ADVISOR

PFM Financial Advisors LLC

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OFFICIAL STATEMENT

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**CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
CLEAN ENERGY PROJECT REVENUE BONDS (GREEN BONDS) (TERM RATE)
SERIES 2025[]**

INTRODUCTION

This Official Statement, which includes the cover page and appendices attached hereto, contains information concerning (a) California Community Choice Financing Authority (“CCCFA” or the “Issuer”), (b) CCCFA’s Clean Energy Project Revenue Bonds, Series 2025[] (Green Bonds) (Term Rate) (the “Series 2025[] Bonds” or “Bonds”), being issued in the aggregate principal amount of \$[]* and (c) the Clean Energy Project (defined below) being financed with proceeds of the Bonds. Capitalized terms used herein have the meanings shown in APPENDIX B.

California Community Choice Financing Authority

California Community Choice Financing Authority is a joint powers agency organized and existing under the laws of the State of California (the “State”) with the power to issue the Bonds and enter into the transaction documents described herein. As of the date of this Official Statement, the members of CCCFA are Ava Community Energy Authority, Central Coast Community Energy, Clean Power Alliance of Southern California, Marin Clean Energy, the Project Participant (Silicon Valley Clean Energy Authority) (each a “Founding Member”) and San Diego Community Power, Pioneer Community Energy, Peninsula Clean Energy Authority, the City of San José through its community choice aggregator program known as San José Clean Energy, Sonoma Clean Power Authority and Valley Clean Energy Alliance (each an “Associate Member” and, together with the Founding Members and any additional members which may later be added as parties to the JPA Agreement, a “Member”). CCCFA is authorized to exercise the common powers of its Members and to undertake all actions permitted by the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended and supplemented (the “Act”), in connection with the clean energy project, including the purchase of the Prepaid Energy and the sale thereof to the Project Participant, and the entry into of the related agreements described herein (referred to herein as the “Clean Energy Project”). See “CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY” and “COMMUNITY CHOICE AGGREGATORS” herein.

The Bonds

From their Initial Issue Date to and including [], 20[]* (the “Initial Interest Rate Period”) the Bonds will bear interest in a Term Rate Period, with interest payable semiannually on each [] 1 and [] 1, commencing [] 1, 20[]*, all as shown on the inside cover page and as described herein. See “THE BONDS”.

The Bonds are subject to optional redemption and extraordinary mandatory redemption during the Initial Interest Rate Period, and the Bonds maturing on [] 1, 20[]* are required to be tendered for purchase on [] 1, 20[]* (the “Mandatory Purchase Date”), which is the day following the end of

* Preliminary; subject to change.

the Initial Interest Rate Period. The Purchase Price of Bonds on the Mandatory Purchase Date is equal to the principal amount thereof on such date and is payable in immediately available funds. Under the Indenture, a “Failed Remarketing” means, (a) with respect to the Bonds on any Mandatory Purchase Date, a failure to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem such Bonds in whole on such date (including from any funds required from an Assignment Payment to the Assignment Payment Fund) or (b) with respect to the Bonds (i) if, on the last day of the current Reset Period prior to a Mandatory Purchase Date, CCCFA has not entered into a bond purchase agreement, firm remarketing agreement or similar agreement with respect to the remarketing or refunding of the Bonds, or (ii) if the conditions described in (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by 12:00 noon, New York City time, on the fifth Business Day preceding the Mandatory Purchase Date. A Failed Remarketing will result in an Early Termination Payment Date under the Prepaid Energy Sales Agreement and the extraordinary redemption of the Bonds on the Mandatory Purchase Date. See “THE BONDS—*Redemption*” and “—*Tender—Mandatory Tender*”.

Security for the Bonds

The Bonds are issued pursuant to the authority contained in the Act and are issued and secured under a Trust Indenture, to be dated as of the first day of the month in which the Bonds are issued (the “*Indenture*”), between CCCFA and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”). The Bonds are special and limited obligations of CCCFA, are payable solely from and secured solely by the Trust Estate pledged by the Indenture and are expected to be paid from the revenues of the Clean Energy Project.

The payment of the principal of and premium, if any, and interest on the Bonds are secured by a pledge of all right, title and interest of CCCFA in and to the Trust Estate established by the Indenture, which Trust Estate includes (among other things) CCCFA’s rights under the Power Supply Contract (except for the right to receive the Project Administration Fee), the Revenues, any Termination Payment payable by the Energy Supplier under the Prepaid Energy Sales Agreement, CCCFA’s rights under the Receivables Purchase Provisions (as defined herein), CCCFA’s rights with respect to the Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty, if any, and the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein. The pledge of and lien on the Trust Estate in favor of the Bonds is subject to certain provisions of the Indenture. The Bonds are expected to be paid from the Revenues which (among other things) include the revenues received by CCCFA under the Power Supply Contract and the Prepaid Energy Sales Agreement, Commodity Swap Receipts received by the Trustee on behalf of CCCFA under the CCCFA Commodity Swap and interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund. The Revenues are to be applied in accordance with the priorities established under the Indenture, including the payment from the Revenues of the Operating Expenses (as defined herein) of the Clean Energy Project. The Indenture includes provisions for the application of various other amounts under the Clean Energy Project that do not constitute Revenues.

Among other funds and accounts, the Indenture establishes a Revenue Fund, an Operating Fund, a Debt Service Account within the Debt Service Fund and a Commodity Swap Payment Fund, and establishes the funding requirements therefor. Scheduled Debt Service Deposits are required to be made into the Debt Service Account and will be initially invested pursuant to the Debt Service Account Investment Agreement described herein. See “SECURITY FOR THE BONDS—*Investment of Funds*”.

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF CCCFA, THE MEMBERS OF CCCFA, THE PROJECT PARTICIPANT, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF CCCFA PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE, IN THE MANNER AND TO THE EXTENT PROVIDED FOR IN THE INDENTURE. CCCFA HAS NO TAXING POWER. SEE “SECURITY FOR THE BONDS”.

The Clean Energy Project

CCCFA is issuing the Bonds to finance the Clean Energy Project, which includes the cost of acquisition of a 30-year supply of EPS Compliant Energy (the “*Prepaid Energy*”) under a Prepaid Energy Sales Agreement between CCCFA and Energy Prepay [], LLC, a Delaware limited liability company (the “*Energy Supplier*”) and the sale thereof to the Project Participant as hereinafter described. The Energy Supplier is a special purpose entity organized for the sole purpose of undertaking various aspects of the Clean Energy Project. MSCG is the sole member of the Energy Supplier.

The Clean Energy Project is structured to assist the Project Participant to procure a long-term supply of EPS Compliant Energy at attractive prices. In order to do so, the Clean Energy Project includes a feature whereby the Project Participant will assign to the Energy Supplier, or to MSCG, a portion of the Project Participant’s rights and obligations (the “*Assigned Rights and Obligations*”) to receive certain quantities (“*Assigned Quantities*”) of EPS Compliant Energy (“*Assigned Energy*”), which assignments may include renewable energy credits (“*RECs*”), capacity, or other related products (collectively, “*Assigned Products*”) under existing and future power purchase agreements (“*PPAs*”). With respect to any such assignment to MSCG, MSCG will redeliver such Assigned Energy and other Assigned Products to the Energy Supplier to meet the Energy Supplier’s obligations to deliver Prepaid Energy to CCCFA under the Prepaid Energy Sales Agreement. CCCFA will then deliver such Assigned Energy and other Assigned Products to the Project Participant under its Power Supply Contract. See “THE CLEAN ENERGY PROJECT”.

Under an Energy Management Agreement (the “*Energy Management Agreement*”) between MSCG and the Energy Supplier, MSCG has agreed to sell electricity to the Energy Supplier on a pay-as-you-go basis in the quantities and at the delivery points necessary, and has agreed to provide the necessary related services, to enable the Energy Supplier to meet its electricity delivery, payment, remarketing and Receivables Purchase obligations under the Prepaid Energy Sales Agreement.

The Prepaid Energy Sales Agreement, the Power Supply Contract, the Energy Management Agreement, the Funding Agreement, the Debt Service Account Investment Agreement, the CCCFA Commodity Swap, the Indenture, the Receivables Purchase Provisions, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, the Funding Recipient, the Investment Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to

be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the CCCFA Commodity Swap.

For a summary of certain terms and provisions of the Prepaid Energy Sales Agreement, see “THE PREPAID ENERGY SALES AGREEMENT”.

The Project Participant

CCCFA has entered into a Power Supply Contract (the “*Power Supply Contract*”) for the sale of the Prepaid Energy with Silicon Valley Clean Energy Authority (“*SVCE*”), a joint powers authority and a community choice aggregator duly organized and existing under the laws of the State of California (the “*Project Participant*”). See “COMMUNITY CHOICE AGGREGATORS” for certain information with respect to California community choice aggregators. During the Delivery Period, the Project Participant will use the Prepaid Energy it purchases from CCCFA for sale to retail customers located in its established service area. For a summary of certain terms and provisions of the Power Supply Contract, see “THE POWER SUPPLY CONTRACT”. See APPENDIX A for certain information with respect to the Project Participant.

The Prepaid Energy Sales Agreement

General. During the Delivery Period, the Prepaid Energy Sales Agreement provides for monthly deliveries by the Energy Supplier to CCCFA of the Annual Quantity of Prepaid Energy. To the extent (a) the Annual Quantity has not been delivered for the then-current Contract Year as of the end of a Month, and (b) the Assigned Quantities delivered under the initially Assigned PPA or any future Assigned PPA for any month is less than the Monthly Projected Quantity for such month, the Energy Supplier will be obligated to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the result of the Day-Ahead Average Price minus any applicable Provisional Payment Fee (any such payment, a “*Provisional Payment*”). After the Annual Quantity has been delivered for any Contract Year, the Energy Supplier shall pay CCCFA the Day-Ahead Average Price with respect to any remaining Monthly Projected Quantities for any such Contract Year. Other than the Energy Supplier’s Provisional Payment obligation, neither CCCFA nor the Energy Supplier will have any liability or other obligation to one another for any failure to schedule, receive or deliver Assigned Energy, as further discussed under “The Prepaid Energy Sales Agreement — *Assignment of Power Purchase Agreements*” herein. To the extent that EPS Compliant Energy is not available for delivery pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier’s obligation to deliver the Assigned Products will be replaced with an obligation to deliver firm (LD) energy (“*Base Energy*”), and the Energy Supplier is obligated to remarket Base Energy under the Prepaid Energy Sales Agreement and remit the proceeds thereof to CCCFA. The Energy Supplier is also obligated to make payments to CCCFA for Base Energy not delivered or remarketed under the Prepaid Energy Sales Agreement, including for *Force Majeure* events.

Replacement of Initially Assigned PPA. In the event of any expiration or termination of the Initial Assigned Rights and Obligations, the Project Participant is required to use Commercially Reasonable Efforts to assign replacement Assigned Rights and Obligations to MSCG or the Energy Supplier for delivery of Assigned Energy equal to the Prepaid Quantities (“*Replacement Assigned Rights and Obligations*”). **Assigned Rights and Obligations are expected to be in place for the entirety of the Initial Reset Period, and Base Energy is not expected to be delivered during the Initial Reset Period.**

Provisional Payments and Energy Remarketing. In the event Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under an Assigned PPA, and the Annual

Quantity has not been delivered as of the end of that month, the Energy Supplier will be obligated to pay the Provisional Payment to CCCFA. To the extent that the Energy Supplier makes one or more Provisional Payments to CCCFA in any Contract Year and the Annual Quantity is not delivered in full within such Contract Year, the Energy Supplier will be deemed to have remarketed such Assigned Quantities not delivered (other than the amount that was not delivered due to Force Majeure) and to have purchased such Assigned Quantities for its own account (at a price equal to the weighted average price of such Provisional Payments), and such purchase will constitute a private-business use sale. In such case, the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of Energy. To the extent the Project Participant has not remediated the proceeds of any such sale within twelve months of the first day of the Month prior to the Month in which CCCFA or the Project Participant receives the proceeds of such sale, the Energy Supplier is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to Municipal Utilities.

In the event of any expiration or termination of an Assigned PPA, the Project Participant is required to use Commercially Reasonable Efforts to enter into a new limited assignment agreement relating to one or more additional PPAs, providing for the assignment of its rights to delivery of quantities of EPS Compliant Energy equivalent to the Prepaid Quantities for the term of such assignment. To the extent the Project Participant exercises Commercially Reasonable Efforts to enter into such a limited assignment but is unable to do so, then, subject to certain conditions, the Energy Supplier shall be obligated to remarket Base Energy and purchase such Base Energy for its own account at the applicable index price, and the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of energy. See “THE PREPAID ENERGY SALES AGREEMENT – *Energy Remarketing*” and “THE POWER SUPPLY CONTRACT – *Remarketing of Energy*”.

Base Energy is not expected to be delivered during the Initial Reset Period.

Termination of Energy Deliveries. The occurrence of an Energy Delivery Termination Event will automatically result in the termination of electricity deliveries under the Prepaid Energy Sales Agreement as of the date of such event (the “*Energy Delivery Termination Date*”). The events that constitute an Energy Delivery Termination Event are described under the caption “THE PREPAID ENERGY SALES AGREEMENT – *Energy Delivery Termination Events*” and include (among other things): (a) the occurrence of a Ledger Event; and (b) the designation of an early termination date under the Energy Management Agreement upon the occurrence of an MSCG Default or an Energy Supplier Default (an “*EMA Early Termination Date*”) and the Energy Supplier is unable to enter into a replacement Energy Management Agreement by the date that is 120 days following such EMA Early Termination Date.

If an Energy Delivery Termination Date occurs, the obligations of the Energy Supplier and CCCFA to deliver and receive electricity will terminate, and the Energy Supplier will be required to pay scheduled monthly amounts to CCCFA until the earlier of (a) the Month in which an Early Termination Payment Date occurs or (b) the last scheduled due date for such monthly amounts. Such scheduled monthly amounts are payable to the Trustee for deposit into the Revenue Fund and have been calculated to be sufficient, along with other funds anticipated to be on hand, to enable the Trustee to make the transfers required by the Indenture in respect of Scheduled Debt Service Deposits. *The use of these scheduled payments (in lieu of payments made by the Project Participant under the Power Supply Contract) to make Scheduled Debt Service Deposits and debt service payments on the Bonds could, under certain circumstances, adversely affect the continued tax-exempt status of interest on the Bonds.*

Early Termination of the Prepaid Energy Sales Agreement. The occurrence of an Acceleration Event will result in both an Energy Delivery Termination Date and an Early Termination Payment Date under the Prepaid Energy Sales Agreement. The events that constitute an Acceleration Event are described under the caption “THE PREPAID ENERGY SALES AGREEMENT—*Acceleration Events*” and include (among other things) (a) the acceleration of the Funding Recipient’s payment obligations under the Funding Agreement due to an Event of Default thereunder, (b) MSCG’s purchase of the Funding Agreement from the Energy Supplier following the occurrence of a Ledger Event or (c) the occurrence of a Failed Remarketing.

If an Acceleration Event occurs, except in the case of a Failed Remarketing, the Energy Supplier is required to pay a scheduled termination payment (the “*Termination Payment*”) to CCCFA on the last Business Day of the Month following the Month in which the Acceleration Event occurs (the “*Early Termination Payment Date*”). In the case of an Acceleration Event resulting from a Failed Remarketing, the Early Termination Payment Date will be the last business day of the current Interest Rate Period.

If an Early Termination Payment Date occurs, the Bonds will be subject to extraordinary mandatory redemption in whole on the first day of the next Month. The amount of the Termination Payment declines over time. The Termination Payment payable by the Energy Supplier, together with the amounts required to be on deposit in certain Funds and Accounts held by the Trustee, has been calculated to provide a sum at least sufficient to pay the Redemption Price of the Bonds, assuming that the Energy Supplier and the Funding Recipient pay their respective contract obligations when due. A performance shortfall from any one of these entities could result in a payment shortfall to Bondholders.

See “THE PREPAID ENERGY SALES AGREEMENT” and “THE BONDS — *Redemption* — *Extraordinary Mandatory Redemption*”. A schedule of the amount of the Termination Payment for each month during the initial Reset Period under the Prepaid Energy Sales Agreement is attached as APPENDIX I.

The Funding Agreement

The Energy Supplier will use proceeds from the prepayment it receives from CCCFA to purchase the [] (the “*Funding Agreement*”) from [] (“[]” or the “*Funding Recipient*”). Such amount will be deposited into the “Funding Account” established under the Funding Agreement and will earn a fixed rate of interest. The Funding Agreement will mature by its terms on the Business Day preceding the Mandatory Purchase Date of the Bonds (the “*Maturity Date*”) unless terminated earlier. The Funding Agreement provides for monthly withdrawals of scheduled amounts (the “*Scheduled Withdrawals*”) from the Funding Account, including a final Scheduled Withdrawal of the unamortized balance of the Funding Account on the Maturity Date or any earlier termination date of the Funding Agreement. For a summary of certain provisions of the Funding Agreement, see “THE FUNDING AGREEMENT.” For certain information regarding the Funding Recipient, see Appendix J.

The monthly Scheduled Withdrawals provide amounts sufficient to enable the Energy Supplier to meet its payment obligations (other than those in respect of the Receivables Purchase Provisions) under the Prepaid Agreement, the Energy Management Agreement and the Energy Supplier Commodity Swap.

No interests in or rights under the Funding Agreement are offered as a part of the offering of the Bonds. Neither the Trustee nor the Bondholders have any rights to enforce the Funding Agreement. See “Investment Considerations—Limitations on Exercise of Remedies.”

Energy Management Agreement

Under the Energy Management Agreement, MSCG has agreed to sell electricity to the Energy Supplier on a pay-as-you-go basis in the quantities and at the delivery points necessary to enable the Energy Supplier to meet its electricity delivery obligations under the Prepaid Energy Sales Agreement. MSCG has also agreed to remarket electricity and make payments to the Energy Supplier that enable it to meet its obligations under the Prepaid Energy Sales Agreement, including payments for Base Energy not delivered or taken under the Energy Management Agreement for any reason, including force majeure events. MSCG is appointed as the Energy Supplier's agent for taking all actions that the Energy Supplier is required or permitted to take under the Prepaid Energy Sales Agreement, the Energy Supplier Commodity Swap, the Re-Pricing Agreement and (with respect to ordinary course transactions) the Energy Management Agreement. MSCG's electricity delivery, payment, remarketing and Receivables Purchase obligations under the Energy Management Agreement mirror the corresponding obligations of the Energy Supplier under the Prepaid Energy Sales Agreement. The Energy Supplier may net any outstanding amounts due and owing to it by MSCG against its monthly payments to MSCG, but MSCG is not entitled to net any amounts due and owing to it against its monthly payments to the Energy Supplier. See "THE ENERGY MANAGEMENT AGREEMENT."

The Receivables Purchase Provisions

The Prepaid Energy Sales Agreement contains provisions (the "Receivables Purchase Provisions") designed to mitigate the risk of non-payment by the Project Participant under the Power Supply Contract. Upon a payment default by the Project Participant, the Receivables Purchase Provisions require CCCFA to put, and require the Energy Supplier, as Receivables Purchaser, to purchase, the amount equal to the non-payment by the Project Participant ("Put Receivables" or "Receivables"). Amounts received by the Trustee from the sale of Put Receivables will be deposited into the Revenue Fund and applied in accordance with the priorities established under the Indenture.

Under the Energy Management Agreement, MSCG has agreed to accept as payment from the Energy Supplier all Put Receivables purchased by the Energy Supplier under the Receivables Purchase Provisions.

See "THE PREPAID ENERGY SALES AGREEMENT—*Receivables Purchase Provisions*".

The Power Supply Contract

The Power Supply Contract provides for the sale to the Project Participant of the Prepaid Energy to be delivered to CCCFA over the term of the Prepaid Energy Sales Agreement. Such Prepaid Energy will be comprised of the Assigned Quantities under Assigned PPAs and, to the extent such Assigned Quantities are less than the Prepaid Quantities for any measurement period specified in the Power Supply Contract and the Energy Supplier is otherwise unable to deliver make-up quantities of EPS Compliant Energy, Base Energy. Under the Power Supply Contract, CCCFA has agreed to deliver, and the Project Participant has agreed to purchase, such Assigned Quantities and to cause the remarketing of any Base Energy during the Delivery Period. Base Energy is required to be remarketed under the Prepaid Energy Sales Agreement, subject to the requirements set forth therein. In the event that the Energy Supplier is unable to remarket any such Base Energy, the Energy Supplier has agreed to purchase such Base Energy for its own account.

The payments required to be made under the Power Supply Contract, together with any net amounts received by CCCFA under the CCCFA Commodity Swap described below, constitute the

primary and expected source of the Revenues pledged to the payment of the Bonds. The obligations of the Project Participant under the Power Supply Contract are payable solely from revenues of the Project Participant derived from its community choice aggregator power supply operations. Under the Power Supply Contract, the Project Participant makes payments directly to the Trustee for deposit into the Revenue Fund. See “THE POWER SUPPLY CONTRACT”.

THE OBLIGATION OF THE PROJECT PARTICIPANT TO MAKE PAYMENTS TO CCCFA UNDER THE POWER SUPPLY CONTRACT IS NOT, NOR SHALL IT BE CONSTRUED AS, A GUARANTY OR ENDORSEMENT OF OR A SURETY FOR, THE BONDS. SUCH OBLIGATION OF THE PROJECT PARTICIPANT IS NOT A GENERAL OBLIGATION OF THE PROJECT PARTICIPANT AND IS PAYABLE SOLELY FROM THE REVENUES DERIVED FROM SALES OF ENERGY TO THEIR CUSTOMERS. THE INDENTURE DOES NOT MORTGAGE THE CLEAN ENERGY PROJECT OR ANY TANGIBLE PROPERTIES OR ASSETS OF CCCFA OR THE PROJECT PARTICIPANT.

Re-Pricing Agreement

On the initial issue date of the Bonds, CCCFA and the Energy Supplier will enter into a Re-Pricing Agreement (the “*Re-Pricing Agreement*”), which provides for (a) the determination of Energy Delivery Periods subsequent to the Initial Reset Period to correspond to the related Interest Rate Periods on the Bonds (“*Reset Periods*”) and (b) the determination of the amount of the discount (in US Dollars per MWh) to the Index Price that will be available for such Reset Period (the “*Available Discount*”) for sales of Energy to the Project Participant under the Power Supply Contract during each Reset Period.

The Initial Reset Period under the Prepaid Energy Sales Agreement ends one month before the end of the Initial Interest Rate Period, and each subsequent Reset Period will end one month before the end of the corresponding Interest Rate Period. The Initial Reset Period begins on the first day of [] 202[]* and ends on the last day of [] 20[]* (the “*Initial Reset Period*”). See “The RE-PRICING AGREEMENT”.

Commodity Swaps

CCCFA Commodity Swap. CCCFA will enter into the CCCFA Commodity Swap under which CCCFA will pay a floating Energy price at a specified pricing point and will receive a fixed Energy price for the monthly notional quantities specified in the CCCFA Commodity Swap.

Energy Supplier Commodity Swap. The Energy Supplier will enter into the Energy Supplier Commodity Swap with the same Commodity Swap Counterparty under which the Energy Supplier pays a fixed price and the Commodity Swap Counterparty pays a floating price. The notional energy quantities under the Energy Supplier Commodity Swap match those under the CCCFA Commodity Swap and, accordingly, those under the Prepaid Energy Sales Agreement.

Term. The Commodity Swaps extend for the term of the Delivery Period under the Prepaid Energy Sales Agreement, but are subject to early termination upon the occurrence of certain events. Termination of either of the Commodity Swaps without replacement by CCCFA and the Energy Supplier will give rise to early termination rights under, and in some cases result in automatic termination of, the Prepaid Energy

* Preliminary; subject to change.

Sales Agreement, which would result in the extraordinary mandatory redemption of the Bonds pursuant to the Indenture.

Commodity Swap Counterparty. The commodity swap counterparty is [] (the “Commodity Swap Counterparty”). For a description of certain provisions of the Commodity Swaps, see “THE COMMODITY SWAPS.” For information regarding the Commodity Swap Counterparty, see “THE COMMODITY SWAP COUNTERPARTY.”

Custodial Agreements. CCCFA will enter into a Custodial Agreement (the “CCCFA Custodial Agreement”), with the Commodity Swap Counterparty, the Trustee and The Bank of New York Mellon Trust Company, N.A., as Trustee and as custodian (in such capacity, the “Custodian”) to administer payments under the CCCFA Commodity Swap. The Energy Supplier will enter into a separate Custodial Agreement with the Commodity Swap Counterparty, the Trustee and the Custodian, to administer payments under Energy Supplier Commodity Swap (the “Energy Supplier Custodial Agreement,” and together with the CCCFA Custodial Agreement, the “Custodial Agreements”). The Custodial Agreements contain provisions designed to mitigate risks to CCCFA and Bondholders resulting from a failure of a Commodity Swap Counterparty to make payments to CCCFA under the CCCFA Commodity Swap, and mitigate risks to the Energy Supplier resulting from a failure of a Commodity Swap Counterparty to make payments to the Energy Supplier under the Energy Supplier Commodity Swap. See “The Commodity Swaps—Custodial Agreements.”

The Energy Supplier, MSCG and MSCS

The Energy Supplier. The Energy Supplier is a Delaware limited liability company organized for the sole purpose of entering into the transactions on its part with respect to the Clean Energy Project. MSCG is the sole member of the Energy Supplier, and will provide initial funding to the Energy Supplier by the purchase of a subordinated note of the Energy Supplier described herein (the “Subordinated Note”) and a capital contribution of \$1,000,000. Morgan Stanley Capital Services LLC, a Delaware limited liability company (“MSCS”) will provide the Credit Default Swap described herein to the Energy Supplier in an amount that, together with the purchase price paid by MSCG to the Energy Supplier for the Subordinated Note and the capital contribution, equals at least three percent of the outstanding (unamortized) amount of the prepayment under the Prepaid Energy Sales Agreement (approximately \$[]* million as of the Initial Issue Date).

The Energy Supplier, MSCG, CCCFA and The Bank of New York Mellon, as custodian (the “Master Custodian”), will enter into a Master Custodial Agreement (the “Master Custodial Agreement”) to administer the amounts payable to the Energy Supplier under the Funding Agreement, the Energy Management Agreement, the Prepaid Energy Sales Agreement, the Energy Supplier Commodity Swap and certain other agreements. These amounts are required to be deposited into a separate account held by the Master Custodian and applied to the payment of the amounts due from the Energy Supplier under the Prepaid Energy Sales Agreement, the Energy Management Agreement and, if applicable, the Energy Supplier Commodity Swap.

MSCG. MSCG, pursuant to the Energy Management Agreement, will act as the upstream electricity supplier to the Energy Supplier in connection with the Clean Energy Project. MSCG is the sole member and the manager of the Energy Supplier. MSCG is an indirect, wholly-owned subsidiary of

* Preliminary; subject to change.

Morgan Stanley. MSCG is engaged, among other things, in client facilitation and market-making activities in commodities and commodity derivative contracts. MSCG is registered as a swap dealer with the CFTC. The short term and long term issuer ratings of MSCG are “A-1” and “A+” from S&P Global Ratings and “P-1” and “Aa3” from Moody’s.

MSCS. MSCS engages primarily in OTC derivative transactions as a market maker and provides trading related services to a broad range of customers and clients, including affiliates. MSCS is conditionally registered with the SEC as a security-based swap dealer and is registered as an OTC derivative dealer. MSCS is also registered with the CFTC as a swap dealer and is a member with ICE Clear Europe Ltd, ICE Clear Credit, LLC and LCH Clearnet Group Ltd. MSCS is an indirect subsidiary of Morgan Stanley. The short term and long term issuer ratings of MSCS are “A-1” and “A+” from S&P Global Ratings and “P-1” and “Aa3” from Moody’s.

See “THE ENERGY SUPPLIER, MSCG, MSCS AND MORGAN STANLEY” and “THE PREPAID ENERGY SALES AGREEMENT—*Security*”.

Certain Relationships

The Energy Supplier, which is also the Receivables Purchaser, under the Prepaid Agreement the lender under the Funding Agreement, the electricity purchaser under the Energy Management Agreement and a party to the Energy Supplier Commodity Swap, is wholly owned by MSCG. MSCG is the sole member of the Energy Supplier and the electricity seller and Receivables Purchaser under the Energy Management Agreement, and is a wholly owned subsidiary of Morgan Stanley. Morgan Stanley & Co. LLC (“*MS&Co.*”), the Underwriter, is a wholly owned subsidiary of Morgan Stanley. Morgan Stanley Capital Services, LLC (“*MSCS*”), which is the counterparty to the Credit Default Swap (defined below), is a wholly-owned subsidiary of Morgan Stanley. The payment obligations of MSCG under the Energy Management Agreement are unconditionally guaranteed by the Morgan Stanley Guarantee.

The relationships described above could create one or more conflicts of interest or the appearance of such conflicts.

This Official Statement includes information regarding and descriptions of CCCFA, the Clean Energy Project, the Energy Supplier, MSCG, MSCS, Morgan Stanley, the Commodity Swap Counterparty, the Funding Recipient, the Project Participant and the Bonds, and summaries of certain provisions of the Indenture, the Power Supply Contract, the Prepaid Energy Sales Agreement, the Commodity Swaps, the Funding Agreement, the Energy Management Agreement, the Receivables Purchase Provisions, the Re-Pricing Agreement, the Debt Service Account Investment Agreement and the Custodial Agreements referred to herein. Such descriptions and summaries do not purport to be complete or definitive, and such summaries are qualified by reference to such documents. Certain of these documents are available to prospective investors during the initial offering period of the Bonds and thereafter to Bondholders, in each case upon request to CCCFA. Descriptions of the Indenture, the Bonds, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swaps, the Funding Agreement, the Energy Management Agreement, the Debt Service Account Investment Agreement, the Custodial Agreements, the Receivables Purchase Provisions and the Re-Pricing Agreement, and are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of police and regulatory powers by federal and state authorities.

This Official Statement describes the terms of the Bonds only during the Initial Interest Rate Period and must not be relied upon after the Bonds are converted to another Interest Rate Period.

THE CLEAN ENERGY PROJECT

CCCFA is issuing the Bonds to finance the Clean Energy Project, which includes the cost of acquisition of approximately 30-year supply of EPS Compliant Energy (the “*Prepaid Energy*”) under a Prepaid Energy Sales Agreement between CCCFA and Energy Prepay [____], LLC, a Delaware limited liability company (the “*Energy Supplier*”) and the sale thereof to the Project Participant as hereinafter described. The term “*EPS Compliant Energy*” means three-phase, 60-cycle alternating current electric energy (“*Energy*”) that the Project Participant can contract for and purchase in compliance with California’s Emissions Performance Standards (“*EPS*”), as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law, that are applicable to the Project Participant.

Pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier is obligated to deliver specified quantities of Prepaid Energy to CCCFA each Contract Year (the “*Prepaid Quantities*”), make certain payments for any Prepaid Quantities not delivered, remarket Prepaid Quantities not taken by the Project Participant and make a Termination Payment upon any early termination of the Prepaid Energy Sales Agreement in whole. Any such Termination Payment will be applied to the mandatory redemption of the Bonds in whole. For a summary of certain terms and provisions of the Prepaid Energy Sales Agreement, see “THE PREPAID ENERGY SALES AGREEMENT”.

CCCFA has entered into a Power Supply Contract (the “*Power Supply Contract*”) for the sale of the Prepaid Energy with the Project Participant. During the Delivery Period, the Project Participant will use the Prepaid Energy it purchases from CCCFA for sale to retail customers located in its established service area. For a summary of certain terms and provisions of the Power Supply Contract, see “THE POWER SUPPLY CONTRACT”. See APPENDIX A for certain information with respect to the Project Participant.

Assignment of Power Purchase Agreements by the Project Participant

California’s EPS regulations, codified as Senate Bill 1368 (2006) (“*SB 1368*”) prevents all California utilities, both privately and publicly owned, from signing long-term contracts from a specified source with a greenhouse gas emissions greater per unit of power than the emissions of greenhouse gases for combined-cycle natural gas baseload generation or from an unspecified source. For baseload generation procured under contracts, a long-term commitment is a contract of five years or longer, and the Project Participant has adopted long-term plans for the procurement of EPS Compliant Energy.

Right to Assign Existing and Future Power Purchase Agreements. The Clean Energy Project is structured to assist the Project Participant to procure a long-term supply of EPS Compliant Energy at attractive prices. In order to do so, the Clean Energy Project includes a feature whereby the Project Participant will assign to the Energy Supplier, or to MSCG, a portion of the Project Participant’s rights and obligations (the “*Assigned Rights and Obligations*”) to receive certain quantities (“*Assigned Quantities*”) of EPS Compliant Energy (“*Assigned Energy*”), together with associated renewable energy credits (“*RECs*”), capacity, or other related products (collectively, “*Assigned Products*”) under existing and future power purchase agreements (“*PPAs*”). With respect to any such assignment to MSCG, MSCG will redeliver such Assigned Energy and other Assigned Products to the Energy Supplier to meet the Energy

Supplier's obligations to deliver Prepaid Energy to CCCFA under the Prepaid Energy Sales Agreement. CCCFA will then deliver such Assigned Energy and other Assigned Products to the Project Participant under its Power Supply Contract. In connection with the execution of the Prepaid Energy Sales Agreement and the Power Supply Contract, the Project Participant expects to enter into a limited assignment agreement (each, an "*Assignment Agreement*") relating to a specific PPA (the "*Initial Assignment Agreement*") among the Project Participant, the Energy Supplier and MSCG, as seller under the Initial Assignment Agreement, to assign the Assigned Rights and Obligations (the "*Initial Assigned Rights and Obligations*") to the Energy Supplier beginning [_____] 1, 20[____]* and ending [_____] 20[____]*.

In the event of any expiration, termination or anticipated termination of Assigned Rights and Obligations under the Assigned PPAs, the Project Participant is obligated to exercise Commercially Reasonable Efforts to assign Replacement Assigned Rights and Obligations to MSCG for delivery of EPS Compliant Energy to the Energy Supplier. The Project Participant has or expects to have additional power purchase agreements pursuant to which it purchases or expects to purchase EPS Compliant Energy and wherein its rights and obligations thereunder could be assigned to MSCG.

In the event of a termination of the Prepaid Energy Sales Agreement, the rights, title and interest under the Assigned PPAs will revert back to the Project Participant, who may continue to receive the EPS Compliant Energy delivered under such agreements at the price payable under the applicable Assigned PPA. In the event of a termination of an Assignment Agreement and the reversion of the related Assigned Rights and Obligations under an Assigned PPA to the Project Participant, no termination payment will be required to be made by CCCFA, the Energy Supplier or MSCG, provided that MSCG shall remain responsible for payment of any Assigned Product delivered prior to such termination.

Structure of the Clean Energy Project

The Prepaid Energy Sales Agreement, the Power Supply Contract, the Debt Service Account Investment Agreement, the CCCFA Commodity Swap, the Custodial Agreements, the Indenture, the Receivables Purchase Provisions, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, the Funding Recipient, MSGC, the Investment Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the CCCFA Commodity Swap. These arrangements include:

- The Energy Supplier is required to deliver Prepaid Energy under the Prepaid Energy Sales Agreement to CCCFA such that CCCFA can meet its obligations to the Project Participant under the Power Supply Contract. In the event Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under the Assigned PPAs, the Energy Supplier will be required to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the applicable index price. In the event the Energy Supplier fails to deliver Base Energy that is not otherwise required to be remarketed for any reason, including *force majeure* events, it is required to pay certain specified amounts to CCCFA.

* Preliminary; subject to change.

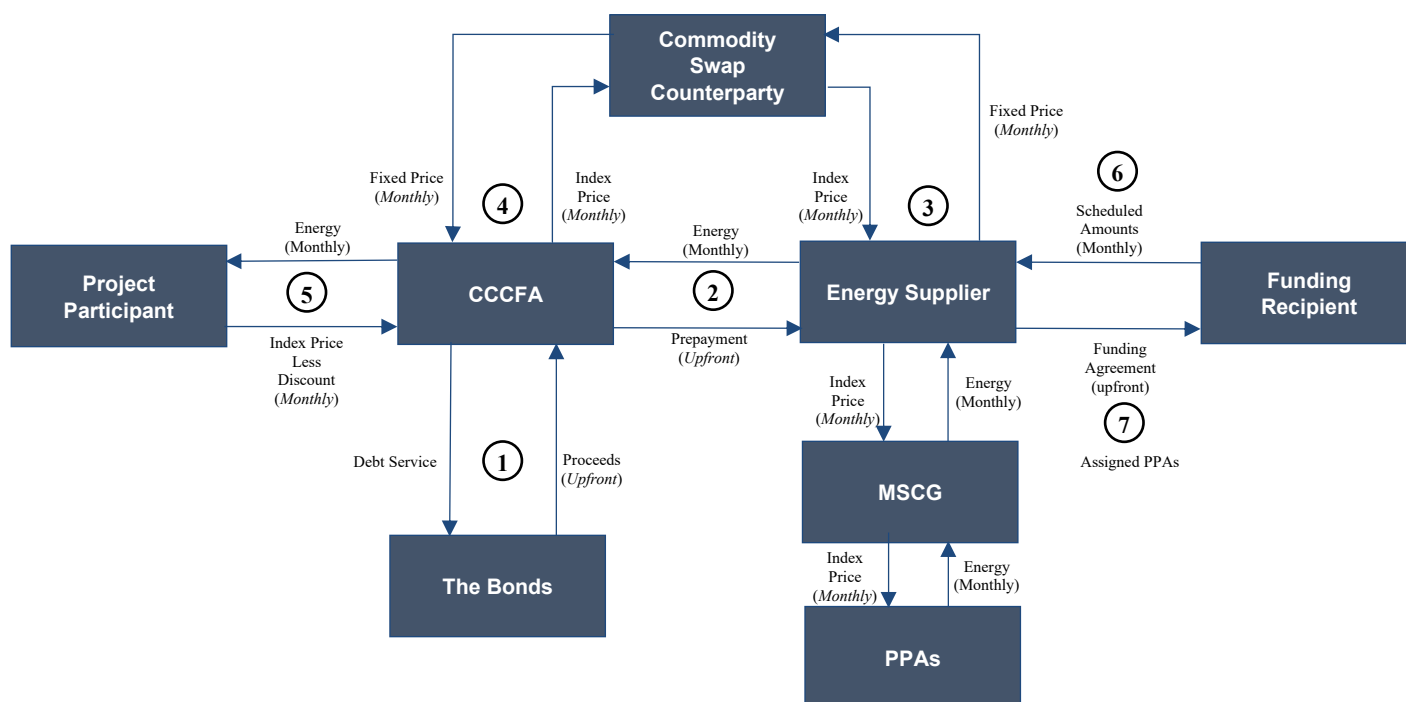
- The Funding Recipient is required to make scheduled monthly payments under the Funding Agreement which will provide the Energy Supplier with amounts sufficient to make the payments it is required to make to MSCG under the Energy Management Agreement and to the Commodity Swap Counterparty under the Energy Supplier Commodity Swaps.
- The Project Participant has agreed to pay the Contract Price each month for the Assigned Quantities actually delivered in such month pursuant to the Power Supply Contract. In the event the Project Participant fails to pay when due any amounts owed under its Power Supply Contract, CCCFA has covenanted in the Indenture to exercise its right under the Power Supply Contract to suspend further deliveries of Prepaid Energy to the Project Participant and to give notice to the Energy Supplier to remarket such Prepaid Energy.
- In the event the Project Participant fails to pay when due any amounts owed under the Power Supply Contract, the Trustee is obligated to sell and the Energy Supplier is obligated to purchase Put Receivables in the amount of the Project Participant's non-payment. Under the Energy Management Agreement, MSCG has agreed to purchase all Put Receivables purchased by the Energy Supplier.
- In the event of a suspension of Prepaid Energy deliveries to the Project Participant, the Energy Supplier will remarket Base Energy pursuant to the Prepaid Energy Sales Agreement. The Prepaid Energy Sales Agreement requires specified payments for all Base Energy remarketed or purchased, less certain applicable fees.
- If the Commodity Swap Counterparty does not make a required payment under the CCCFA Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian under the terms of the Energy Supplier Custodial Agreement will pay the amount that the Energy Supplier paid under the Energy Supplier Commodity Swap (or in the event of termination of the Energy Supplier Commodity Swap, the amount that the Energy Supplier paid into the custodial account as if such Energy Supplier Commodity Swap were still in effect), which amount is held in custody, to the Trustee for deposit in the Revenue Fund pursuant to the Indenture, and such payment will be treated as a Commodity Swap Receipt.
- If an Energy Delivery Termination Date occurs under the Prepaid Energy Sales Agreement, the Energy Supplier is required to pay scheduled monthly amounts to CCCFA in lieu of Energy deliveries, which amounts are sufficient to enable CCCFA to make the Scheduled Debt Service Deposits required by the Indenture.
- If the Prepaid Energy Sales Agreement is terminated early, such termination will happen in conjunction with either the acceleration or final maturity of the Funding Agreement, at which time the Funding Recipient will be required to pay the Energy Supplier the final amount payable under the Funding Agreement, or the purchase by MSCG of the Funding Agreement from the Energy Supplier, which in any case will enable the Energy Supplier to pay the scheduled Termination Payment to CCCFA, as further described below.
- [____], as provider of the Debt Service Account Investment Agreement (the "*Investment Agreement Provider*") is required to make timely payment of scheduled

amounts due under the Debt Service Account Investment Agreement which, together with other Revenues, provide sufficient monies to CCCFA to pay debt service.

The Prepaid Energy Sales Agreement provides certain energy delivery termination events (each, an “*Energy Delivery Termination Event*”) and certain acceleration events (each, an “*Acceleration Event*”). Upon the occurrence of an Energy Delivery Termination Event under the Prepaid Energy Sales Agreement, the obligation of the Energy Supplier and CCCFA to deliver and take Energy shall terminate, and if the Prepaid Energy Sales Agreement terminates as a result of an Acceleration Event, the Energy Supplier is required to pay the scheduled Termination Payment on the Early Termination Payment Date. In the event the Prepaid Energy Sales Agreement is terminated, the Bonds are to be redeemed at their Amortized Value plus accrued interest to the redemption date, regardless of reinvestment rates at the time. See “THE BONDS—*Redemption—Extraordinary Mandatory Redemption.*”

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CLEAN ENERGY PROJECT TRANSACTION STRUCTURE



Transaction Overview

- Bond Issuance:** CCCFA issues the Bonds to fund the prepayment for Energy, pay capitalized interest, and pay costs of issuance. The Bonds will bear interest at fixed interest rates during the Initial Interest Rate Period.
- Prepayment:** CCCFA will apply bond proceeds to prepay Energy Supplier for approximately 30 years of Energy deliveries. Under the Prepaid Energy Sales Agreement, Energy Supplier will be obligated to (a) deliver specified annual quantities of Energy each Contract Year, to be delivered on a monthly basis, to CCCFA for approximately 30 years; (b) make payments for (i) projected monthly quantities of Assigned Energy that are not delivered and (ii) hourly quantities of Base Energy that are remarketed based on the applicable index price; and (c) make a termination payment upon any early termination of the Prepaid Energy Sales Agreement, including upon a Failed Remarketing, as described herein.
- Energy Supplier Commodity Swap:** Energy Supplier enters into the Energy Supplier Commodity Swap with the Commodity Swap Counterparty to facilitate Energy Supplier's ability to purchase at index prices the specified Energy quantities required to be delivered each month throughout the term of the Prepaid Energy Sales Agreement. Payments from Energy Supplier to the Commodity Swap Counterparty under the Energy Supplier Commodity Swap will be held in trust in a third-party custodial account under the Energy Supplier Custodial Agreement and released only upon the Commodity Swap Counterparty's payment to CCCFA under the CCCFA Commodity Swap. In the event of non-payment by the Commodity Swap Counterparty, the Energy Supplier payment to the custodial account will be transferred to the Revenue Fund under the Indenture and treated as a Commodity Swap Receipt.
-
- CCCFA Commodity Swap:** CCCFA enters into the CCCFA Commodity Swap with the Commodity Swap Counterparty to facilitate its ability to sell specified Energy quantities required to be delivered to the Project Participant at index prices, creating the economic effect of fixing the discount below the index (market) price at which Energy is sold to the Project Participant. The CCCFA Commodity Swap enables CCCFA to sell prepaid quantities to the Project Participant at index prices while ensuring that the net revenues from Project Participant payments and the CCCFA Commodity Swap always equal or exceed debt service regardless of the index price of Energy at the time. Quantities, term, and delivery points for CCCFA Commodity Swap mirror those of the Energy Supplier Commodity Swap.
- Project Participant:** Under the Power Supply Contract, CCCFA will sell to the Project Participant all of the Energy delivered by the Energy Supplier on a pay-as-you-go basis at an index price less specified discounts determined to ensure that the month's net Energy sale revenues (net of swap payments and receipts) will enable CCCFA to make scheduled deposits to the Debt Service Account.
- Funding Agreement:** The Energy Supplier will use a portion of the prepayment proceeds it receives to purchase a [] (the "Funding Agreement") from [] (the "Funding Recipient"). The Scheduled Withdrawals payable under the Funding Agreement provide amounts sufficient to enable the Energy Supplier to meet its monthly electricity purchase obligations under the Energy Management Agreement and the payments, if any, due under the Energy Supplier Commodity Swap. The Funding Agreement provides a fixed interest rate for a period equal to the Initial Interest Rate Period on the Bonds and will mature at the end of such period. The unamortized balance of the Funding Account established under the Funding Agreement is payable to the Energy Supplier on the maturity date or any early termination date of the Funding Agreement.
- Assigned PPAs:** The Project Participant is expected to assign its rights to receive EPS Compliant Energy under existing and future PPAs to the Energy Supplier (or, if MSCG is not the seller under the applicable PPA, to MSCG for delivery of the Assigned Product to the Energy Supplier) in order for the Energy Supplier to meet its obligation to deliver EPS Compliant Energy to CCCFA under the Prepaid Energy Sales Agreement.

The cumulative effect of the Prepaid Energy Sales Agreement, the CCCFA Commodity Swap, the Power Supply Contract and related documents enables CCCFA to receive dependable Energy supplies at a discount below market prices for sale to the Project Participant. The resulting monthly net revenues, regardless of changes in Energy prices, are expected to be adequate to pay Debt Service requirements on the Bonds and program expenses when due.

DESIGNATION OF BONDS AS GREEN BONDS

Green Bonds Designation

Per the International Capital Market Association (“ICMA”), Green Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects and which are aligned with the four core components of the Green Bond Principles. The four core components are: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; and 4. Reporting.

Kestrel has determined that the Bonds are in conformance with the four core components of the ICMA Green Bond Principles, as described in Kestrel’s “Second Party Opinion”, which is attached hereto as APPENDIX F.

Independent Second Party Opinion on Green Bond Designation and Disclaimer

For over 23 years, Kestrel has been consulting in sustainable finance. Kestrel, a division of Kestrel 360, Inc. is an Approved Verifier accredited by the Climate Bonds Initiative and the market leader for Second Party Opinions in US public finance. Kestrel reviews transactions in all asset classes worldwide for alignment with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and the Climate Bonds Initiative Standards and Criteria. Municipal bonds are benchmarked with Kestrel Sustainability Intelligence™.

The Second Party Opinion issued by Kestrel does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the Bonds. Designations by Kestrel are not a recommendation to any person to purchase, hold, or sell the Bonds and such labeling does not address the market price or suitability of these bonds for a particular investor and does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second Party Opinion, Kestrel has assumed and relied upon the accuracy and completeness of the information made publicly available by CCCFA, the Project Participant, or that was otherwise made available to Kestrel.

INVESTMENT CONSIDERATIONS

The purchase of the Bonds involves certain investment considerations discussed throughout this Official Statement. Prospective purchasers of the Bonds should make a decision to purchase the Bonds only after reviewing the entire Official Statement and making an independent evaluation of the information contained herein. Certain of those investment considerations are summarized below. This summary does not purport to be complete, and the order in which the following investment considerations are presented is not intended to reflect their relative significance.

Special and Limited Obligations

The Bonds are special, limited obligations of CCCFA and are payable solely from and secured solely by the Trust Estate pledged pursuant to the Indenture. The Trust Estate includes only the proceeds, revenues, funds and rights related to the Clean Energy Project, as described under “SECURITY FOR THE BONDS — The Indenture” below and does not include any other revenues or assets of CCCFA. The Bonds are not general obligations of CCCFA, and CCCFA has no taxing power.

Only CCCFA is obligated to pay the Bonds. The Project Participant is not obligated to make payments in respect of the debt service on the Bonds. The Project Participant is obligated only to purchase and pay for Prepaid Energy tendered for delivery by CCCFA at the applicable Contract Price set forth in the Power Supply Contract. None of the Energy Supplier, MSCG, nor the Funding Recipient is obligated to make debt service payments on the Bonds, and none of them has guaranteed payment of the Bonds.

The amounts required to be on deposit in certain Funds and Accounts held by the Trustee under the Indenture are calculated to be sufficient to pay the Purchase Price or the Redemption Price of all Bonds on the Mandatory Purchase Date, assuming that the Energy Supplier, the Funding Recipient, and the Investment Agreement Provider pay and perform their respective contract obligations when due. Any failure to pay the purchase price or the Redemption Price of all of the Bonds on the Mandatory Purchase Date will result in an Event of Default under the Indenture.

Structure of the Clean Energy Project

The Prepaid Energy Sales Agreement, the Energy Management Agreement, the Power Supply Contract, the Funding Agreement, the Debt Service Account Investment Agreement, the CCCFA Commodity Swap, the Indenture, the Receivables Purchase Provisions, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, MSCG, the Funding Recipient, the Investment Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the CCCFA Commodity Swap. See “THE CLEAN ENERGY PROJECT – Structure of the Clean Energy Project”.

The Prepaid Energy Sales Agreement provides certain Energy Delivery Termination Events and certain Acceleration Events. Upon the occurrence of an Energy Delivery Termination Event under the Prepaid Energy Sales Agreement, the obligation of the Energy Supplier and CCCFA to deliver and take Energy shall terminate, and if the Prepaid Energy Sales Agreement is terminated as a result of an Acceleration Event, the Energy Supplier is required to pay the scheduled Termination Payment on the Early Termination Payment Date. In the event the Prepaid Energy Sales Agreement is terminated, the Bonds are to be redeemed at their Amortized Value plus accrued interest to the redemption date, regardless of reinvestment rates at the time. See “THE BONDS—Redemption—Extraordinary Mandatory Redemption” and “THE PREPAID ENERGY SALES AGREEMENT—Termination” and “—Termination Payment.”

Performance by Others

During the Initial Interest Rate Period, the ability of CCCFA to pay timely the scheduled debt service on the Bonds depends on the timely performance and payment by (a) the Energy Supplier under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, and the Energy

Supplier Commodity Swap, and (b) the Investment Agreement Provider under the Debt Service Account Investment Agreement. The failure by any one or more of such parties to meet such obligations could materially and adversely affect the ability of CCCFA to pay timely the scheduled debt service on the Bonds, and to meet its other obligations under the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract and, if applicable, the CCCFA Commodity Swap.

The ability of the Energy Supplier to meet its payment obligations under the Prepaid Energy Sales Agreement, the Energy Management Agreement and the Energy Supplier Commodity Swap will depend directly and materially on timely payment by the Funding Recipient of the amounts due on the Funding Agreement. A failure by the Funding Recipient to pay any amounts when due under the Funding Agreement will result in an insufficiency of funds being available to the Energy Supplier for the performance of its obligations under the Prepaid Energy Sales Agreement, the Energy Management Agreement and the Energy Supplier Commodity Swap. Nonperformance by the Energy Supplier under these agreements should, in turn, be expected to result in nonperformance by CCCFA of its obligations under the Power Supply Contract and an insufficiency in the revenues necessary for the payment of debt service on the Bonds. The obligations of CCCFA with respect to the Bonds are limited to the revenues and funds available in the Trust Estate as described above, and none of the Energy Supplier, the Funding Recipient, MSCG, MSCS, or Morgan Stanley is obligated to cure any default in the payment of the Bonds, and none of them has guaranteed payment of the Bonds.

A default on the payment of Debt Service could also result from failure by the Investment Agreement Provider to make timely payments of amounts due and payable under the Debt Service Account Investment Agreement.

Certain events and conditions outside of the control of CCCFA could also result in an Acceleration Event under the Prepaid Energy Sales Agreement, which will cause the extraordinary mandatory redemption of the Bonds, including an event of default by the Funding Recipient under the Funding Agreement that results in the acceleration of the Funding Agreement. For a complete list of Acceleration Events, see “THE PREPAID ENERGY SALES AGREEMENT – Termination.”

Upon the early termination of the Prepaid Energy Sales Agreement as a result of an Acceleration Event, the Energy Supplier will be obligated to pay the scheduled Termination Payment on the Early Termination Payment Date. The scheduled amount of the Termination Payment, together with the amounts required to be on deposit in certain Funds and Accounts held by the Trustee, has been calculated to provide CCCFA with an amount at least sufficient to redeem all of the Bonds, assuming that the Energy Supplier and the Investment Agreement Provider pay and perform their contract obligations when due.

In the case of a Failed Remarketing and a mandatory redemption of the Bonds on the Mandatory Purchase Date, the amounts required to be on deposit in certain Funds and Accounts held by the Trustee under the Indenture are calculated to be sufficient to pay the Redemption Price of all Bonds on the Mandatory Purchase Date, assuming that the Energy Supplier and the Investment Agreement Provider pay and perform their respective contract obligations when due. Any failure to pay the Purchase Price or the Redemption Price of all of the Bonds on the Mandatory Purchase Date will result in an Event of Default under the Indenture.

Energy Remarketing

In the event the Project Participant is in default under the Power Supply Contract or does not require or is unable to receive all or any portion of its applicable Contract Quantity under the Power Supply Contract

for certain reasons described below under “The Power Supply Contract – Remarketing of Energy” or if the Assigned Energy for any measurement period during the term of the Prepaid Energy Sales Agreement is less than the quantity of Prepaid Energy required to be delivered during such period, the Energy Supplier is required to use Commercially Reasonable Efforts to deliver Base Energy or Assigned Energy, as applicable, for remarketing under the terms of the Prepaid Energy Sales Agreement.

The Energy Supplier must remarket any Base Energy required to be delivered under the Prepaid Energy Sales Agreement. In the event the Energy Supplier is unable to remarket such Base Energy, it has agreed to purchase such Base Energy for its own account. The Energy Supplier is required to (a) enter all remarketing sales or purchases of Base Energy on a ledger system that tracks compliance with the requirements of the U.S. Treasury Regulations applicable to tax-exempt bonds that finance Prepaid Energy supplies, and (b) remediate any non-complying sales (i.e., non-qualifying use sales and private business use sales) through “qualifying use” sales within two years. See “INTRODUCTION – *Energy Remarketing*”, “THE PREPAID ENERGY SALES AGREEMENT – *Provisional Payments and Energy Remarketing*”, and “THE POWER SUPPLY CONTRACT – *Remarketing of Energy*”.

Base Energy is not expected to be delivered during the Initial Reset Period.

The Energy Supplier has agreed to use Commercially Reasonable Efforts to remarket electricity to Municipal Utilities pursuant to provisions that are intended to maintain the tax exempt status of interest on the Bonds, but, if the Energy Supplier cannot do so, the Energy Supplier is also permitted to remarket electricity to other governmental entities in non-private business use sales, although it is not required to remarket electricity to any such other governmental entity for a price (net of transportation and other costs) that is anticipated to be less than the applicable index price. If the Energy Supplier is unable to remarket all or any portion of the electricity designated for remarketing in qualifying sales to Municipal Utilities or to other governmental entities in non-private business use sales, it must purchase such electricity. Under certain circumstances and upon reaching certain thresholds that are not timely remediated, the remarketing of electricity to entities other than Municipal Utilities could result in a Ledger Event under the Prepaid Energy Sales Agreement.

The Energy Supplier will depend upon performance by MSCG under the Energy Management Agreement to meet its electricity remarketing obligations under the Prepaid Energy Sales Agreement, including particularly the ability of MSCG to remarket electricity to Municipal Utilities (as defined in the Prepaid Energy Sales Agreement) and to remediate any non-complying sales in order to avoid the occurrence of a Ledger Event under the Prepaid Energy Sales Agreement. In the event that any non-complying remarketing sales of electricity are not remediated within two years and exceed certain cumulative limits, a Ledger Event will occur, subject to certain provisions of the Prepaid Energy Sales Agreement.

The occurrence of a Ledger Event will result in an Energy Delivery Termination Event, and MSCG will have the option to purchase the Funding Agreement from the Energy Supplier, which will result in an Acceleration Event and extraordinary mandatory redemption of the Bonds. If a Ledger Event occurs and MSCG does not elect to purchase the Funding Agreement, MSCG will be obligated to pay the Energy Supplier, and the Energy Supplier will be obligated to pay CCCFA, scheduled Ledger Event Payments calculated to provide a sum sufficient (together with the interest component of the Scheduled Debt Service Deposits) to enable CCCFA to pay interest on the Bonds at the Increased Interest Rate of 8% per annum. The Indenture provides that, subject to CCCFA’s receipt of such Ledger Event Payments from the Energy Supplier, interest on the Bonds will be paid at the Increased Interest Rate after the occurrence of a Ledger

Event. See “THE PREPAID ENERGY SALES AGREEMENT—Energy Remarketing” and “—Ledger Event,” “THE ENERGY MANAGEMENT AGREEMENT—MSCG as Agent” and “THE BONDS—Increased Interest Rate Upon Ledger Event.”

Limitations on Exercise of Remedies

The remedies available to CCCFA under the Prepaid Energy Sales Agreement are limited to those described herein. The remedies available to the Trustee, CCCFA and the Holders of the Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory provisions and judicial decisions, the remedies provided in the Indenture may not be readily available or may be limited. CCCFA has no rights to enforce the provisions of the Funding Agreement or the Energy Management Agreement. Neither the Trustee nor the Bondholders have any rights to enforce the Funding Agreement or the Energy Management Agreement. None of CCCFA, the Trustee nor the Bondholders have any right to enforce the Morgan Stanley Guarantee.

Enforceability of Contracts

The enforceability of the various legal agreements relating to the Clean Energy Project may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors or secured parties generally, by the exercise of judicial discretion in accordance with general principles of equity and by principles of equity, public policy and commercial reasonableness. The Prepaid Energy Sales Agreement and other agreements relating to the Clean Energy Project are executory contracts. If CCCFA, the Energy Supplier, MSCG, Morgan Stanley, the Funding Recipient, the Commodity Swap Counterparty, the Project Participant or any of the parties with which CCCFA has contracted under such agreements (including the Prepaid Energy Sales Agreement) is involved in a bankruptcy proceeding, the relevant agreement could be discharged in return for a claim for damages against the party's estate with uncertain value. In particular, an insolvency event with respect to the Funding Recipient that results in a delay or a reduction in the payments due under the Funding Agreement will result in insufficient amounts being available for the payment of the Bonds, whether on a Bond Payment Date, the Mandatory Tender Date or any extraordinary redemption date. In the event that CCCFA is involved in an insolvency proceeding, the exercise of the remedies afforded to the Trustee under the Indenture may be stayed, and the availability of the Revenues necessary for the payment of the Bonds could be materially and adversely affected.

No Established Trading Market

The Bonds constitute a new issue with no established trading market. The Bonds have not been registered under the Securities Act of 1933 in reliance upon exemptions contained therein. Although the Underwriter has informed CCCFA that it currently intends to make a market in the Bonds, they are not obligated to do so and may discontinue any such market making at any time without notice. There can be no assurance as to the development or liquidity of any market for the Bonds. If an active public market does not develop, the market price and liquidity of the Bonds may be adversely affected.

Loss of Tax Exemption on the Bonds

As described below, the opinion of Bond Counsel with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes is based on current legal authority, covers certain

matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (the "IRS") or the courts and is not a guarantee of a result.

The Indenture, CCCFA's Tax Agreement with respect to the Bonds, the Prepaid Energy Sales Agreement and the Power Supply Contract contain various covenants and agreements on the part of CCCFA, the Energy Supplier and the Project Participant that are intended to establish and maintain the tax-exempt status of the Bonds. CCCFA, the Energy Supplier and the Project Participant have each agreed to abide by the various covenants and agreements designed to protect the tax-exempt status of the Bonds. A failure by CCCFA, the Energy Supplier and the Project Participant to comply with such covenants and agreements could, directly or indirectly, adversely affect the tax-exempt status of the Bonds.

In particular, if the Project Participant requests, or is deemed to have requested, a remarketing of Energy under the Power Supply Contract, and in the event that any non-complying Energy remarketing sales are not remediated within two years and exceed certain cumulative limits, a Ledger Event will occur, subject to certain provisions of the Prepaid Energy Sales Agreement. Upon the occurrence of a Ledger Event, if and MSCG does not purchase the Funding Agreement, MSCG will be required to make Ledger Event Payments to enable CCCFA to pay interest on the Bonds at the Increased Interest Rate. The occurrence of Ledger Event could, under certain circumstances, adversely affect the continued tax-exempt status of interest on the Bonds, if there is not an extraordinary mandatory redemption of the Bonds or other qualified remedial action. See "The Master Power Supply Agreement – *Electricity Remarketing*" and "– *Ledger Event*," "The Energy Management Agreement – *MSCG as Agent*" and "– *Additional Amounts Payable Following a Ledger Event*," and "The Bonds – *Increased Interest Rate Upon Ledger Event*."

Furthermore, the Prepaid Energy Sales Agreement provides for circumstances where Energy deliveries under the Prepaid Energy Sales Agreement would cease and the Energy Supplier would make scheduled monthly payments to CCCFA in order to pay debt service on the Bonds. The use of these scheduled payments (in lieu of payments made by the Project Participant under the Power Supply Contract) to make debt service payments could, under certain circumstances, adversely affect the continued tax-exempt status of interest on the Bonds.

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS may treat CCCFA as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Any loss of the tax-exempt status of the Bonds could be retroactive to the date of issuance of the Bonds and could cause all of the interest on the Bonds to be includable in gross income for purposes of federal income taxation. *The loss of the tax-exempt status of the Bonds is not an Acceleration Event under the Prepaid Energy Sales Agreement and will not result in a mandatory redemption of the Bonds.* See "THE PREPAID ENERGY SALES AGREEMENT" and "TAX MATTERS".

SECURITY FOR THE BONDS

The Indenture

The Bonds are secured under the Indenture solely by a pledge of the “*Trust Estate*,” which is defined in the Indenture to mean (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of CCCFA in, to and under the Power Supply Contract, except for the right to receive the Project Administration Fee, (c) the Revenues, (d) any Termination Payment or the right to receive such Termination Payment, (e) all right, title and interest of CCCFA in, to and under the Receivables Purchase Provisions, including payments received from the Energy Supplier (or the Master Custodian on its behalf) pursuant thereto, and (f) all right, title and interest of CCCFA in, to and under any Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty and (g) the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), including the investment income, if any, thereof subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

The pledge of the Trust Estate in favor of the Trustee is subject to (x) the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, and (y) conveyance, assignment and pledge of the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparty.

The term “*Revenues*” is defined in the Indenture to mean (a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by CCCFA from or attributable or relating to the ownership and operation of the Clean Energy Project, including all revenues attributable or relating to the Clean Energy Project or to the payment of the costs thereof received or to be received by CCCFA under the Power Supply Contract and the Prepaid Energy Sales Agreement or otherwise payable to the Trustee for the account of CCCFA for the sale and/or transmission of Energy or otherwise with respect to the Clean Energy Project (excluding any payments received by CCCFA in respect of any Monthly Excess Quantities or Assigned Paygo Quantities), (b) interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund; (c) any Commodity Swap Receipts received by the Trustee on behalf of CCCFA; (d) any Subsidy Payments received by the Trustee, on behalf of CCCFA, in accordance with the Indenture; and (e) any Advance received by the Trustee on behalf of CCCFA; *provided that*, the term “*Revenues*” does not include: (i) Ledger Event Payments, (ii) any Termination Payment pursuant to the Prepaid Energy Sales Agreement; (iii) any amounts received from the Energy Supplier that are required to be deposited into the Energy Remarketing Reserve Fund pursuant to the Indenture; (iv) any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement; (v) any Assignment Payment received from the Energy Supplier; and (vi) amounts paid by the Project Participant in respect of the Project Administration Fee. The Revenues are to be applied in accordance with the priorities established under the Indenture, including the prior payment from the Revenues of the Operating Expenses of the Clean Energy Project. See “*Flow of Funds*” below.

The term “*Operating Expenses*” is defined in the Indenture to mean, to the extent properly allocable to the Clean Energy Project: (a) CCCFA’s expenses for operation of the Clean Energy Project, including

all Rebate Payments, costs, collateral deposits and other amounts (other than Commodity Swap Payments) necessary to maintain the CCCFA Commodity Swap; and payments required under the Prepaid Energy Sales Agreement (which may, under certain circumstances, include imbalance charges and other miscellaneous payments) or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (b) any other current expenses or obligations required to be paid by CCCFA under the provisions of the Indenture (other than Debt Service on the Bonds and deposits to the General Reserve Fund and the Energy Remarketing Reserve Fund, or any Cost of Acquisition) or by law or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (c) fees payable by CCCFA with respect to any Remarketing Agreement; (d) the fees and expenses of the Fiduciaries; (e) reasonable accounting, legal and other professional fees and expenses, and all other reasonable administrative and operating expenses of CCCFA which are incurred by CCCFA with respect to the Bonds, the Indenture, or the Clean Energy Project, including but not limited to those relating to the administration of the Trust Estate and compliance by CCCFA with its continuing disclosure obligations, if any, with respect to the Bonds; and (f) the costs of any insurance premiums incurred by CCCFA, including, without limitation, directors and officers liability insurance allocable to the Clean Energy Project; provided that, for purposes of the transfers from the Revenue Fund described under the proviso "second" under the heading "Flow of Funds" below, Operating Expenses shall not include any of the foregoing administrative expenses, fees or other costs described in the foregoing clauses (a) through (f) that are paid from funds on deposit in the Administrative Fee Fund. Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses.

THE BONDS ARE A LIMITED OBLIGATION OF CCCFA AND THE PRINCIPAL AND REDEMPTION PRICE OF, AND INTEREST ON, THE BONDS ARE PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE CCCFA, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE. CCCFA SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OR THE REDEMPTION PRICE OF OR INTEREST ON THE BONDS EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. CCCFA HAS NO TAXING POWER.

See APPENDIX B for definitions of certain terms and see APPENDIX C for a further description of certain provisions of the Indenture.

Flow of Funds

All Revenues are required by the Indenture to be deposited promptly by the Trustee upon receipt thereof into the Revenue Fund; provided that, for the avoidance of doubt, if any amounts are received from the Project Participant for which Outstanding Sold Receivables exist, as identified in a written notice from CCCFA to the Trustee, the Trustee will promptly cause any such receipts to be paid to the Energy Supplier to the extent of such Outstanding Sold Receivables without setoff of any kind in accordance with the

Receivables Purchase Provisions of the Prepaid Energy Sales Agreement and any remaining amounts received from the Project Participant will be deposited into the Revenue Fund. In each Month during which there is a deposit of Revenues into the Revenue Fund (but in no case later than the respective dates set forth below), the Trustee is required to apply the amounts on deposit in the Revenue Fund, to the extent available, for credit or deposit to the Funds and Accounts indicated below, in the amounts described below (such application to be made in such a manner so as to assure good funds are available on the respective dates set forth below) in the following order of priority:

first, to the Operating Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount, if any, required so that the balance therein shall equal the amount necessary for the payment of Operating Expenses coming due for such Month;

second, to the Debt Service Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day) for the credit to the Debt Service Account, an amount equal to the greater of (A) the Scheduled Debt Service Deposit, as set forth in the Indenture, or (B) the amount necessary to cause an amount equal to the cumulative unpaid Scheduled Debt Service Deposits due through such date to be on deposit therein; and

third, to the Commodity Swap Payment Fund, on or before the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount required so that the balance therein shall equal the Commodity Swap Payments due for such Month.

If, after a scheduled monthly deposit to the Debt Service Account or the Commodity Swap Payment Fund, the balance therein is below the cumulative Scheduled Debt Service Deposits for such month as specified in the Indenture or the Commodity Swap Payments due for such month, respectively, the Trustee shall immediately notify CCCFA of such deficiency and the Trustee shall (a) if CCCFA has not previously done so, cause CCCFA to suspend all deliveries of all quantities of Energy under the Power Supply Contract if the Project Participant is in default thereunder, and (b) promptly give notice to the Energy Supplier to follow the electricity remarketing provisions set forth in the Prepaid Energy Sales Agreement.

On each [] 1, beginning [] 1, 20[]*, after (a) the deposit of Revenues into the Revenue Fund, and (b) making such transfers, credits and deposits as described in the first paragraph of this section "Flow of Funds," the Trustee shall credit to the General Reserve Fund the remaining balance in the Revenue Fund.

So long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal or applicable Sinking Fund Installments and interest thereon), no transfers will be required to be made to the Debt Service Fund. See "Revenues and Revenue Fund" and "Payments into Certain Funds" in APPENDIX C.

As noted above, certain amounts are pledged as a part of the Trust Estate but do not constitute Revenues and are not deposited into the Revenue Fund, including any Termination Payment or the right to receive such Termination Payment under the Prepaid Energy Sales Agreement, which is to be deposited directly into the Redemption Account.

The Indenture also provides that the following amounts, which are payable to the Trustee but do not constitute Revenues, will be applied as follows: (a) any Assignment Payment will be deposited directly

* Preliminary, subject to change.

into the Assignment Payment Fund; (b) amounts representing the Project Administration Fee, together with amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement, will be deposited directly into the Administrative Fee Fund; (c) certain proceeds from electricity remarketing sales will be deposited directly into the Energy Remarketing Reserve Fund; and (d) Ledger Event Payments will be deposited directly into the Debt Service Account.

Debt Service Fund - Debt Service Account

The amounts deposited into the Debt Service Account, including any amounts deposited therein representing capitalized interest on the Bonds, must be held in such Account and applied to the payment of Debt Service payable on each Bond Payment Date.

Amounts on deposit in the Debt Service Account, including any amounts deposited therein representing capitalized interest on the Bonds, will be initially invested pursuant to the Debt Service Account Investment Agreement, which will provide for scheduled withdrawals to pay debt service on the Bonds when due and, in the case of extraordinary redemption, all funds invested thereunder will be used to pay a portion of the Redemption Price without penalty or market value adjustments. See “Investment of Funds – Debt Service Account Investment Agreement” herein. Capitalized interest on the Bonds will be funded with a deposit of Bond proceeds on the Initial Issue Date of the Bonds. The amount so deposited will be used to pay a portion of the interest coming due on the Bonds through [] 1, 20[]*.

Administrative Fee Fund

All Project Administration Fees, together with any amounts paid by the Project Participant pursuant to the Prepaid Clean Energy Project Administration Agreement, shall be deposited by the Trustee into the Administrative Fee Fund. The Trustee is required to apply amounts on deposit in the Administrative Fee Fund to pay Operating Expenses promptly upon receipt of a Written Request of CCCFA directing such payment. In the event amounts on deposit in the Administrative Fee Fund are insufficient to make any payments directed in the Written Request of CCCFA, the Trustee shall promptly notify the Project Participant, at its address shown in the Indenture, of the fact and amount of such deficiency.

Commodity Swap Payment Fund

The amounts credited to the Commodity Swap Payment Fund shall be applied from time to time by the Trustee solely to the payment of Commodity Swap Payments when due.

Any amount remaining in the Commodity Swap Payment Fund following the payment of the Commodity Swap Payment due in any Month and prior to any deposit therein for the following Month shall be transferred to the Revenue Fund for application as described above.

Debt Service Fund - Redemption Account

In the event of an early termination of the Prepaid Energy Sales Agreement, CCCFA will direct the Energy Supplier to pay the Termination Payment directly to the Trustee for the account of CCCFA. The Trustee will deposit the Termination Payment into the Redemption Account. Amounts deposited into the Redemption Account shall be applied by the Trustee to the extraordinary mandatory redemption of

* Preliminary, subject to change.

Outstanding Bonds as described below under “THE BONDS — Redemption — *Extraordinary Mandatory Redemption*.”

Restriction on Additional Obligations

Except as expressly permitted under the terms of the Indenture, for so long as any Bonds are Outstanding, CCCFA will not, without a Rating Confirmation, issue any debt payable from or secured by a pledge and assignment of the Trust Estate other than debt issued to refund Outstanding Bonds, or otherwise incur obligations other than those contemplated by the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the CCCFA Custodial Agreement, the CCCFA Commodity Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments), payable out of or secured by a pledge or assignment of, or lien on, the Trust Estate; and shall not, without a Rating Confirmation, create or cause to be created any lien or charge on the Trust Estate except as provided in or contemplated by the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the CCCFA Custodial Agreement, the CCCFA Commodity Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments). However, such limitation will not prevent CCCFA from entering into any Commodity Swap upon the terms set forth in the Indenture, or incurring any debt payable out of moneys in the Project fund as part of the Cost of Acquisition or secured by the Trust Estate following the defeasance of the Bonds.

Other than the Bonds and any refunding bonds, no additional bonds or other obligations are authorized to be issued under the Indenture or, except as described above, for which payment is otherwise secured by a pledge or assignment of, or lien on, the Trust Estate. See “Creation of Liens” in APPENDIX C.

Amendment of Indenture

CCCFA and the Trustee may, subject to the conditions and restrictions in the Indenture, enter into a Supplemental Indenture or Indentures, in form satisfactory to the Trustee, which will thereafter form a part of the Indenture, without the consent of the Bondholders (i) for certain purposes, or (ii) upon receipt of a Rating Confirmation if the Bonds affected by such change are rated by a Rating Agency. See “*Supplemental Indenture Not Requiring Consent of Bondholders*,” “*General Provisions*” and “*Powers of Amendment*” in APPENDIX C hereto.

Investment of Funds

General. Subject to the provisions of the Indenture, amounts on deposit in the Funds and Accounts may be invested in, among other things, guaranteed investment contracts, forward delivery agreements, interest rate exchange agreements or similar agreements providing for a specified rate of return over a specified time period; provided, however, that guaranteed investment contracts, forward delivery agreements or similar agreements must be with providers that are rated (or whose financial obligations to CCCFA receive credit support from an entity rated) (i) at least “[]” from Moody’s or (ii) at such a rating that will allow the Bonds to be rated the same as the credit rating or financial strength rating assigned to the Funding Recipient. See APPENDIX B—Definitions of Certain Terms and “Investment of Certain Funds” in APPENDIX C.

Debt Service Account Investment Agreement. On the Initial Issue Date of the Bonds, it is expected that CCCFA or the Trustee will enter into an investment agreement with the Investment Agreement Provider with respect to the Debt Service Account (the “*Debt Service Account Investment Agreement*”). The Debt Service Account Investment Agreement constitutes a “Debt Service Fund Agreement” as defined

in the Indenture. The Debt Service Account Investment Agreement will become effective on the first day, and will be scheduled to terminate on the last day, of the Initial Interest Rate Period. The Debt Service Account Investment Agreement is required to meet all of the criteria of a Qualified Investment under the Indenture and is expected to be bid out on the day of Bond pricing to qualified investment providers. See “SECURITY FOR THE BONDS— *Investment of Funds*”.

Required qualifications for the initial Investment Agreement Provider include: (a) a minimum credit rating requirement for the Investment Agreement Provider (or its guarantor) of at least “[]” by Moody’s, and (b) a requirement that if the rating assigned to the senior unsecured long-term debt obligations of the Investment Agreement Provider (or its guarantor) falls below “[]” by Moody’s, the Investment Agreement Provider will provide a credit remedy, such as providing credit support or posting eligible collateral, or the Trustee, at the direction of CCCFA, will have the right to terminate the Debt Service Account Investment Agreement.

The Debt Service Account Investment Agreement will provide for a fixed interest rate to be paid on the funds invested. Payments are scheduled to return amounts to the Trustee in connection with the Bond Payment Dates.

Upon transaction termination, whether by extraordinary mandatory redemption or final maturity, the funds invested under the Debt Service Account Investment Agreement will be used to pay the redemption price or debt service due on the Bonds. If the Debt Service Account Investment Agreement terminates, all invested funds are required to be returned to the Trustee.

Enforcement of Project Agreements

Power Supply Contract. CCCFA has covenanted in the Indenture that it will enforce the provisions of the Power Supply Contract, as well as any other contract or contracts entered into relating to the Clean Energy Project, and duly perform its covenants and agreements thereunder.

CCCFA has also covenanted to exercise promptly its right to suspend all Energy deliveries under the Power Supply Contract if the Project Participant thereunder fails to pay when due any amounts owed to CCCFA thereunder and to promptly give notice to the Energy Supplier to follow provisions set forth in the remarketing provisions of the Prepaid Energy Sales Agreement for each Month of such suspension with respect to the quantities of Energy for which deliveries have been suspended.

In the event that the Project Participant delivers a Remarketing Election Notice (as defined in the Power Supply Contract) in respect of any Reset Period, CCCFA will promptly give notice to the Energy Supplier to follow the provisions set forth in the remarketing exhibit to the Prepaid Energy Sales Agreement for each month of such Reset Period with respect to any quantities of Energy that would otherwise have been delivered to the Project Participant. See “THE RE-PRICING AGREEMENT”.

CCCFA has further covenanted in the Indenture that it will not consent or agree to or permit any termination or rescission of, any assignment or novation (in whole or in part) by the Project Participant of, or any amendment to or otherwise take any action under or in connection with any Power Supply Contract that will impair the ability of CCCFA to collect Revenues in each Fiscal Year which, together with the other amounts available therefor, shall provide an amount sufficient to pay the amount estimated by CCCFA to be required to be paid during such Fiscal Year into the Operating Fund; the amounts, if any, required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which CCCFA

anticipates will be transferred from other Funds or Accounts; the amounts, if any, to be paid during such Fiscal Year into any other Fund established under the Indenture; and all other charges or liens whatsoever payable out of Revenues during such Fiscal Year. Under the Indenture, upon the satisfaction of certain conditions, including delivery of a Rating Confirmation with respect to such amendment or assignment, as applicable, from each rating agency then rating the Bonds, CCCFA may agree to the amendment of a Power Supply Contract or to the assignment of a Power Supply Contract by the Project Participant to another Municipal Utility.

Enforcement of Agreements by the Trustee. Under the Indenture, CCCFA has irrevocably pledged and collaterally assigned to the Trustee its rights to issue notices and to take any other actions that CCCFA is required or permitted to take in order to enforce performance under certain documents, including (a) the Prepaid Energy Sales Agreement, (b) the Receivables Purchase Provisions, (c) the Power Supply Contract, and (d) the CCCFA Commodity Swap. CCCFA has retained, in the absence of any conflicting action by the Trustee while an Event of Default has occurred and is continuing, the right and obligation to exercise any rights for which it has pledged and collaterally assigned to the Trustee as described in the preceding sentence; *provided, however*, if an Event of Default has occurred and is continuing, the Trustee will have the right to notify CCCFA to cease exercising such rights, subject to certain rights of the Energy Supplier with respect to the Power Supply Contract.

Prepaid Energy Sales Agreement. CCCFA has covenanted in the Indenture that it will enforce the provisions of the Prepaid Energy Sales Agreement and that it will duly perform its covenants and agreements thereunder.

The Trustee will promptly notify CCCFA of any payment default that has occurred and is continuing on the part of the Energy Supplier under the Prepaid Energy Sales Agreement. CCCFA will provide the Trustee with Written Notice of the Early Termination Payment Date (a) on the date on which a Failed Remarketing occurs, and (b) in all other cases, not more than five Business Days after such date is determined.

CCCFA has further covenanted that it will not consent or agree to or permit any rescission of, assignment of or amendment to or otherwise take any action under or in connection with the Prepaid Energy Sales Agreement which would in any manner materially impair or materially adversely affect its rights thereunder or the rights or security of the Bondholders under the Indenture; *provided*, that the Prepaid Energy Sales Agreement may be assigned or amended without Bondholder consent upon receipt of a Rating Confirmation with respect to such assignment or amendment. The Prepaid Energy Sales Agreement may also be amended in connection with a remediation to reduce the schedule of Prepaid Quantities upon the occurrence of a Ledger Event.

CCCFA Commodity Swap. CCCFA has covenanted to cause amounts due to CCCFA under the CCCFA Commodity Swap to be collected and paid directly to the Trustee. Pursuant to the Indenture, the Commodity Swap Receipts are to be deposited by the Trustee into the Revenue Fund. CCCFA has covenanted in the Indenture that:

- it will enforce the provisions of the CCCFA Commodity Swap and duly perform its covenants and agreements thereunder,
- it will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the CCCFA Commodity Swap

that will impair the ability of CCCFA to comply during the current or any future year with the provisions of the Indenture, and

- it will not exercise any right to terminate the CCCFA Commodity Swap unless either (i) it has entered into a replacement CCCFA Commodity Swap that meets the requirements of the Indenture (described below), and such replacement CCCFA Commodity Swap will be effective as of such early termination date and cover energy price exposure from and after such early termination date, or (ii) CCCFA causes or permits the termination of the Prepaid Energy Sales Agreement prior to or as of such early termination date.

CCCFA may replace the CCCFA Commodity Swap (and any related guaranty of the Commodity Swap Counterparty's obligations thereunder) with a similar agreement for the same purposes with an alternate Commodity Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation. If the CCCFA Commodity Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) CCCFA may terminate the CCCFA Commodity Swap if CCCFA has the right to do so, and (B) CCCFA may enter into a replacement CCCFA Commodity Swap with an alternate Commodity Swap Counterparty without a Rating Confirmation, but only if the replacement CCCFA Commodity Swap is identical in all material respects to the existing CCCFA Commodity Swap, except for the identity of the Commodity Swap Counterparty, and (1) the replacement Commodity Swap Counterparty (or its credit support provider under the replacement CCCFA Commodity Swap) is then rated at least the lower of (a) the credit rating of the Funding Recipient or (b) the rating then assigned by each Rating Agency to the Bonds or (2) the Commodity Swap Counterparty provides such collateral and security arrangements as CCCFA determines to be necessary, and (3) in either case, the Commodity Swap Counterparty enters into a replacement Custodial Agreement with the Energy Supplier and the Custodian that is identical in all material respects to the existing Custodial Agreement among the Energy Supplier, the Custodian and the Commodity Swap Counterparty.

If the CCCFA Commodity Swap becomes terminable by CCCFA as a result of a failure by the Commodity Swap Counterparty to make a payment due under the CCCFA Commodity Swap, CCCFA will (A) notify the Energy Supplier of such event pursuant to the Prepaid Energy Sales Agreement, and (B) in accordance with the Prepaid Energy Sales Agreement, use its good faith efforts to replace the CCCFA Commodity Swap with an alternate CCCFA Commodity Swap, subject to the conditions of the first sentence of the paragraph immediately above, during the 120 day replacement period contemplated by the Prepaid Energy Sales Agreement (the "*Swap Replacement Period*").

If CCCFA is unable to enter into an alternate CCCFA Commodity Swap pursuant to clause (B) in the paragraph immediately above during the Swap Replacement Period, CCCFA will (A) designate an Energy Delivery Termination Date in accordance with the Prepaid Energy Sales Agreement, with such Energy Delivery Termination Date occurring immediately at the end of the Swap Replacement Period and, (B) unless the CCCFA Commodity Swap has been terminated automatically pursuant to the terms thereof, designate an early termination date for the CCCFA Commodity Swap, with such early termination date occurring concurrently with the Energy Delivery Termination Date under the Prepaid Energy Sales Agreement.

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SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Bonds are approximately as follows:

SOURCES:	
Par Amount	\$
Original Issue Premium	
Total Sources	\$
USES:	
Deposit to Project Fund ¹	\$
Costs of Issuance ²	
Total Uses	\$

¹ Includes the prepayment amount and capitalized interest on the Bonds (which will be transferred to the Debt Service Account).

² Includes underwriting, rating agency, Trustee, financial advisor, legal and other fees and other expenses related to the issuance of the Bonds and the acquisition of the Clean Energy Project.

THE BONDS

General

The Bonds will mature (subject to redemption as described below) on the dates and in the principal amounts shown on the inside cover page of this Official Statement. The Bonds will be initially issued in denominations of \$5,000 and any integral multiples thereof (an “*Authorized Denomination*”). The Bonds will be initially issued in book-entry only form through the facilities of The Depository Trust Company, New York, New York (“*DTC*”). See “THE BONDS — *Book-Entry System*” and APPENDIX G for a description of DTC and its book-entry system.

Interest

During the Initial Interest Rate Period, the Series 2025[] Bonds will bear interest in a Term Rate Period, with the Series 2025[] Bonds of each maturity bearing interest at the fixed rates shown on the inside cover page of this Official Statement. During the Initial Interest Rate Period, interest on the Series 2025[] Bonds will be payable semiannually on [] 1 and [] 1 of each year, commencing [] 1, 20[]*. During the Initial Interest Rate Period, interest on the Series 2025[] Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

After the Initial Interest Rate Period, the Outstanding Bonds may be remarketed or converted into another Term Rate Period or may be remarketed or converted to one or more of a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period or an Index Rate Period(s). ***This Official Statement describes the terms of the Bonds only during the Initial Interest Rate Period and must not be relied upon after the Bonds have been converted to another Interest Rate Period.***

Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date, shall be paid to the Person in whose name that Bond is registered, at the close of business on the 15th day of the Month immediately preceding the Month in which such Interest Payment Date falls (the “*Regular Record Date*”).

* Preliminary; subject to change.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for on any Interest Payment Date (“*Defaulted Interest*”), shall forthwith cease to be payable to the Person who was the registered owner on the relevant Regular Record Date; and such Defaulted Interest shall be paid by CCCFA to the Persons in whose names the Bonds are registered at the close of business on a date (the “*Special Record Date*”) for the payment of such Defaulted Interest, which shall be fixed in the following manner. CCCFA shall notify the Bond Registrar in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time CCCFA shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to and approved in writing by the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in the Indenture. Thereupon the Bond Registrar will then fix a Special Record Date for the payment of such Defaulted Interest which will be not more than 15 days or less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Bond Registrar of the written notice of the proposed payment. The Bond Registrar shall promptly notify CCCFA of such Special Record Date and, in the name and at the expense of CCCFA, will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder at its address as it appears upon the registry books, not less than 10 days prior to such Special Record Date.

Increased Interest Rate Upon Ledger Event

If a Ledger Event occurs and MSCG does not exercise its option to purchase the Funding Agreement, MSCG will be obligated to pay the Energy Supplier, and the Energy Supplier will be obligated to pay CCCFA, scheduled Ledger Event Payments calculated to provide a sum sufficient (together with the interest component of the Scheduled Debt Service Deposits) to enable CCCFA to pay additional interest on the Bonds at the Increased Interest Rate of 8% per annum. The Indenture provides that, subject to CCCFA’s receipt of such Ledger Event Payments from the Energy Supplier, interest on the Bonds will be paid at the Increased Interest Rate after the occurrence of a Ledger Event.

See “THE PREPAID ENERGY SALES AGREEMENT—Ledger Event” below for a description of the provisions of the Prepaid Energy Sales Agreement relating to a Ledger Event and the amounts payable by the Energy Supplier to CCCFA following a Ledger Event. See “THE ENERGY MANAGEMENT AGREEMENT—Ledger Event Payments” for a description of the provisions of the Energy Management Agreement relating to the amounts payable by MSCG to the Energy Supplier following a Ledger Event.

Subject to CCCFA’s receipt of the Ledger Event Payments, as described above, the Bonds will bear interest at the Increased Interest Rate during an Increased Interest Rate Period that begins on the day on which a Ledger Event occurs to but not including the earliest of (a) the date on which an Early Termination Payment Date occurs under the Prepaid Energy Sales Agreement, (b) the end of the Initial Interest Rate Period, and (c) the Interest Payment Date immediately succeeding the last day on which the Energy Supplier paid a Ledger Event Payment. Under the Prepaid Energy Sales Agreement, any Ledger Event would occur on and as of the first day of a Month.

Interest on the Bonds at the Increased Interest Rate will be payable on each regular Interest Payment Date, any redemption date and the Mandatory Purchase Date. CCCFA will give prompt notice to the Trustee of the occurrence of a Ledger Event and whether the Increased Interest Rate becomes payable on the Bonds. Interest on the Bonds at an Increased Interest Rate will be computed on the basis of a 360-day

year consisting of twelve 30-day months and will be payable in the same manner as the interest borne by the Bonds on the Initial Issue Date.

For purposes of the Indenture:

(a) any Ledger Event Payments received by CCCFA from the Energy Supplier in respect of a Ledger Event shall not constitute an item of “Revenues” and shall be deposited directly into the Debt Service Account; and

(b) the Scheduled Debt Service Deposits required by the Indenture shall be computed on the basis of the interest rates borne by the Bonds on the Initial Issue Date and shall not be re-computed in the event that the Bonds bear interest at an Increased Interest Rate.

Tender

Mandatory Tender. The Bonds maturing on [_____] 1, 20[___]* are required to be tendered for purchase on [_____] 1, 20[___]* (the “*Mandatory Purchase Date*”), which is the day following the end of the Initial Interest Rate Period. The Purchase Price of the Bonds on the Mandatory Purchase Date is equal to 100% of the principal amount thereof and is payable in immediately available funds *first* from amounts on deposit in the Remarketing Proceeds Account established by the Indenture and *second* from amounts on deposit in the Issuer Purchase Account established by the Indenture. Accrued interest due on any Bonds to be purchased on the Mandatory Purchase Date, which is an Interest Payment Date, shall be paid from amounts on deposit in the Debt Service Account.

The Purchase Price of any Bond on the Mandatory Purchase Date shall be payable only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner’s duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in a notice provided to the Owners by the Trustee, such notice to be given no less than 30 days prior to the applicable Mandatory Purchase Date. In the event that any Owner of a Bond so subject to mandatory tender for purchase shall not surrender such Bond to the Trustee for purchase on the Mandatory Purchase Date, then such Bond shall be deemed to be an Undelivered Bond, and no interest shall accrue thereon on and after the Mandatory Purchase Date, and the Owner thereof shall have no rights under the Indenture other than to receive payment of the Purchase Price thereof.

Failed Remarketing. Under the Indenture, a “*Failed Remarketing*” means, (a) with respect to the Bonds on any Mandatory Purchase Date, a failure to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem such Bonds in whole on such date (including from any funds required from an Assignment Payment to the Assignment Payment Fund), or (b) with respect to the Bonds (i) if, on the last day of the current Reset Period prior to a Mandatory Purchase Date, CCCFA has not entered into a bond purchase agreement, firm remarketing agreement or similar agreement with respect to the remarketing or refunding of the Bonds, or (ii) if the conditions of (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by 12:00 noon, New York City time, on the fifth Business Day preceding such Mandatory

* Preliminary; subject to change.

Purchase Date. A Failed Remarketing will result in an Early Termination Payment Date under the Prepaid Energy Sales Agreement and the extraordinary redemption of the Bonds on the Mandatory Purchase Date.

No Optional Tender. The Bonds are **not** subject to optional tender by Bondholders during the Initial Interest Rate Period.

*Redemption**

Optional Redemption of Series 2025[] Bonds. The Series 2025[] Bonds are subject to redemption at the option of CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and by lot within a maturity) on any date prior to [] 1, 20[]* at a Redemption Price, calculated by a quotation agent selected by CCCFA, equal to the greater of:

(a) the sum of the present values of the remaining unpaid payments of principal and interest to be paid on the Series 2025[] Bonds to be redeemed from and including the date of redemption (not including any portion of the interest accrued and unpaid as of the redemption date) to the earlier of the stated maturity date of such Series 2025[] Bond or the Mandatory Purchase Date, discounted to the date of redemption on a semiannual basis at a discount rate equal to the Applicable Tax-Exempt Municipal Bond Rate (defined below) for such Series 2025[] Bonds minus 0.25% per annum, provided, however, that if the Applicable Tax-Exempt Municipal Bond Rate results in a discount rate less than zero percent, such discount shall be 0.00% in any event, and

(b) the Amortized Value (defined below) thereof;

in each case plus accrued and unpaid interest to the date of redemption at the initial interest rates on the Series 2025[] Bonds or the Increased Interest Rate, whichever is then in effect.

The Series 2025[] Bonds maturing on the Mandatory Purchase Date are subject to redemption at the option of CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and by lot within a maturity) on any date on or after [] 1, 20[]* at a Redemption Price equal to the Amortized Value thereof as of the date of redemption, plus \$[] per \$1,000 of the principal amount thereof plus accrued and unpaid interest to the date of redemption at the initial interest rates on the Series 2025[] Bonds or the Increased Interest Rate, whichever is then in effect; provided that, if the optional redemption date is the Mandatory Purchase Date, the Redemption Price will be 100% of the principal amount of the Bonds to be redeemed plus accrued and unpaid interest to the date of redemption.

The Series 2025[] Bonds maturing after the Mandatory Purchase Date are subject to redemption at the option of CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and by lot within a maturity) on any date on or after [] 1, 20[]* at a Redemption Price equal to the Amortized Value thereof as of the date of redemption, plus \$[] per \$1,000 of the principal amount thereof plus accrued and unpaid interest to the date of redemption at the initial interest rates on the Series 2025[] Bonds or the Increased Interest Rate, whichever is then in effect; provided that, if the

*. Preliminary; subject to change.

optional redemption date is the Mandatory Purchase Date, the redemption price will be 100% of the principal amount of the Bonds to be redeemed plus accrued and unpaid interest to the date of redemption.

In lieu of redeeming Series 2025[] Bonds pursuant to the Indenture, the Trustee may, upon the Written Direction of CCCFA, use such funds as may be available by CCCFA or as are otherwise available under the Indenture to purchase such Series 2025[] Bonds on the applicable redemption date at a Purchase Price equal to the applicable Redemption Price of such Series 2025[] Bonds. Any Series 2025[] Bonds so purchased may be remarketed in a new Interest Rate Period or may be cancelled by the Trustee, in either case as set forth in the Written Direction of the Issuer.

The “*Applicable Tax-Exempt Municipal Bond Rate*” means, for the Bonds of any maturity, the “Comparable AAA General Obligations” yield curve rate for the year of such maturity or Mandatory Purchase Date, as applicable, as published by Refinitiv Global Markets, Inc. at least one Business Day and not more than 15 Business Days prior to the date that notice of redemption is required to be given pursuant to the Indenture. If no such yield curve rate is established for the applicable year, the “Comparable AAA General Obligations” yield curve rate for the two published maturities most closely corresponding to the applicable year shall be determined, and the Applicable Tax-Exempt Municipal Bond Rate will be interpolated or extrapolated from those yield curve rates on a straight-line basis. This rate is made available daily by Refinitiv Global Markets, Inc. and is available to its subscribers through the internet address: www.tm3.com. In calculating the Applicable Tax-Exempt Municipal Bond Rate, should Refinitiv Global Markets, Inc. no longer publish the “Comparable AAA General Obligations” yield curve rate, then the Applicable Tax-Exempt Municipal Bond Rate shall equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Analytics and is available to its subscribers through its internet address: www.mma-research.com. In the further event Municipal Market Analytics no longer publishes the Consensus Scale, the Applicable Tax-Exempt Municipal Bond Rate shall be determined by a major market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the annual yield to maturity, calculated using semi-annual compounding, of those tax-exempt general obligation bonds rated in the highest Rating Category by Moody’s and S&P with a maturity date equal to the stated maturity date or Mandatory Purchase Date, as applicable, of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the quotation agent. The quotation agent’s determination of the Applicable Tax-Exempt Municipal Bond Rate shall be final and binding on all parties in the absence of manifest error and may be conclusively relied upon in good faith by the Trustee.

“*Amortized Value*” means, with respect to any Bond to be redeemed during the Initial Interest Rate Period, the principal amount of such Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by CCCFA, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date of such Bond and a yield equal to such Bond’s original reoffering yield (as set forth on the inside cover page of this Official Statement on the date such Bond began to bear interest at its current Term Rate). The Amortized Value of the Bonds as of certain dates during the Initial Interest Rate Period is shown on APPENDIX H.

Extraordinary Mandatory Redemption. The Bonds shall be subject to mandatory redemption prior to maturity in whole, and not in part, on the first day of the Month following the Early Termination Payment

Date, which redemption date in the case of a Failed Remarketing will be the same day as the current Mandatory Purchase Date, at a Redemption Price equal to the Amortized Value thereof, plus accrued and unpaid interest to the redemption date at the initial interest rates on the Bonds or the Increased Interest Rate, whichever is then in effect. See APPENDIX H for a schedule showing the Redemption Price (excluding accrued interest) of the Bonds upon an extraordinary mandatory redemption following an Early Termination Payment Date that occurs during the Initial Interest Rate Period.

CCCFA shall provide the Trustee with Written Notice of the Early Termination Payment Date (x) on the date on which a Failed Remarketing occurs, and (y) in all other cases, not more than five (5) Business Days after such date is determined.

Notice of Redemption. In the case of every redemption of Bonds, the Trustee must give notice, in the name of CCCFA, of the redemption of such Bonds by first-class mail, postage prepaid, to the registered owner of each Bond being redeemed, at its address as it appears on the bond registration books of the Trustee or at such address as such owner may have filed with the Trustee in writing for that purpose, as of the Regular Record Date, not less than 15 days prior to the redemption date in the case of an extraordinary mandatory redemption described above and not less than 30 days prior to the redemption date in the case of mandatory sinking fund redemption or optional redemption of the Series 2025[] Bonds.

Each notice of redemption must identify the Bonds to be redeemed and must state (i) the redemption date, (ii) the Redemption Price or the manner in which it will be calculated, (iii) that the Bonds called for redemption must be surrendered to collect the Redemption Price, (iv) the address at which the Bonds must be surrendered, and (v) that interest on the Bonds called for redemption ceases to accrue on the redemption date. Failure of the registered owner of any Bonds which are to be redeemed to receive any such notice, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of any Bonds.

In the event that the Bonds may be subject to extraordinary redemption as a result of a Failed Remarketing that could occur if the Trustee has not received the Purchase Price of the Bonds by noon New York City time on the fifth Business Day preceding a Mandatory Purchase Date, a notice of extraordinary redemption of the Bonds may be a conditional notice of redemption, delivered in each case not less than 15 days prior to such Mandatory Purchase Date, stating that: (a) such redemption shall be conditioned upon the Trustee's failure to receive, by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Purchase Price of the Bonds required to be purchased on such Mandatory Purchase Date, and (b) if the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Bonds shall be purchased pursuant to a mandatory tender on such Mandatory Purchase Date rather than redeemed. If the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Trustee shall withdraw such conditional notice of redemption prior to such Mandatory Purchase Date and the Bonds shall be purchased pursuant to the provisions of the Indenture relating to mandatory tender on such Mandatory Purchase Date rather than redeemed.

With respect to any notice of optional redemption of Bonds, unless upon the giving of such notice such Bonds will be deemed to have been paid under the Indenture, such notice must state that such redemption will be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the Redemption Price of and interest on the Bonds to be redeemed, and that if such money shall not have been so received said notice will be of no force and effect, and CCCFA will not be required to redeem such Bonds. In the event that such notice of redemption contains such a

condition and such money is not so received, the redemption will not be made and the Trustee must within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

Effect of Redemption. Notice having been given in the manner provided in the Indenture and, in the case of optional redemption of Bonds, sufficient moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on such Bonds being held by the Trustee, the Bonds or portions thereof so called for redemption will become due and payable on the redemption date so designated at the applicable Redemption Price, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, will be paid at the Redemption Price. If there shall be drawn for redemption less than all of a Bond, CCCFA must execute and the Trustee must authenticate and the Paying Agent must deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, Bonds of like Series, maturity and tenor in any of the Authorized Denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like maturity to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of so called for redemption shall cease to accrue and become payable.

If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. Upon the payment of the Redemption Price of the Bonds or portions thereof being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Selection of Bonds to be Redeemed. If less than all of the Bonds of like series, tenor and maturity are called for redemption, the particular Bonds or portions of Bonds of such series, tenor and maturity to be redeemed must be selected by lot in such manner as the Trustee shall determine, in its sole discretion, from Bonds of such series, tenor and maturity not previously called for redemption; *provided, however*, that the portion of any Bond of a denomination of more than a minimum Authorized Denomination to be redeemed shall be in the principal amount of such minimum Authorized Denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of a minimum Authorized Denomination which is obtained by dividing by such minimum Authorized Denomination the principal amount of such Bond to be redeemed in part.

Book-Entry System

The Bonds will be initially issued in book-entry only form through the facilities of DTC. The Bonds will be transferable and exchangeable as set forth in the Indenture and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, principal of and premium, if any, and interest on the Bonds are payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which, in turn, will remit such amounts to DTC participants for subsequent disbursement to the Beneficial Owners. See APPENDIX G — “BOOK-ENTRY SYSTEM”.

DEBT SERVICE REQUIREMENTS

Set forth in the following table are the Debt Service requirements on the Bonds in each bond year during the Initial Interest Rate Period, excluding the purchase price of the Bonds that mature on [] 1, 20[]* that is payable on the Mandatory Purchase Date ([] 1, 20[]*)¹.

YEAR ENDING NOVEMBER 1	PRINCIPAL AMOUNT	INTEREST	TOTAL

TOTAL

¹. As of the Mandatory Purchase Date, \$ _____ principal amount of the Bonds will remain outstanding and the Bonds outstanding are required to be purchased pursuant to mandatory tender.

THE PREPAID ENERGY SALES AGREEMENT

Purchase and Sale

Under the Prepaid Energy Sales Agreement, the Energy Supplier agrees to deliver an Annual Quantity of EPS Compliant Energy in each Contract Year, to be delivered on a monthly basis, set forth in the Prepaid Energy Sales Agreement (the “*Prepaid Energy*”) during the Delivery Period and CCCFA has agreed to make a lump sum advance payment to the Energy Supplier for all of the cost of the Prepaid Energy to be delivered during the Delivery Period. The total quantity of expected Prepaid Energy to be delivered by the Energy Supplier during the Initial Reset Period is approximately [] million* MWh and is subject to change as described below under the heading “*Aggregate Quantity*”.

For discussion of the Contract Price, see “THE POWER SUPPLY CONTRACT — *Pricing Provisions*”.

Delivery of Prepaid Energy

Assigned Energy. Assigned Energy delivered under the Prepaid Energy Sales Agreement shall be Scheduled at the delivery point specified in the applicable Assignment Agreement (an “*Assigned Delivery Point*”). Scheduling and transmission of Assigned Energy shall be in accordance with the applicable Assignment Agreement. At the start of the Delivery Period, the Project Participant is expected to assign the initially Assigned PPA, as described under “– *Assignment of Power Purchase Agreements*” below, for delivery of the quantity of Assigned Energy equal to the quantity of Prepaid Energy required to be delivered by the Energy Supplier during the term of such assignments.

Base Energy. If the Assigned Energy for any measurement period during the term of the Prepaid Energy Sales Agreement is less than the quantity of Prepaid Energy required to be delivered during such period, the Energy Supplier is required to deliver Base Energy for remarketing under the terms of the

* Preliminary; subject to change.

Prepaid Energy Sales Agreement. Base Energy is not expected to be delivered during the Initial Reset Period.

Title. Title to and risk of loss of the Energy delivered under the Prepaid Energy Sales Agreement shall pass from the Energy Supplier to CCCFA at the applicable Delivery Point. The transfer of title and risk of loss for all Assigned Energy shall be set forth in the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with the Western Renewable Energy Generation Information System or its successor.

Aggregate Quantity. The aggregate quantity of Energy to be delivered during the term of the Delivery Period varies based on the quantities of Prepaid Energy CCCFA has agreed to deliver to the Project Participant under the Power Supply Contract. The aggregate average quantity of Monthly Projected Quantities under the Prepaid Energy Sales Agreement during the Initial Reset Period is approximately [] MWh.

Assignment of Power Purchase Agreements

The Project Participant has assigned its Initial Assigned Rights and Obligations to the Energy Supplier. The Assigned Energy during the Initial EPS Energy Period will be delivered from a portfolio of carbon free resources. The initially Assigned PPA allows for MSCG to add additional carbon free resources, upon written notice to the Project Participant in order to meet the guaranteed minimum delivery obligations thereunder.

Upon any EPS Energy Period terminating or expiring, or any subsequent Assignment Agreement being entered into, the Prepaid Energy Sales Agreement and the Power Supply Contract include provisions to recalculate Assigned Quantities and quantities of Base Energy. As such, upon a replacement of the Assigned Rights and Obligations under an Assigned PPA, the quantities of Base Energy will be reduced as provided in the Prepaid Energy Sales Agreement. Quantities of Base Energy may also be revised to reflect any Replacement Assigned Rights and Obligations.

Failure to Deliver or Receive Energy

Assigned Quantities. Neither CCCFA nor the Energy Supplier shall have any liability or other obligation to one another for any failure to Schedule, receive, or deliver Assigned Quantities, except as described under the following subheading “— *Provisional Payments and Energy Remarketing.*”

Base Energy. As Base Energy does not qualify as EPS Compliant Energy, CCCFA will have no obligation to take Base Quantities under the Prepaid Energy Sales Agreement. However, because CCCFA will have prepaid for all Energy to be delivered under the Prepaid Energy Sales Agreement, any Base Energy that is required to be delivered will be remarketed as described under the heading “*Provisional Payments and Energy Remarketing – Base Quantities.*”

See “THE POWER SUPPLY CONTRACT — *Pricing Provisions*”. **Base Energy is not expected to be delivered during the Initial Reset Period.**

Provisional Payments and Energy Remarketing

Assigned Quantities. In the event (a) the Annual Quantity has not been delivered for the then current Contract Year as of the end of a month, and (b) Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under an Assigned PPA, the Energy Supplier will be obligated to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the Day-Ahead Average Price, minus any applicable (as described below) Provisional Payment Fee (any such payment, a “Provisional Payment”). To the extent that the Energy Supplier makes one or more Provisional Payments to CCCFA in any Contract Year and the Annual Quantity is not delivered in full within such Contract Year, the Energy Supplier will be deemed to have remarketed such undelivered Assigned Quantities (other than any portion thereof that was not delivered due to Force Majeure) and to have purchased such Assigned Quantities for its own account (at a price equal to the weighted average price of such Provisional Payments), and such purchase will constitute a private-business use sale; provided no remarketing shall occur with respect to any Provisional Payment required to be made for Assigned Quantities not delivered due to Force Majeure. In such case, the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of Energy. To the extent the Project Participant has not remediated the proceeds of any such sale within twelve months of the first day of the Month prior to the Month in which CCCFA or the Project Participant receives the proceeds of such remarketing sale, the Energy Supplier is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to the Project Participant or any Municipal Utilities (as defined in Appendix B).

To the extent that both (i) less than 95% of the Monthly Projected Quantities in aggregate under an Assigned PPA are delivered in a Contract Year and (ii) less than 95% of the Monthly Projected Quantities under the same Assigned PPA are delivered in the four consecutive Months preceding the end of such Contract Year (provided that, for the purpose of clauses (i) and (ii), any Monthly Projected Quantities not delivered due to Force Majeure shall be disregarded), the Provisional Payment Fee shall be applicable to Provisional Payments for Assigned Products under such Assigned PPA commencing with Energy Supplier’s Provisional Payment for the last Month of such Contract Year and such Provisional Payment Fee shall continue to apply with respect to such Assigned PPA until such Assigned PPA has delivered 95% or more of the Monthly Projected Quantities for such Assigned PPA for three consecutive Months. In addition, to the extent that none of the Monthly Projected Quantities are actually delivered under an Assigned PPA for six consecutive Months due to Force Majeure, then (i) an “Assigned PPA FM Provisional Payment Event” shall be in effect until such Assigned PPA has delivered 95% or more of the Monthly Projected Quantities for such Assigned PPA for three consecutive Months and (ii) the Provisional Payment Fee shall be applicable to Provisional Payments for Assigned Products under such Assigned PPA commencing with Seller’s Provisional Payment for the sixth consecutive Month of non-deliveries until such Assigned PPA FM Provisional Payment Event is no longer in effect.

Base Quantities. In the event of any expiration or termination of an Assigned PPA, the Project Participant is required to use Commercially Reasonable Efforts to enter into a new limited assignment agreement relating to one or more additional PPAs, providing for the assignment of its rights to delivery of quantities of EPS Compliant Energy equivalent to the Prepaid Quantities for the term of such assignment. If (i) the Project Participant exercises Commercially Reasonable Efforts to enter into a limited assignment agreement for the redelivery of EPS Compliant Energy under its Power Supply Contract and (ii) the Project Participant is not in default under its Power Supply Contract, then:

- the Energy Supplier shall be obligated to remarket Base Energy and purchase such Base Energy for its own account at the applicable index price;
- the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of energy; and
- to the extent the Project Participant has not remediated the proceeds of such sales within twelve months, the Energy Supplier is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to the Project Participant or other Municipal Utilities.

To the extent that the Project Participant (i) has not exercised commercially reasonable efforts to enter into a limited assignment agreement for the redelivery of EPS Compliant Energy under its Power Supply Contract, (ii) is otherwise in default under its Power Supply Contract or (iii) does not require or is unable to receive all or a portion of the Prepaid Quantities under its Power Supply Contract as a result of decreased Energy requirements, decreased demand by its retail customers or EPS Compliant Energy not being available for delivery under the Prepaid Energy Sales Agreement, then:

- the Energy Supplier is required to use Commercially Reasonable Efforts to remarket equivalent quantities of Base Energy first to Municipal Utilities for a Qualifying Use, and if unable to remarket all or any portion of such quantities for a Qualifying Use at a net price not less than the applicable index price, to sell such remaining quantities in a non-private business sale; and
- to the extent the Energy Supplier cannot remarket such quantities to Municipal Utilities for a Qualifying Use, it is required to purchase such quantities for its own account.

The Energy Supplier shall pay to CCCFA the proceeds of any sales to Municipal Utilities or non-private business sales (net of a remarketing fee), and to the extent the Energy Supplier purchases quantities for its own account the Energy Supplier shall pay CCCFA an amount based on the applicable index price for such quantities; provided any such amounts payable by the Energy Supplier shall not be less than the Contract Price.

Financial Responsibility

If (a) the Energy Supplier or MSCG has entered into an Assignment Agreement that does not include a Receivables setoff provision substantially in the form prescribed in the Receivables Purchase Provisions (permitting the Energy Supplier to apply the face amount of Receivables relating to Assigned Product purchased by MSCG pursuant to the Assigned Rights and Obligations to reduce any Delivered Product Payment Amount) or (b) reasonable grounds arise for insecurity of payments due under the Power Supply Contract, the Energy Supplier may request that the CCCFA exercise its rights under the Power Supply Contract to demand adequate assurance, and CCCFA shall promptly exercise such rights if commercially reasonable.

In the event of a dispute or if the Project Participant fails to provide adequate assurance when requested, the Energy Supplier may suspend deliveries to CCCFA and remarket the Contract Quantity under the Prepaid Agreement until the demand is satisfied and the term of deliveries to any replacement customer (to which such Energy has been remarketed) is completed. Reasonable grounds include but are not limited

to the occurrence of an insolvency or liquidation proceeding with respect to the Project Participant or the downgrading of the Project Participant's credit rating below investment grade (in accordance with the applicable rating scale of the rating agency), or such facts and circumstances which would constitute reasonable grounds for insecurity under applicable Law.

Payment After Delivery of Annual Quantity

After the Annual Quantity has been delivered for any Contract Year, the Energy Supplier shall pay CCCFA the Day-Ahead Average Price with respect to any remaining Monthly Projected Quantities for any such Contract Year.

Ledger Event

Except as described under the heading "Provisional Payments and Energy Remarketing" above, the Energy Supplier is required to use Commercially Reasonable Efforts to remarket Base Energy first in Qualifying Sales and next in non-private business sales. If the Energy Supplier is unable to remarket Base Energy required to be remarketed under the Prepaid Energy Sales Agreement in Qualifying Sales or in non-private business sales, it must purchase such Base Energy for its own account. To the extent the Energy Supplier purchases such electricity, CCCFA will exercise commercially reasonable efforts to use the proceeds of such remarketing to purchase Energy (other than Priority Energy, as described below) for resale in qualified sales.

If after two years there are remaining remarketing proceeds from sales to purchasers other than Municipal Utilities or other qualified users, such balance will count against either a limit equivalent to a quantity of Energy, in MWh, equal to \$15 million divided by a specified fixed price per MWh under the Prepaid Energy Sales Agreement (or such higher limit determined in a Favorable Opinion of Bond Counsel) or a limit of 10% of the original quantity of Energy purchased under the Prepaid Energy Sales Agreement (or such higher limit determined in a favorable opinion of Bond Counsel), depending on the status of the purchaser at the time the proceeds are received by CCCFA. Both limits apply in the aggregate over the term of the Prepaid Energy Sales Agreement. Once either limit has been exceeded, a Ledger Event will be deemed to have occurred.

The occurrence of a Ledger Event could cause interest on the Bonds to become subject to federal income taxation, possibly retroactive to the Initial Issue Date of the Bonds. A Ledger Event results in an Energy Delivery Termination Date under the Prepaid Energy Sales Agreement. A Ledger Event does not, by itself, result in an Early Termination Payment Date under the Prepaid Energy Sales Agreement, however upon the occurrence of a Ledger Event MSCG will have the option to purchase the Funding Agreement from the Energy Supplier, which will result in an Early Termination Payment Date and mandatory redemption of the Bonds. See "Investment Considerations – *Loss of Tax Exemption on the Bonds*" herein.

Payment Provisions

The prepayment from CCCFA to the Energy Supplier will be due prior to the inception of the term of the Prepaid Energy Sales Agreement. To the extent any other amount becomes due to the Energy Supplier or CCCFA thereunder (for example, as a result of remarketing or failure to deliver by the Energy Supplier), such amount will be due to the other party on or before the later of (x) the 25th or 22nd day, respectively, of the month following the month in which such amount accrues or (y) the 10th day following

the relevant party's receipt of a billing statement (or if either such day is not a Business Day, the preceding Business Day).

Force Majeure

Each of CCCFA and the Energy Supplier are excused from their respective obligations to receive and deliver Energy under the Prepaid Energy Sales Agreement to the extent prevented by Force Majeure (as defined in APPENDIX B). The Energy Supplier is required to pay to CCCFA the applicable index price with respect to any Base Energy not delivered due to Force Majeure.

Assignment

Neither party may assign its rights under the Prepaid Energy Sales Agreement without the other party's prior written consent except:

(a) pursuant to the Indenture, CCCFA may transfer, sell, pledge, encumber or assign the Prepaid Energy Sales Agreement to the Trustee in connection with a financing arrangement; *provided that* CCCFA may not assign its rights under the Prepaid Energy Sales Agreement unless, contemporaneously with the effectiveness of such assignment, CCCFA also assigns the CCCFA Commodity Swap and CCCFA Custodial Agreement to the same assignee; and

(b) the Energy Supplier may assign the Prepaid Energy Sales Agreement to an affiliate, which assignment shall constitute a novation; provided that (i) the Energy Supplier delivers a Rating Confirmation with respect to such assignment, (ii) contemporaneously with the effectiveness of such assignment, the Energy Supplier also assigns the Energy Supplier Commodity Swap, the Energy Supplier Custodial Agreement and the Master Custodial Agreement to the same assignee and either (A) the Energy Supplier assigns the Funding Agreement and the Energy Management Agreement to the same assignee or (B) the assignee provides a guarantee of its obligations by Morgan Stanley, and (iii) the assignee is a special purpose entity approved by CCCFA or its obligations under the Prepaid Energy Sales Agreement are guaranteed or otherwise supported by the Funding Recipient to the satisfaction of CCCFA.

If either (a) the Energy Supplier notifies CCCFA that the Funding Agreement will not be replaced, re-financed or re-priced as of the end of any Interest Rate Period for the Bonds, (b) the Energy Supplier is unable to provide under the Re-Pricing Agreement an estimated Available Discount for any Reset Period that is equal to or greater than the applicable minimum discount under the Power Supply Contract, or (c) both (i) the Energy Supplier has agreed under the Re-Pricing Agreement to provide an Available Discount equal to or greater than the applicable minimum discount but for a Reset Period shorter than the entire remaining term to maturity of the Prepaid Energy Sales Agreement and (ii) CCCFA has identified a potential assignee that has agreed to provide an Available Discount equal to or greater than the applicable minimum discount for a Reset Period equal to the entire remaining term to maturity of the Prepaid Energy Sales Agreement, then, at the request of CCCFA, the Energy Supplier will reasonably cooperate with CCCFA to cause the Energy Supplier's (or the Energy Supplier's affiliate's) right, title and interest in the Prepaid Energy Sales Agreement, the Re-Pricing Agreement, the Energy Supplier Commodity Swap, the Energy Supplier Custodial Agreement and any Debt Service Account Investment Agreement with a term that extends past the then-current Interest Rate Period to which the Energy Supplier or any of its affiliates is a party and all agreements related to any of the foregoing (collectively, the "Transaction Documents") to

be novated to a replacement seller. The Prepaid Energy Sales Agreement and the Indenture impose certain requirements, including delivery of a Rating Confirmation, for any such novation.

Termination

Acceleration Event. Following the occurrence of an Acceleration Event, the Energy Supplier is required to pay the Termination Payment on the Early Termination Payment Date. An Acceleration Event will occur the Prepaid Energy Sales Agreement under the following circumstances each an “*Acceleration Event*”):

- the Funding Agreement is accelerated pursuant to the provisions of the Funding Agreement due to an Event of Default thereunder;
- the Energy Supplier is unable to replace, refinance or re-price the Funding Agreement for any Reset Period by the date that is one week prior to the beginning of the first Month following a Reset Period;
- the Project Participant makes a Remarketing Election under the Power Supply Contract for any Reset Period (a “*PSC Remarketing Event*”), and MSCG exercises its option to designate an EMA Early Termination Date under the Energy Management Agreement;
- MSCG purchases the Funding Agreement from the Energy Supplier pursuant to the Energy Management Agreement following the occurrence of a Ledger Event; or
- a Failed Remarketing occurs.

Energy Delivery Termination Events. An Energy Delivery Termination Date will occur automatically under the Prepaid Energy Sales Agreement upon the occurrence of an Acceleration Event or an Energy Delivery Termination Event. If an Energy Delivery Termination Date occurs, the Delivery Period under the Prepaid Energy Sales Agreement will end and the Energy Supplier will be required to make the payment or payments. An Energy Delivery Termination Date will occur under the following circumstances (each, an “*Energy Delivery Termination Event*”):

- the occurrence of a Ledger Event;
- both (a) an EMA Early Termination Date occurs under the Energy Management Agreement and (b) the Energy Supplier is unable to enter into a replacement Energy Management Agreement by the date that is 120 days following such early termination date;
- both (a) an early termination date is designated under the CCCFA Commodity Swap for any reason or occurs automatically pursuant to the terms of the CCCFA Commodity Swap based on an event of default or a termination event thereunder and (b) either the Energy Supplier Commodity Swap or the CCCFA Commodity Swap is not replaced within the Swap Replacement Period; or
- both (a) an early termination date is designated (or occurs automatically) under the Energy Supplier Commodity Swap for any reason and (b) either the Energy Supplier Commodity

Swap or the CCCFA Commodity Swap is not replaced within the Swap Replacement Period.

Termination Payment

Following an Acceleration Event, the Energy Supplier is required to pay the Termination Payment to the Trustee on the Early Termination Payment Date. Except in the case of a Failed Remarketing, the “Early Termination Payment Date” is the last Business Day of the Month that commences after an Acceleration Event occurs. In the case of an Acceleration Event that results from a Failed Remarketing, the Early Termination Payment Date will be the last Business Day of the current Interest Rate Period. The obligation of the Energy Supplier to pay the Termination Payment on the Early Termination Payment Date is unconditional, and the Energy Supplier waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available with regard to its obligation to pay the Termination Payment on the Early Termination Payment Date.

The amount of the Termination Payment is set forth on an exhibit to the Prepaid Energy Sales Agreement. The Termination Payment schedule generally corresponds to the amount payable by the Funding Recipient upon the maturity or prior redemption or acceleration of the Funding Agreement, or the price MSCG would pay to purchase the Funding Agreement from the Energy Supplier. The Termination Payment payable by the Energy Supplier, together with the amounts required to be on deposit in certain Funds and Accounts held by the Trustee, has been calculated to provide a sum at least sufficient to pay the Redemption Price of the Bonds, assuming that the Funding Recipient and the Energy Supplier pay and perform their respective obligations under the Funding Agreement, the Prepaid Energy Sales Agreement and the Energy Management Agreement when due.

Receivables Purchase Provisions

General. Pursuant to the Receivables Purchase Provisions of the Prepaid Energy Sales Agreement, the Energy Supplier has agreed to purchase from CCCFA the rights to payment of net amounts owed by the Project Participant under the Power Supply Contract (the “*Put Receivables*”). CCCFA is required to sell and the Energy Supplier is required to purchase Put Receivables under the circumstances described below under “*Put Receivables*.”

Put Receivables. Upon a payment default by the Project Participant under the Power Supply Contract, CCCFA shall put to the Energy Supplier and the Energy Supplier shall purchase Put Receivables with a face value equal to the amount of the non-payment by the Project Participant. CCCFA shall exercise its put option by delivering notice (the “*Put Option Notice*”) to the Energy Supplier on the Business Day following the date on which the relevant payment default occurs. The Put Option Notice shall include a description of the Put Receivables (including the relevant Project Participant, aging information and face amount of the Put Receivables) to be sold to the Energy Supplier (collectively, the “*Put Identified Receivables*”).

Receivables Purchase by MSCG. Under the Energy Management Agreement, MSCG has agreed to accept as payment from the Energy Supplier any Put Receivables purchased by the Energy Supplier under the Receivables Purchase Provisions. See “The Energy Management Agreement.”

THE RE-PRICING AGREEMENT

General

CCCFA and the Energy Supplier will enter into the Re-Pricing Agreement which provides for the determination of Reset Periods subsequent to the Initial Reset Period to correspond to the related Interest Rate Periods on the Bonds. The Initial Reset Period under the Prepaid Energy Sales Agreement and the Power Supply Contract begins on [_____] 1, 20[___] and ends on the last day of [_____] 20[___]*. The Initial Reset Period under the Prepaid Energy Sales Agreement ends one month before the end of the Initial Interest Rate Period, and each subsequent Reset Period will end one month before the end of the corresponding Interest Rate Period.

The debt service requirements on the Bonds for each Reset Period will not be known until the interest rate on the Bonds has been determined for such Reset Period. The Power Supply Contract includes provisions for the adjustment of the Energy sales price for each Reset Period so as to provide Revenues sufficient to enable CCCFA to meet the debt service requirements on the Bonds during each Reset Period. Accordingly, the Re-Pricing Agreement further provides for the calculation of the amount of the Available Discount (in cents per MWh) for sales of Energy to the Project Participant under the Power Supply Contract during each Reset Period.

In the event that the Available Discount for any Reset Period is less than the Minimum Discount specified in the Power Supply Contract (which includes both monthly discounts and any annual refunds), the Project Participant may elect not to take its Contract Quantities of Energy during the Reset Period, and to have such Energy remarketed for the duration of the Reset Period (a “*Remarketing Election*”) by giving notice of such election to CCCFA, the Energy Supplier and the Trustee. Any Energy that is covered by a Remarketing Election will be remarketed in accordance with the provisions of the Indenture and the Prepaid Energy Sales Agreement. In the event that the Project Participant makes a PSC Remarketing Election, MSCG will have the option to terminate the Energy Management Agreement. If MSCG exercises this option, an Acceleration Event and an Early Payment Termination Date will occur under the Prepaid Energy Sales Agreement. See “THE PREPAID ENERGY SALES AGREEMENT—*Energy Remarketing*” and “—*Termination*”.

Replacement of Funding Agreement

The Re-Pricing Agreement includes provisions that enable the Energy Supplier to obtain proposals from the Funding Recipient and other qualified funding providers for funding agreements to replace the Funding Agreement upon its maturity (which coincides with the end of the Initial Interest Rate Period). CCCFA agrees to cooperate in good faith with the Energy Supplier and to take all steps reasonably within its control to cause the Bonds to be remarketed or refunded for the Interest Rate Period that corresponds to each Reset Period.

THE FUNDING AGREEMENT

Set forth below is a summary of certain provisions of the Funding Agreement. This summary does not purport to be a complete description of the terms and conditions of the Funding Agreement and accordingly is qualified by reference to the full text thereof.

* Preliminary; subject to change.

General

In connection with the Energy Project, the Energy Supplier will purchase that certain [____], dated [____], 2025 (the “*Funding Agreement*”) from [____]. [The Energy Supplier and [____] will enter into a Funding Agreement Purchase Agreement, dated the sale date of the Bonds, that includes the form of the Funding Agreement as an annex thereto.]

The Funding Provider is a [____] organized under the laws of [____].

So long as there are any obligations outstanding under the Funding Agreement, [____] agrees that it will make publicly available [____].

Funding Account

On the Initial Issue Date of the Bonds (referred to in this Section as the “*Funding Date*”), the Energy Supplier will pay to [____] proceeds from the prepayment it receives from CCCFA under the Prepaid Agreement (the “*Deposit Amount*”). Upon its receipt of the Deposit Amount, [____] will establish under the Funding Agreement and maintain on its books a funding account (the “*Funding Account*”), and will record the amounts held under the Funding Agreement in accordance with the terms and conditions of the Funding Agreement. The Funding Account will be a bookkeeping account and not a separate account. [____] is neither a trustee nor a fiduciary with respect to the Funding Account.

The balance in the Funding Account at the end of any day will be equal to:

- (1) the initial Deposit Amount, plus any additional Deposit Amount(s) made to the Funding Account; *less*
- (2) any withdrawals made by the Energy Supplier as specified in the Term Sheet or in accordance with the Funding Agreement; *plus*
- (3) any accrued and unpaid interest on the balance in the Funding Account.

Interest will accrue on the sum of the aggregate amounts calculated in accordance with (1) and (2) set forth above at the fixed rate specified in the Funding Agreement. Such interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

All funds received by [____] under the Funding Agreement shall become the exclusive property of [____] and remain a part of its general account without any duty or requirement of segregation or separate investment. [____] shall have the sole right to control, manage and administer all funds deposited in or credited to the Funding Account, and may commingle the funds in its possession pursuant to the Funding Agreement with its other funds.

Payments; No Set-Off

[____] will pay to or at the direction of the Energy Supplier the amounts specified in the Funding Agreement (the “*Scheduled Withdrawals*”) on the dates specified in the Funding Agreement (the “*Scheduled Withdrawal Dates*”). The Scheduled Withdrawals consist of (a) monthly amortization payments set forth on a schedule attached to the Funding Agreement and (b) a final payment equal to the

entire amount then remaining in the Funding Account. The final Scheduled Withdrawal is payable on (i) the maturity date of the Funding Agreement, which is the Business Day preceding the Mandatory Purchase Date of the Bonds (the “Maturity Date”) or (ii) any earlier termination date of the Funding Agreement.

[] waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to it with regard to its obligations pursuant to the Funding Agreement.

Events of Default and Termination

The Funding Agreement will provide that an “Event of Default” will occur upon the occurrence of one or any combination of the following:

- (a) []’s failure to make any payment due under the Funding Agreement, if such failure to pay is not corrected within five Business Days after such payment becomes due and payable;
- (b) [] fails to maintain any representation or comply with any provision under the Funding Agreement, and [] fails to cure such breach within thirty days after notice thereof by the Energy Supplier; and
- (c) if [] is dissolved or has a resolution passed or proceeding instituted for its winding up, liquidation, rehabilitation or similar arrangement (other than pursuant to a consolidation, amalgamation or merger).

If an Event of Default described in clause (a) or (b) above occurs with respect to the Funding Recipient and the Energy Supplier delivers a written notice of termination with respect to such Event of Default, [] shall pay the entire amount held in the Funding Account (including accrued and unpaid interest) upon the resulting Funding Agreement Early Termination Payment Date (as defined below). If an Event of Default described in clause (c) above occurs, the Funding Agreement will automatically terminate and the entire amount in the Funding Account will be immediately due and payable by [] to the Energy Supplier, subject to [] regulations regarding the impairment or insolvency of a []. Upon such payment by [] to the Energy Supplier, []’s obligations under the Funding Agreement will be fully satisfied, and the Funding Agreement will be deemed terminated. As used above, “*Funding Agreement Early Termination Payment Date*” means the last Business Day of the month following the month in which the Energy Supplier delivers a written notice of termination to the Funding Recipient.

The Energy Supplier represents in the Funding Agreement that it is acquiring the Funding Agreement for investment and not with a view to any resale or distribution thereof. If the Energy Supplier fails to comply with the restrictions on resale pursuant to Rule 506 of Regulation D of the U.S. Securities and Exchange Commission (17 C.F.R. §230.506), [] will have the right upon written notice to the Energy Supplier to withdraw the entire amount held in the Funding Account (including accrued and unpaid interest) and pay it to the Energy Supplier. Upon such payment, []’s obligations under the Funding Agreement will be fully satisfied, and the Funding Agreement will be deemed terminated.

Governing Law

The Funding Agreement issued by [] will be governed by, and construed in accordance with, the laws of the State of [] without regard to conflicts of law principles.

Insolvency of []

The Funding Agreement is an unsecured obligation of [] and, in the event of []'s insolvency, will be subject to the provisions of [] laws.

Additional Information

For additional information with respect to the Funding Recipient, see APPENDIX J.

THE ENERGY MANAGEMENT AGREEMENT

Set forth below is a summary of certain provisions of the Energy Management Agreement. This summary does not purport to be a complete description of the terms and conditions of the Energy Management Agreement and accordingly is qualified by reference to the full text thereof.

General

Under the Energy Management Agreement, MSCG agrees to sell and deliver the monthly or hourly Contract Quantity of electricity on a firm basis; *provided that* Assigned Energy to be delivered by MSCG in its capacity as a PPA Supplier under an Assignment Agreement shall be delivered pursuant to such Assignment Agreement and not under the Energy Management Agreement. The Energy Supplier agrees to pay MSCG for the electricity delivered (or remarketed by MSCG) under the Energy Management Agreement in an amount equal to the applicable index price set forth in the Energy Management Agreement, plus a specified fee per each MWh of electricity (the “*MSCG Fee*”), reduced by any amounts the Energy Supplier is required to remit under the Prepaid Energy Sales Agreement in respect of any energy subject to remarketing or provisional payments thereunder. The Contract Quantity, delivery points and delivery period under the Energy Management Agreement match the corresponding provisions of the Prepaid Energy Sales Agreement and, in turn, the corresponding provisions of the Power Supply Contract. The provisions of the Energy Management Agreement with respect to failures to deliver or take electricity match the corresponding provisions of the Prepaid Energy Sales Agreement.

MSCG as Agent

General. Under the Energy Management Agreement, the Energy Supplier appoints and directs MSCG as its agent and MSCG agrees to issue notices and other communications, billing statements and to take any other actions that the Energy Supplier is required or permitted to take under any of the agreements entered into by the Energy Supplier in connection with the Clean Energy Project, including the Prepaid Energy Sales Agreement and the Energy Management Agreement (collectively, the “*Energy Documents*”); provided that MSCG’s agency role shall be limited to ordinary course actions required in connection with the Clean Energy Project and MSCG shall have no right to waive, modify or amend the terms of the Energy Management Agreement on the Energy Supplier’s behalf or to act on the Energy Supplier’s behalf with

respect to any dispute thereunder. In exercising this agency power, MSCG shall have the authority to take any such actions as it deems necessary under the Energy Documents.

Standard of Care. In the conduct and performance of its agency role, MSCG shall conduct itself consistent with and observe the same standard of care as it has in similar transactions in which MSCG has acted as the seller under prepaid commodity sales agreements, and the Energy Supplier acknowledges and agrees that MSCG shall have no obligation to observe a standard of care greater than it has in such similar transactions or to take any actions or measures beyond those it typically takes in connection with such transactions. MSCG shall not be liable for any action taken or omitted by it in acting as agent on behalf of the Energy Supplier.

Energy Remarketing. Under the Energy Management Agreement, the Energy Supplier delegates, and MSCG assumes, all of the Energy Supplier's electricity remarketing obligations under the remarketing provisions of the Prepaid Energy Sales Agreement, and MSCG agrees to comply with such provisions. Pursuant to this delegation, all electricity remarketing notices, directions and other actions will be given to or by, and will be performed by, MSCG, except as described below.

Receivables Purchases. MSCG agrees in the Energy Management Agreement to accept as a credit against payment owed by the Energy Supplier any Put Receivables purchased by the Energy Supplier under the Receivables Purchase Provisions.

Payment Provisions

Amounts due from MSCG to the Energy Supplier under the Energy Management Agreement (for example, as a result of remarketing or failure to deliver by MSCG) will be due on or before the 22nd day of the month following the month in which such amount accrues. Amounts due from the Energy Supplier to MSCG under the Energy Management Agreement will be due on or before the 26th day of the month following the month in which such amount accrues. MSCG is not entitled to net amounts due and owing by it thereunder, but the Energy Supplier is entitled to net any amounts due and owing by MSCG against its monthly payments due to MSCG.

Force Majeure

Each of the Energy Supplier and MSCG are excused from their respective obligations to receive and deliver electricity under the Energy Management Agreement to the extent prevented by *force majeure*, defined generally as any cause not within the reasonable control of, or the result of the negligence of, the party claiming an excuse to its obligations, and which by the exercise of due diligence such party is unable to overcome or avoid.

MSCG Obligations Following a Ledger Event

Option to Purchase Funding Agreement. Following the occurrence of a Ledger Event, and receipt of notification by MSCG of a Ledger Event, MSCG shall have the option to purchase the Funding Agreement from the Energy Supplier for an amount equal to (i) the Termination Payment for the Month following the Month in which MSCG purchases the Funding Agreement, plus (ii) any scheduled monthly payments due under the Funding Agreement from the date of MSCG's purchase of the Funding Agreement until the resulting Early Termination Payment Date, provided that MSCG shall be deemed to have elected not to exercise such option if it does not purchase the Funding Agreement by the end of the Month in which

it received notice that a Ledger Event has occurred. MSCG's purchase of the Funding Agreement will constitute an Acceleration Event under the Prepaid Energy Sales Agreement and that accordingly an Early Termination Payment Date will occur as of the last Business Day of the Month following MSCG's purchase of the Funding Agreement, and MSCG shall not owe any payments described in the following paragraph.

Ledger Event Payments

If a Ledger Event occurs under the Prepaid Energy Sales Agreement and MSCG has not purchased the Funding Agreement, MSCG will be required to pay to the Energy Supplier scheduled Ledger Event Payments calculated to provide a sum sufficient (together with the interest component of the Scheduled Debt Service Deposits) to enable CCCFA to pay interest on the Bonds at the Increased Interest Rate. Such payments are due to the Energy Supplier on (a) the Business Day preceding each Interest Payment Date and the Mandatory Purchase Date, and (b) any Early Termination Payment Date under the Prepaid Energy Sales Agreement. See "The Prepaid Energy Sales Agreement — Ledger Event," and "The Bonds — Increased Interest Rate Upon Ledger Event."

Assignment

Neither party may assign its rights under the Energy Management Agreement without the other party's consent, except that MSCG may assign the Energy Management Agreement to an affiliate of MSCG (which assignment shall constitute a novation) to the extent that either the Morgan Stanley Guarantee continues to apply to the assignee's obligations or Morgan Stanley otherwise guarantees such assignee's obligations thereunder.

Defaults and Termination Events

MSCG Default. Each of the following events constitutes a "MSCG Default" under the Energy Management Agreement:

- (a) MSCG fails to pay when due any amounts owed to the Energy Supplier pursuant to the Energy Management Agreement and such failure continues for two business days after receipt by MSCG of notice thereof, unless Morgan Stanley has made such payment under the Morgan Stanley Guarantee;
- (b) certain bankruptcy or insolvency events with respect to MSCG;
- (c) any representation or warranty made by MSCG in the Energy Management Agreement proves to have been incorrect in any material respect when made; and
- (d) the Morgan Stanley Guarantee ceases to be in full force and effect or is declared to be null and void, or Morgan Stanley contests the validity or enforceability of the Morgan Stanley Guarantee; provided that no such event will occur as a consequence of Morgan Stanley becoming subject to a receivership, insolvency, liquidation, resolution or similar proceeding.

Energy Supplier Default. Each of the following events constitutes a "Energy Supplier Default" under the Energy Management Agreement:

(a) the Energy Supplier fails to pay when due any amounts owed to MSCG pursuant to the Energy Management Agreement and such failure continues for five business days after receipt by the Energy Supplier of notice thereof;

(b) certain bankruptcy or insolvency events with respect to the Energy Supplier; and

(c) any representation or warranty made by the Energy Supplier in the Energy Management Agreement proves to have been incorrect in any material respect when made.

Optional Non-Default Termination Event. The Energy Supplier is required to provide prompt written notice to MSCG of any PSC Remarketing Election by the Project Participant. Such notice will constitute an “*Optional Non-Default Termination Event*” under the Energy Management Agreement.

Automatic Non-Default Termination Event. The occurrence of an Energy Delivery Termination Date under the Prepaid Energy Sales Agreement will constitute an “*Automatic Non-Default Termination Event*” under the Energy Management Agreement.

Remedies and Termination

If an MSCG Default or an Energy Supplier Default has occurred and is continuing, the non-defaulting party may designate an early termination date under the Energy Management Agreement by notice to the defaulting party (an “*EMA Early Termination Date*”). If an Optional Non-Default Termination Event has occurred and is continuing, MSCG may designate an EMA Early Termination Date by notice to the Energy Supplier; provided that MSCG’s right to designate an EMA Early Termination Date will expire if not exercised within two Business Days of such event. An EMA Early Termination Date will occur automatically upon the occurrence of an Automatic Non-Default Termination Event.

If an Energy Delivery Termination Date occurs, the Delivery Period for electricity under the Energy Management Agreement will end and the obligations of the parties to deliver and receive electricity will terminate.

Morgan Stanley Guarantee

The payment obligations of MSCG under the Energy Management Agreement are unconditionally guaranteed by Morgan Stanley under a guarantee agreement (the “*Morgan Stanley Guarantee*”). Any description of the Morgan Stanley Guarantee is qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of police and regulatory powers by federal and state authorities.

Neither the Trustee nor the Bondholders have any rights to enforce the Morgan Stanley Guarantee.

(Remainder of page intentionally left blank)

THE ENERGY SUPPLIER, MSCG, MSCS AND MORGAN STANLEY

Set forth below is certain information regarding the Energy Supplier, MSCG, MSCS and Morgan Stanley that has been obtained from such persons and other sources believed to be reliable. CCCFA assumes no responsibility for such information and cannot guarantee the accuracy thereof. Under no circumstance is the Energy Supplier, MSCG, MSCS or Morgan Stanley obligated to pay any amounts owed in respect of the Bonds.

Energy Supplier. The Energy Supplier is a Delaware limited liability company organized for the sole purpose of entering into the transactions on its part with respect to the Clean Energy Project. MSCG is the sole member (the “Member”) and the Manager (the “Manager”) of the Energy Supplier and will fund the Energy Supplier by the purchase of a subordinated note of the Energy Supplier (the “Subordinated Note”) under a note purchase agreement (the “Subordinated Note Purchase Agreement”) with the Energy Supplier and the capital contribution described below.

The Energy Supplier is governed by a three-member board of directors. One director is appointed by MSCG, one director is appointed by CCCFA, and the third director is an independent director appointed by MSCG. The directors have appointed MSCG as the manager of the Energy Supplier. The Energy Supplier agrees to indemnify the directors (other than the director appointed by MSCG), the Member, the Manager and their affiliates (“Covered Persons”) for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Energy Supplier and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by the Energy Supplier’s limited liability company agreement; provided that the Energy Supplier’s indemnification obligations to any Covered Person shall not in any event exceed \$500,000 in the aggregate.

The director appointed by CCCFA has the sole consent rights with respect to certain matters, including: the enforcement of the Energy Management Agreement and the Morgan Stanley Guarantee and the designation of an EMA Early Termination Date under the Energy Management Agreement; the removal and replacement of MSCG as the Manager of the Energy Supplier and as the Energy Supplier’s agent under the Prepaid Energy Sales Agreement if the Energy Management Agreement between MSCG and the Energy Supplier has been terminated due to a MSCG Default; the removal and replacement of the Master Custodian (defined below); and certain determinations with respect to Reset Periods under the Re-Pricing Agreement.

CCCFA covenants in the Indenture that, in any vote that comes before the board of directors of the Energy Supplier regarding the Product Supplier Documents (as defined in the Indenture), it will instruct the CCCFA-appointed director to exercise its voting rights in favor of (a) observing and performing the Energy Supplier’s obligations under the Prepaid Energy Sales Agreement, (b) the Energy Supplier enforcing the provisions of the Product Supplier Documents, and (c) not permitting any assignment, rescission, amendment or waiver to or of the Product Supplier Documents which will in any manner materially impair or materially adversely affect the rights of CCCFA thereunder or the rights or security of the Bondholders under the Indenture. The director appointed by MSCG has sole consent rights with respect to other matters, including: the termination or replacement of the Energy Supplier Commodity Swap; and the entry into any contracts, transactions or other arrangements for the acquisition or sale of electricity by the Energy Supplier, including agreement by the Energy Supplier on the terms thereof including but not limited to pricing. The independent director is required to consider only the interests of the Energy Supplier and its creditors in acting or voting on certain material actions that require the unanimous consent of the directors. No

resignation or removal of the independent director will be effective until a successor independent director has been appointed.

MSCG. Pursuant to the Energy Management Agreement, MSCG will act as the upstream electricity supplier to the Energy Supplier in connection with the Clean Energy Project. MSCG is the sole member and the manager of the Energy Supplier. MSCG is an indirect, wholly-owned subsidiary of Morgan Stanley. MSCG is engaged, among other things, in client facilitation and market-making activities in commodities and commodity derivative contracts. MSCG is registered as a swap dealer with the CFTC. The short-term and long-term issuer ratings of MSCG are “A-1” and “A+” from S&P Global Ratings and “P-1” and “Aa3” from Moody’s.

MSCS. MSCS engages primarily in OTC derivative transactions as a market maker and provides trading related services to a broad range of customers and clients, including affiliates. MSCS is conditionally registered with the SEC as a security-based swap dealer and is registered as an OTC derivative dealer. MSCS is also registered with the CFTC as a swap dealer and is a member with ICE Clear Europe Ltd, ICE Clear Credit, LLC and LCH Clearnet Group Ltd. MSCS is an indirect subsidiary of Morgan Stanley. The short term and long term issuer ratings of MSCS are “A-1” and “A+” from S&P Global Ratings and “P-1” and “Aa3” from Moody’s.

Morgan Stanley. Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Morgan Stanley was originally incorporated under the laws of the State of Delaware in 1981, and its predecessor companies date back to 1924. Morgan Stanley is a financial holding company regulated by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended. Morgan Stanley conducts its business from its headquarters in and around New York City, its regional offices and branches throughout the U.S., and its principal offices in London, Tokyo, Hong Kong and other world financial centers. Morgan Stanley’s principal executive offices are at 1585 Broadway, New York, New York 10036, and its telephone number is (212) 761-4000.

The senior unsecured long-term debt of Morgan Stanley is rated “A1” by Moody’s, “A-” by S&P, and “A+” by Fitch.

Morgan Stanley is unconditionally guaranteeing the payment obligations of MSCG under the Energy Management Agreement pursuant to the Morgan Stanley Guarantee.

Energy Supplier Master Custodial Agreement. The Energy Supplier, MSCG, CCCFA and The Bank of New York Mellon, as custodian (the “*Master Custodian*”), will enter into an SPE Master Custodial Agreement (the “*Master Custodial Agreement*”) to administer:

(a) the amounts payable to the Energy Supplier under (i) the Funding Agreement, (ii) the Energy Management Agreement, (iii) the Prepaid Energy Sales Agreement, (iv) the Energy Supplier Commodity Swap, (v) the Subordinated Note Purchase Agreement and (vi) the Credit Default Swap (defined below), and

(b) the amounts payable by the Energy Supplier under (i) the Prepaid Energy Sales Agreement, (ii) the Energy Management Agreement, (iii) the Energy Supplier Commodity Swap, (iv) the Credit Default

Swap, (v) as a distribution to MSCG in its capacity as the sole member of the Energy Supplier, and (vi) the Subordinated Note.

The Master Custodial Agreement establishes a revenue account (the “*Energy Supplier Revenue Account*”) and a capital account (the “*Energy Supplier Capital Account*”) with the Master Custodian. The amounts payable to the Energy Supplier under the Funding Agreement, the Energy Management Agreement, the Prepaid Energy Sales Agreement and the Energy Supplier Commodity Swap are to be paid directly into the Energy Supplier Revenue Account.

Under the Master Custodial Agreement, the Master Custodian will, to the extent of the amounts on deposit in the Energy Supplier Revenue Account and so long as no Early Termination Payment Date has occurred under the Prepaid Energy Sales Agreement, make monthly transfers for the payment of amounts due by the Energy Supplier under (and in the following order of priority): (i) the Energy Supplier Commodity Swap; (ii) the Prepaid Energy Sales Agreement (other than the Ledger Event Payments payable after the occurrence of a Ledger Event which shall be transferred promptly to the Trustee); and (iii) the Energy Management Agreement. Following these monthly transfers, any remaining funds in the Energy Supplier Revenue Account are transferred to the Energy Supplier Capital Account. Pending their application, the amounts in the Energy Supplier Revenue Account are held in trust for the benefit of the Energy Supplier. Following receipt of notice from the Energy Supplier that an Early Termination Payment Date has occurred under the Prepaid Energy Sales Agreement, the Master Custodian will withdraw amounts on deposit in the Energy Supplier Revenue Account for the payment of other specified obligations of the Energy Supplier.

The Energy Supplier Capital Account will be initially funded by MSCG by the purchase of the Subordinated Note in the amount of \$[_____]” and a capital contribution of \$1,000,000. The capital contribution may be in the form of cash or Cash Equivalents (defined below). In addition, MSCS and the Energy Supplier have entered into a credit default swap transaction (the “*Credit Default Swap*”) under which MSCS agrees to pay to the Energy Supplier specified amounts upon the occurrence of an Event of Default with respect to the Funding Agreement and an acceleration of the Funding Agreement pursuant to the terms of the Funding Agreement.

Collectively, the proceeds of the Subordinated Note, the capital contribution and the amounts payable under the Credit Default Swap equal at least three percent of the outstanding (unamortized) amount of the prepayment under the Prepaid Energy Sales Agreement (approximately \$[_____]” million as of the Initial Issue Date).

Under the Master Custodial Agreement, the amounts in the Energy Supplier Capital Account may be invested only in: direct obligations of (or unconditionally guaranteed by) the United States (or any agency or political subdivision thereof, to the extent such obligations are supported by the full faith and credit of the United States) maturing not more than two years from the date of acquisition thereof; certain certificates of deposit and demand deposits; certain money market funds; and cash (“*Cash Equivalents*”).

Amounts on deposit in the Energy Supplier Capital Account shall be withdrawn by the Master Custodian pursuant to instructions provided by the Energy Supplier and applied to: (a) meet the Energy Supplier’s collateral posting obligations under the credit support annexes to the Energy Supplier

* Preliminary, subject to change.

Commodity Swap; (b) to make up any deficiency of the amounts on deposit in the Energy Supplier Revenue Account for the purposes described above; and (c) pay fees or other amounts due to the Master Custodian and the Independent Director. The Master Custodian shall have a lien, security interest and right of set-off for the payment of any claim by the Master Custodian for compensation, reimbursement or indemnity under the Master Custodial Agreement.

To the extent that the amounts on deposit in the Energy Supplier Capital Account (including any amounts posted by Energy Supplier as collateral under the Energy Supplier Commodity Swap) at any time exceed the greater of a scheduled amount specified in the Master Custodial Agreement or \$[] (the greater of these amounts is referred to as the “*Minimum Deposit Amount*”), and after the payment of the Energy Supplier’s obligations under the Energy Supplier Commodity Swap, the Prepaid Energy Sales Agreement and the Energy Management Agreement, the Master Custodian is instructed to withdraw amounts on deposit in the Energy Supplier Capital Account to be applied first to the payment of amounts due by the Energy Supplier under the Credit Default Swap, second as a distribution to MSCG in its capacity as the sole member of Energy Supplier, and third to the payment of amounts due, if any, under the Subordinated Note for any given Month; provided that the Master Custodian shall not transfer any amount from the Energy Supplier Capital Account to the extent the remaining balance in the Energy Supplier Capital Account following such transfer will be less than the Minimum Deposit Amount.

THE POWER SUPPLY CONTRACT

General

Under the Power Supply Contract, CCCFA has agreed to sell and deliver to the Project Participant, and the Project Participant has agreed to purchase and receive from CCCFA at the delivery point, quantities of EPS Compliant Energy, which shall be comprised of Assigned Energy and other EPS Compliant Energy delivered to CCCFA by the Energy Supplier under the Prepaid Energy Sales Agreement.

The Power Supply Contract will remain in full force and effect for a primary term ending at the end of the Delivery Period under the Prepaid Energy Sales Agreement; *provided, however*, that if the Prepaid Energy Sales Agreement is terminated, the Power Supply Contract will terminate on the Termination Date.

THE OBLIGATION OF THE PROJECT PARTICIPANT TO MAKE PAYMENTS TO CCCFA UNDER THE POWER SUPPLY CONTRACT IS NOT, NOR SHALL IT BE CONSTRUED AS, A GUARANTY OR ENDORSEMENT OF OR A SURETY FOR, THE BONDS. SUCH OBLIGATION OF THE PROJECT PARTICIPANT IS NOT A GENERAL OBLIGATION OF THE PROJECT PARTICIPANT AND IS PAYABLE SOLELY FROM THE REVENUES DERIVED FROM SALES OF ENERGY TO THEIR CUSTOMERS. THE INDENTURE DOES NOT MORTGAGE THE CLEAN ENERGY PROJECT OR ANY TANGIBLE PROPERTIES OR ASSETS OF CCCFA OR THE PROJECT PARTICIPANT.

For information regarding the Project Participant, see APPENDIX A.

Pricing Provisions

Contract Price. For each MWh of Prepaid Energy delivered to the Project Participant, the Project Participant shall pay CCCFA the applicable Contract Price; provided that CCCFA shall owe a payment to

the Project Participant to the extent that the Contract Price is negative. The Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products. The “*Contract Price*” means (i) for Monthly Projected Quantities, the Day-Ahead Average Price for the Month in which Energy is delivered minus the Monthly Discount; and (ii) for Monthly Excess Quantities and Assigned Paygo Quantities, the Day-Ahead Average Price for the Month in which Energy is delivered. With respect to Monthly Excess Quantities and Assigned Paygo Quantities (as such terms are defined in APPENDIX B), the Project Participant’s payment obligations under the Power Supply Contract shall be satisfied by its payment of the “Retained Payment Amount” consistent with the terms of the Participant Custodial Agreement (as such terms are defined in APPENDIX B).

If Base Energy is required to be delivered and remarketed pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier will remarket such Base Energy at a price, net of applicable costs, not less than the Day-Ahead Market Price. See “THE PREPAID ENERGY SALES AGREEMENT — *Provisional Payments and Energy Remarketing*”.

Through the Clean Energy Project, the Project Participant anticipates realizing a discount to existing fixed contract prices or to market Energy prices. No assurance can be given as to the total actual discount the Project Participant will realize.

Project Administration Fee

Under the Prepaid Clean Energy Project Administration Agreement, the Project Participant is required to pay to CCCFA annually a Project Administration Fee in an amount sufficient to pay any Operating Expenses then due and for which payment has not been made from the Operating Fund.

Assignment of Power Purchase Agreements

General. Concurrently with the execution of its Power Supply Contract, the Project Participant will assign the Initial Assigned Rights and Obligations to the Energy Supplier for delivery under the Prepaid Energy Sales Agreement.

Under the terms of a letter agreement, commencing six months prior to the expiration of any EPS Energy Period, or otherwise immediately upon the early termination or anticipated early termination of an EPS Energy Period, the Project Participant shall exercise Commercially Reasonable Efforts to assign the Assigned Rights and Obligations under one or more Assigned PPAs (pursuant to which the Project Participant is purchasing EPS Compliant Energy) either to the Energy Supplier or MSCG, subject to MSCG’s and the Energy Supplier’s consent to such assignment. For any Assigned PPA assigned to MSCG, MSCG will be obligated to sell and deliver Assigned Energy and associated attributes it receives under all Assigned Rights and Obligations pursuant to such Assigned PPA to the Energy Supplier pursuant to the Energy Management Agreement, and the Energy Supplier will be obligated to deliver such Assigned Energy and associated attributes to CCCFA pursuant to the Prepaid Energy Sales Agreement. See “THE CLEAN ENERGY PROJECT - *Assignment of Power Purchase Agreements by the Project Participant*”.

Failure to Obtain EPS Compliant Energy. Under the terms of a letter agreement, to the extent an EPS Energy Period terminates or expires and the Project Participant and MSCG have been unable to obtain EPS Compliant Energy for delivery, then the Energy Supplier shall remarket the Base Energy pursuant to the Prepaid Energy Sales Agreement, the obligations of the Project Participant and the Energy Supplier described under this heading shall continue to apply and the Project Participant may not make any new

commitment to purchase Priority Energy during such a remarketing. See “THE PREPAID ENERGY SALES AGREEMENT – *Provisional Payments and Energy Remarketing*” and “THE POWER SUPPLY CONTRACT – *Remarketing of Energy*”.

Billing and Payment

Not later than ten days following the end of the Month during the Delivery Period, CCCFA must provide a monthly billing statement of the amount due for the Energy actually delivered in the previous Month. The due date for payment by the Project Participant will be the 20th day of the month following the month of delivery (or if such day is not a Business Day, the preceding Business Day). The due date for payment from CCCFA will be the 28th day of the month following the month of delivery (or if such day is not a Business Day, the preceding Business Day). If the Project Participant disputes the appropriateness of any charge or calculation in any billing statement, the Project Participant, within the time provided for payment, must notify CCCFA of the existence of and basis for such dispute and, absent manifest error, must pay all amounts billed by CCCFA, including any amounts in dispute. If it is ultimately determined that the Project Participant did not owe the disputed amount, CCCFA must pay the Project Participant the disputed amount plus interest.

Annual Refunds

CCCFA has agreed to provide annual refunds to the Project Participant from amounts available for distribution pursuant to the Indenture. In determining the amount of such refunds, CCCFA may reserve such funds as may be required under the terms of the Indenture or as it deems reasonably necessary and appropriate to cover anticipated costs and expenses to be incurred in the next succeeding bond year, with certain limitations.

Covenants of the Project Participant

Operating Expense. The Project Participant covenants (a) to make the payments on its part due under the Power Supply Contract from the revenues of its electric utility system, and only from such revenues, as an item of operating expense and (b) that it will not pledge or encumber its revenues in any way which creates a prior or superior obligation to its obligation to make payments under the Power Supply Contract.

Maintenance of Rates and Charges. The Project Participant has covenanted and agreed that it will establish, maintain, and collect rates and charges for its electric utility system so as to provide revenues sufficient, together with all available electric system revenues, to enable it to pay to CCCFA all amounts legally payable from such revenues and to maintain required reserves.

Qualifying Use. The Project Participant has agreed that it will (a) provide such information with respect to its electric utility system as may be requested by CCCFA in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as CCCFA may provide from time to time in order to enable CCCFA to maintain the tax-exempt status of interest on the Bonds. Without limiting the foregoing, the Project Participant has further agreed to use the Energy purchased under the Power Supply Contract (a) in a “qualifying use” as defined in the applicable U.S. Treasury Regulation, (b) in a manner that will not result in any private business use of that Energy within the meaning of Section 141 of the Code, and (c) consistent with its Federal Tax Certificate (collectively, the “*Qualifying Use Requirements*”).

In the event that any portion of the Project Participant's contract quantity is remarketed in a manner that does not comply with the Qualifying Use Requirements, the Project Participant agrees to exercise Commercially Reasonable Efforts to use the proceeds of such remarketing to purchase Energy (other than Priority Energy, which are described below) for use in compliance with such Qualifying Use Requirements. The Project Participant further agrees to provide monthly remediation certificates to CCCFA and the Energy Supplier with respect to other purchases of Energy that is used in compliance with the Qualifying Use Requirements to remediate the proceeds from sales of Energy that were sold in a transaction that does not comply with the Qualifying Use Requirements.

Priority Energy. The Project Participant agrees to purchase and receive the Base Energy and Assigned Quantities to be delivered under its Power Supply Contract (a) in priority over and in preference to all other Energy available to it that are not Priority Energy; and (b) on at least a *pari passu* and non-discriminatory basis with other Priority Energy. For purposes of this covenant and during the Delivery Period, "*Priority Energy*" means (a) the Contract Quantity, and (b) other Energy that the Project Participant is obligated to take under a long-term agreement that is purchased with or generated using capacity that was constructed using the proceeds of tax-exempt bonds, notes, or other obligations.

Delivery Points; Title and Risk of Loss

Assigned Energy. Assigned Energy delivered under the Power Supply Contract shall be Scheduled for delivery to and receipt at the applicable Assigned Delivery Point specified in the applicable Assignment Agreement. All other Assigned Energy will be delivered pursuant to the terms of the applicable Assignment Agreement. Scheduling and transmission of Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Title. Title to and risk of loss of the Prepaid Energy delivered under each Power Supply Contract shall pass from the CCCFA to the Project Participant at the applicable Assigned Delivery Point. The transfer of title and risk of loss for Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Failure to Perform

To the extent that specified quantities of Assigned Product are not delivered to the Project Participant for reasons other than Force Majeure, the remarketing provisions of the Prepaid Energy Sales Agreement shall apply. See "THE PREPAID ENERGY SALES AGREEMENT — *Provisional Payments and Energy Remarketing*". Neither the Project Participant nor CCCFA has any liability to one another for any failure to take or deliver Assigned Energy, except as described in this section under "— *Assignment of Power Purchase Agreements*."

Remarketing of Energy

Under the Prepaid Energy Sales Agreement, in the event the Project Participant is in default under its Power Supply Contract or does not require or is unable to receive all or any portion of its Contract Quantity under its Power Supply Contract as a result of (i) the Project Participant's decreased Energy requirements, (ii) decreased demand by its retail customers, or (iii) EPS Compliant Energy not being available for delivery under the Prepaid Energy Sales Agreement, or if the Assigned Energy for any measurement period is not equal to or greater than the quantity of Prepaid Energy required to be delivered during such period for any reason other than Force Majeure, then the Energy Supplier is required to

remarket such portion of the Contract Quantity as required under the Remarketing Provisions. Under the Prepaid Energy Sales Agreement, CCCFA arranges for sales through the Energy Supplier in accordance with the Remarketing Provisions. If the Energy Supplier successfully makes such a sale or sales, CCCFA must credit against the amount owed by the Project Participant to CCCFA the amount received from the Energy Supplier, such credit not to exceed the Contract Price for the Energy so sold. See “The Prepaid Energy Sales Agreement — *Provisional Payments and Energy Remarketing*”.

Force Majeure

Except with regard to a party’s obligation to make payments under the Power Supply Contract, neither party shall be liable to the other for failure to perform its obligations under the Power Supply Contract to the extent such performance is prevented by an event of “*Force Majeure*” (as defined in APPENDIX B).

Default

Each of the following is a default under the Power Supply Contract:

- (a) Any representation or warranty made by a party in the Power Supply Contract shall prove to have been incorrect in any material respect when made; and
- (b) A party fails to perform, observe or comply with any covenant, agreement or term contained in the Power Supply Contract, subject to such grace period and notice or, knowledge provisions set forth therein.

In addition, each of the following is a default by the Project Participant under the Power Supply Contract:

- (a) Failure by the Project Participant to pay when due any amounts owed to CCCFA under the Power Supply Contract, subject to a grace period; and
- (b) The insolvency or bankruptcy of the Project Participant.

Upon the occurrence of a default by the Project Participant described in (b) above, the Power Supply Contract will automatically terminate and all amounts due to CCCFA will be immediately due and payable. Upon the occurrence of the other defaults described above, the non-defaulting party may terminate the Power Supply Contract and/or declare all amounts due to it to be immediately due and payable. During the existence of a default, the non-defaulting party may exercise all other rights and remedies available to it at law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of the Power Supply Contract.

In addition to the remedies described above, during the existence of any payment default by the Project Participant, CCCFA may suspend its performance under the Power Supply Contract and discontinue the supply of all or any portion of the Energy otherwise to be delivered to the Project Participant under the Power Supply Contract.

If CCCFA exercises its right to discontinue Energy deliveries to the Project Participant, such service may only be reinstated, at a time determined by CCCFA, upon (a) payment in full by the Project Participant of all amounts then due and payable under its Power Supply Contract and (b) payment in

advance by the Project Participant at the beginning of each month amounts estimated by CCCFA to be due from the Project Participant for the future delivery of Energy for such month. If the Project Participant fails to accept the Energy tendered, CCCFA has the right to sell the Energy to third parties.

Assignment

The provisions of the Power Supply Contract are binding on the successors and assigns of such contract. Neither party may assign the Power Supply Contract to another party without the prior written consent of the other party, except that CCCFA may assign its interests to secure its obligations under the Indenture. Prior to assigning all or any part of its interest in the Power Supply Contract, the Project Participant is required to deliver to CCCFA a Rating Confirmation from each rating agency then rating the Bonds. Any applicable Assignment Agreement will terminate concurrent with the assignment of the Power Supply Contract.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

General

CCCFA is a joint powers authority formed pursuant to the Act and the joint powers agreement (“the *JPA Agreement*”) made among those public agencies which are its members. CCCFA was incorporated and organized in 2021. As of the date of this Official Statement the members of CCCFA are Ava Community Energy, Central Coast Community Energy, Clean Power Alliance of Southern California, Marin Clean Energy and the Project Participant (Silicon Valley Clean Energy Authority) (each a “*Founding Member*”) and San Diego Community Power, Peninsula Clean Energy Authority, Pioneer Community Energy, the City of San José through its community choice aggregator program known as San José Clean Energy, Sonoma Clean Power Authority and Valley Clean Energy Alliance (each an “Associate Member” and, together with the Founding Members and any additional members which may later be added as parties to the JPA Agreement, a “*Member*”).

Each Member is a community choice aggregator, and a public agency as defined in the Act, which operates a community choice aggregation program with the authority to group retail electricity customers to solicit bids, broker, and contract for electricity and energy services for those customers, and to enter into agreements for services to facilitate the sale and purchase of electricity and other related services, and to study, promote, develop, conduct, operate and manage energy-related programs.

CCCFA was formed for, among other purposes, the purpose of financing energy prepayments which can be financed with tax advantaged bonds for the benefit of its Members.

Powers and Authority

Under the provisions of the Act, CCCFA has all of the powers common to the Members, and any and all power in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations, including: (i) the purchase and sale of electric energy and associated capacity and environmental attributes, (ii) the design, acquisition, maintenance, or operation of any Public Capital Improvement (as defined in the Act) or other facility or improvement, or the leasing thereof, (iii) the provision of working capital, and (iv) any other project, program, public capital improvement or purpose authorized by the Act or other law to be undertaken, financed, or refinanced by CCCFA, in connection with the financing or refinancing of energy prepayments that can be financed with

tax advantaged bonds and other obligations (a “*Prepayment Project*”). CCCFA shall have the power to issue, incur, sell and deliver bonds in accordance with the provisions of the Act and other applicable laws for the purpose of acquiring, undertaking, financing, or refinancing one or more Prepayment Projects.

Under the provisions of the JPA Agreement and the Act, CCCFA has (among others) the following powers:

- (a) to acquire, purchase, finance, operate, maintain, utilize and/or dispose of one or more Prepayment Projects and any facilities, programs or other authorized costs relating thereto;
- (b) to make and enter contracts (including without limitation interest rate, commodity, basis and similar hedging contracts intended to hedge payment, rate, cost or similar exposure);
- (c) to employ agents and employees;
- (d) to acquire, manage, maintain or operate any building, works or improvements;
- (e) to acquire, hold, lease or dispose of property;
- (f) to incur debts (including without limitation through the issuance or incurrence of bonds), liabilities or obligations (which shall not constitute debts, liabilities, or obligations of any of the Members);
- (g) to sue and be sued in its own name;
- (h) to receive gifts, contributions and donations of real or personal property, funds, services and other forms of assistance from any source;
- (i) to receive, collect, invest and disburse moneys;
- (j) to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
- (k) to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer energy-related programs;
- (l) to defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions; and
- (m) to exercise any other power and take any other action permitted by law to accomplish the purposes of the JPA Agreement.

The JPA Agreement shall continue in full force and effect until terminated as provided in therein; *provided, however*, the JPA Agreement cannot be terminated while either (a) any bonds of CCCFA, including the Bonds, remain outstanding, or (b) CCCFA is the owner, lessor or lessee of any real or personal property financed from the proceeds of any bonds.

Governance and Management

Board of Directors. CCCFA is governed by a Board of Directors (the “*Board*”) consisting of one director for each Founding Member. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CCCFA. The Board may appoint a part-time or full-time General Manager and may appoint one or more part-time or full-time Assistant General Managers. The General Manager would be responsible for the day-to-day operation and management of CCCFA. The names of the current directors of CCCFA are listed on the roster page at the front of this Official Statement.

Management. The Board has not appointed a General Manager or Assistant General Manager. CCCFA’s current management team consists of Garth Salisbury as Treasurer/Controller and David J. Ruderman of Colantuono, Highsmith & Whatley, PC as General Counsel.

Other CCCFA Projects

CCCFA previously issued its bonds (a) on September 23, 2021 to purchase prepaid electricity from Morgan Stanley Energy Structuring, L.L.C. (“MSES”) which is delivered to its Members, Ava Community Energy (formerly known as East Bay Community Energy Authority) and Silicon Valley Clean Energy Authority, (b) on November 24, 2021 to purchase prepaid electricity from Aron Energy Prepay 5 LLC, which is delivered to its Member, Marin Clean Energy, (c) on July 12, 2022 to purchase prepaid electricity from MSES, which is delivered to its Member, Ava Community Energy, (d) on January 4, 2023 to purchase prepaid electricity from Aron Energy Prepay 15 LLC, which is delivered to its Member, Pioneer Community Energy, (e) on January 27, 2023 to purchase prepaid electricity from MSES, which is delivered to its Member, Silicon Valley Clean Energy Authority (f) on February 23, 2023 to purchase prepaid electricity from Aron Energy Prepay 14 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (g) on June 15, 2023 to purchase prepaid electricity from Aron Energy Prepay 16 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (h) on August 16, 2023 to purchase prepaid electricity from MSES, which is delivered to its Member, Ava Community Energy, (i) on October 26, 2023 to purchase prepaid electricity from Aron Energy Prepay 22 LLC, which is delivered to it Member, Central Coast Community Energy, (j) on December 15, 2023 to purchase prepaid electricity from Aron Energy Prepay 21 LLC, which is delivered to its Member, Marin Clean Energy, (k) on January 25, 2024 to purchase prepaid electricity from MSES, which is delivered to its Member Silicon Valley Clean Energy Authority, (l) on August 27, 2024 to purchase prepaid electricity from Aron Energy Prepay 41 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (m) on October 10, 2024 to purchase prepaid electricity from Aron Energy Prepay 43 LLC, which is delivered to its Member, Peninsula Clean Energy Authority, (n) on November 4, 2024 to purchase prepaid electricity from MSES, which is delivered to its Member the City of San José, (o) on November 14, 2024 to purchase prepaid electricity from Royal Bank of Canada, which is delivered to its Member, Clean Power Alliance of Southern California, (p) on November 20, 2024 to purchase prepaid electricity from Energy Prepay IV, LLC, which is delivered to its Member, San Diego Community Power, (q) on November 27, 2024 to purchase prepaid electricity from Aron Energy Prepay 45 LLC, which is delivered to its Member, Sonoma Clean Power Authority, (r) on December 20, 2024 to purchase prepaid electricity from Aron Energy Prepay 46 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (s) on March 13, 2025 to purchase prepaid electricity from Aron Energy Prepay 44 LLC, which is delivered to its Member, Valley Clean Energy Alliance, and (t) on June 18, 2025 to purchase prepaid electricity from Aron Energy Prepay 52 LLC, which is delivered to its Member, Marin Clean Energy. Each series of bonds is secured by a separate bond indenture.

CCCFA may issue future bonds to purchase prepaid electricity supplies for sale to participating municipal utilities, with the revenues from such sales pledged to the payment of such bonds. Such revenues will not be pledged, nor may such revenues be used, to pay amounts due with respect to the Bonds.

In furtherance of its corporate and public purposes, CCCFA intends to acquire and finance supplies of electricity on a prepaid basis for sale to other community choice aggregators. CCCFA is currently developing additional Clean Energy Projects under transaction and financing structures that are expected to be generally similar to the structure of the Clean Energy Project. CCCFA can give no assurance as to the timing or terms of these projects or that they will be completed. A range of factors that are outside of the control of CCCFA, including the final negotiation of transaction documents, the approval of commodity supply contracts by the prospective project participants, changes in market prices and rates, the receipt of bond ratings, and other factors could result in these transactions not being completed.

Any additional Clean Energy Projects that may be undertaken by CCCFA will be separate and distinct transactions, and the bonds issued to finance these projects will be payable solely from the commodity sales and other revenues pledged for their payment. In no event will the Revenues and Trust Estate pledged to the payment of the Bonds be used to pay any other bonds of CCCFA.

Separate Obligations

THE BONDS, PREVIOUS BONDS ISSUED BY CCCFA, ANY FUTURE BONDS THAT MAY BE ISSUED BY CCCFA AND ANY FUTURE CONTRACTS THAT CCCFA MAY ENTER INTO TO ACQUIRE ADDITIONAL ENERGY OR ELECTRICITY ARE AND WILL BE SEPARATE AND DISTINCT OBLIGATIONS OF CCCFA. ANY FUTURE BONDS OR CONTRACTS WILL NOT BE SECURED BY OR PAYABLE FROM THE REVENUES PLEDGED BY THE INDENTURE TO THE PAYMENT OF THE BONDS, AND THE BONDS WILL NOT BE SECURED BY OR PAYABLE FROM THE REVENUES DERIVED FROM ANY FUTURE PROJECT, CLEAN ENERGY PROJECT OR CONTRACT OF CCCFA.

Limited Liability

CCCFA DOES NOT HAVE THE POWER TO LEVY AD VALOREM PROPERTY TAXES. ALL BONDS ISSUED BY CCCFA ARE PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM ITS ACTIVITIES PURSUANT TO ITS STATUTORY PURPOSES AND POWERS AND IN ACCORDANCE WITH THE APPLICABLE FINANCING DOCUMENTS. THE BONDS ARE PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE PLEDGED PURSUANT TO THE INDENTURE.

COMMUNITY CHOICE AGGREGATORS

General

The Project Participant is a “community choice aggregator” pursuant to Section 331.1 of the Public Utilities Code (a “CCA”). See APPENDIX A for information with respect to the Project Participant.

Establishment of Community Choice Aggregators

A CCA may be established by any city, county, or city and county whose governing board elects to combine the loads of its residents, businesses, and municipal facilities in a community-wide Energy buyers' program, and by any group of cities, counties, or cities and counties whose governing boards have elected to combine the loads of their programs, through the formation of a joint powers agency established under Joint Powers Act, provided in either case that the entity is not within the jurisdiction of a local publicly owned electric utility that provided electrical service as of January 1, 2003. "Local publicly owned electric utility" means a municipality or municipal corporation operating as a "public utility" and certain municipal utility districts, public utility districts, irrigation districts, or joint powers authorities that include one or more of these agencies and that owns generation or transmission facilities or furnishes electric services over its own or its members' electric distribution systems.

Community Choice Service Model

Once a community forms or joins a CCA, the CCA is the default energy provider in that community. The CCA procures energy for customers in that community, but the investor-owned utility for that community continues to provide transmission, distribution and billing services to customers. Revenues from the sale of energy by the CCA are delivered by the investor-owned utility to the CCA as they are received over the course of the billing period.

Service Contract Requirements and Registration with the Public Utilities Commission

CCAs are required to have an operating service agreement with the applicable investor-owned utility prior to furnishing electric service to consumers within its jurisdiction. The service agreement must include performance standards that govern the business and operational relationship between the CCA and the investor-owned utility. CCAs are also required to register with the California Public Utilities Commission (the "PUC"), which may require additional information to ensure compliance with basic consumer protection rules and other procedural matters. Once notified of a CCA program, the applicable investor-owned utility is required to transfer all applicable accounts to the CCA within a 30-day period from the date of the close of the utility's normally scheduled monthly metering and billing process.

Customer Participation and Opt-out Rights

Participation in a CCA is voluntary. Each local government seeking to form or join a CCA must adopt an appropriate authorizing resolution or ordinance. When a community forms or joins a CCA, customers are given advance notice and have the choice to opt-out of the CCA program prior to or after transition to the CCA, and instead receive Energy from the applicable investor-owned utility. Customers that do not opt-out are automatically enrolled in the program. Customers that opt-out may be subject to a fee.

Regulatory Compliance

CCAs are "load-serving entities" and as such are required to comply with the renewable portfolio standards and reliability standards established by the PUC and the California Energy Commission (the "CEC") and file integrated resource plans and other periodic reports with the PUC and the California Energy Commission.

Cost Recovery Related to Transfer of Customers to a CCA

Although investor-owned utilities do not purchase power for CCA customers, they continue to deliver the power. Investor-owned utilities also have the obligation to provide electric service to customers that opt out of CCA service as the “provider of last resort.” In order to compensate investor-owned utilities for investments in power generation and long-term power purchase contracts associated with the loss of customers to CCAs, the PUC has established a “power charge indifference adjustment” (the “*PCIA*”) applicable to CCA customers. The *PCIA* is calculated by taking the difference between (i) the “actual portfolio cost” related to utility’s power procurement (e.g., utility-owned generation and purchased power), and (ii) the “market value of the portfolio,” which is measured by the Market Price Benchmark (the “*MPB*”) and the megawatt hours of generation.

The *MPB* is based on a PUC approved methodology for calculating the current market cost of renewables and natural gas-fueled power. If the investor-owned utility’s actual portfolio cost is above-market value, the departing load customers pay their share of the difference in the form of a *PCIA* based on their power consumption. The amount of the *PCIA* applicable to a CCA customer depends on when a customer left the investor-owned utility and what the investor-owned utility’s portfolio was at the time. Each departing load customer pays the assigned “vintage *PCIA*.” For example, a customer who departed in 2019 pays the “2019 vintage *PCIA*” which only includes the above market costs of pre-2020 vintage power procured by the investor-owned utility.

In addition to *PCIA* charges, CCA customers are required to pay certain other “non-bypassable departing load charges”, including a nuclear decommissioning charge, a public purpose charge and a cost allocation charge to pay for new resources needed for ongoing system reliability.

THE COMMODITY SWAPS

CCCFA Commodity Swap

CCCFA has entered into the CCCFA Commodity Swap under which CCCFA will pay a floating Energy price at a specified pricing point and will receive a fixed Energy price for the notional quantities specified in the CCCFA Commodity Swap for each month of such term.

Under the CCCFA Commodity Swap, for each calendar month that the relevant floating price of Energy is greater than the fixed price specified in the CCCFA Commodity Swap on an aggregate net basis for all delivery hours in such month, CCCFA will be obligated to pay to the Commodity Swap Counterparty (on an aggregate net basis for all hours in such month) an amount equal to the product of (x) the difference between the floating price and the fixed price for each such hour multiplied by (y) a notional quantity equal to the quantity of Prepaid Energy scheduled to be delivered during such hour by the Energy Supplier under the Prepaid Energy Sales Agreement. If the fixed price specified in a CCCFA Commodity Swap is greater than the relevant floating price of Prepaid Energy for on an aggregate net basis for all delivery hours in such month, the Commodity Swap Counterparty will be obligated to pay CCCFA (on an aggregate net basis for all hours in such month) an amount equal to the product of (x) the difference between the fixed price and floating price multiplied by (y) a notional quantity equal to the quantity of Prepaid Energy scheduled to be delivered during such hour by the Energy Supplier under the Prepaid Energy Sales Agreement. If the relevant floating price for a calendar month is equal to the specified fixed price, no payment will be owed by either party to the other under the CCCFA Commodity Swap for such month.

Energy Supplier Commodity Swap

The Energy Supplier has entered into a comparable Energy Supplier Commodity Swap with the same Commodity Swap Counterparty under which the Energy Supplier pays a fixed Energy price and receives a floating Energy price for the same notional quantities at the same pricing points.

Form of Commodity Swaps and Term

The Commodity Swaps have been entered into as a confirmation under a 2002 ISDA Master Agreement with certain amendments and elections under the Master Agreement that have been agreed to by the parties. The Commodity Swaps have an initial term of two months and thereafter rolling one-month terms that renew automatically upon the payment due date of each monthly net settlement amount due thereunder through the term of the Delivery Period under the Prepaid Energy Sales Agreement unless an early termination date occurs under the Commodity Swaps.

Payment

For each month of scheduled deliveries and notional amounts, each party with a net obligation under a Commodity Swap (based on the relative values of the fixed price and relevant index prices) will pay that net obligation to the other party on (x) in the case of the CCCFA Commodity Swap, the 25th day and (y) in the case of the Energy Supplier Commodity Swap, the 23rd day, in each case, of the calendar month following the month to which the applicable day-ahead market prices relate (or if such day is not a business day, either the following business day of such month or the preceding business day, respectively).

Early Termination

General. Each of the Commodity Swaps will be subject to early termination under certain circumstances. This early termination can be triggered automatically or upon the election by the non-defaulting party or the non-affected party as described below. No settlement or other termination payment (other than previously accrued amounts) would be due to any party as a result of any early termination of either Commodity Swap, except that in the case of any designation by the Energy Supplier of an early termination date under the Energy Supplier Commodity Swap that is conditioned on the termination of the CCCFA Commodity Swap, subject to certain conditions, the Energy Supplier, in addition to previously accrued unpaid amounts, shall owe the Commodity Swap Counterparty a make-whole amount equal to the discounted present value of the fee the Commodity Swap Counterparty would have received for the remainder of the then-current Reset Period (a “*Termination Fee*”).

Automatic Termination of Both Commodity Swaps. The occurrence of an Energy Delivery Termination Event under the Prepaid Energy Sales Agreement for any reason would result in the automatic termination of the CCCFA Commodity Swap and the Energy Supplier Commodity Swap; provided that, in the case of any designation by the Energy Supplier of an early termination date under the Energy Supplier Commodity Swap that is conditioned on the termination of the CCCFA Commodity Swap, subject to certain conditions, the Energy Supplier, in addition to previously accrued unpaid amounts, shall owe the Commodity Swap Counterparty a Termination Fee as noted in the previous paragraph. Upon the occurrence of an EMA Early Termination Date and written notice thereof to the Commodity Swap Counterparty, both the CCCFA Commodity Swap and the Energy Supplier Commodity Swap will terminate automatically as of the EMA Termination Date.

Automatic Termination of the CCCFA Commodity Swap. The Energy Supplier's delivery of notice designating an early termination date under the Energy Supplier Commodity Swap results in the automatic termination of the CCCFA Commodity Swap.

Elective Termination of the CCCFA Commodity Swap. Each of the following events of default and termination events would provide the non-defaulting party or the non-affected party (or, in the case of tax indemnification, the party required to make an additional payment or receive a reduced payment) the right to terminate the CCCFA Commodity Swap if it is not cured within the applicable cure period:

- a party's failure to pay amounts due to the other party under the CCCFA Commodity Swap (notwithstanding any payment from the Custodian to CCCFA under the Energy Supplier Custodial Agreement following the Commodity Swap Counterparty's failure to pay any amounts when due);
- if a party becomes subject to certain insolvency events;
- the Commodity Swap Counterparty's Credit Rating is not at least "Baa3" from Moody's and "BBB-" from S&P, where "*Commodity Swap Counterparty's Credit Rating*" means the credit rating assigned by the applicable rating agency to the Commodity Swap Counterparty's senior, unsecured long-term debt obligations (not supported by third party credit enhancements);
- if certain provisions of the Prepaid Energy Sales Agreement related to termination of the Prepaid Energy Sales Agreement or the Receivables Purchase Provisions are modified without the Commodity Swap Counterparty's consent, and the Commodity Swap Counterparty notifies CCCFA (within a specified period) of its determination that such amendment, if not rescinded, would have certain effects on termination of the Prepaid Energy Sales Agreement, the Energy Management Agreement, the CCCFA Commodity Swap and/or the Energy Supplier Commodity Swap;
- CCCFA fails to exercise its right to suspend all energy deliveries under the Power Supply Contract to the Project Participant upon the Project Participant's failure to pay when due any amounts owed to CCCFA thereunder; and
- if the Indenture is modified in breach of the Commodity Swap Counterparty's consent rights under the Indenture.

Automatic Termination of Energy Supplier Commodity Swap. The Commodity Swap Counterparty's delivery of notice designating an early termination date under the CCCFA Commodity Swap results in the automatic termination of the Energy Supplier Commodity Swap.

Elective Termination of the Energy Supplier Commodity Swap. Each of the following events of default or termination events would provide the non-defaulting party or non-affected party (or, in the case of tax indemnification, the party required to make an additional payment or receive a reduced payment) the right to terminate an Energy Supplier Commodity Swap if it is not cured within the applicable cure period:

- a party's failure to pay amounts due to the other party under the Energy Supplier Commodity Swap;

- if a party becomes subject to certain insolvency events;
- credit support default with respect to a party;
- the Commodity Swap Counterparty's Credit Rating is not at least "Baa3" from Moody's and "BBB-" from S&P, with "Commodity Swap Counterparty's Credit Rating" having the meaning described above under *"Elective Termination of the CCCFA Commodity Swap"*;
- if certain provisions of the Prepaid Energy Sales Agreement related to termination of the Prepaid Energy Sales Agreement or the Receivables Purchase Provisions are modified without the Commodity Swap Counterparty's consent, and the Commodity Swap Counterparty notifies the Energy Supplier (within a specified period) of its determination that such amendment, if not rescinded, would have certain effects on termination of the Prepaid Energy Sales Agreement, the Energy Management Agreement, the Energy Supplier Commodity Swap and/or the CCCFA Commodity Swap;
- if the Energy Supplier delivers a notice of termination designating an early termination date under the Energy Supplier Commodity Swap (which must be at least one local business day after the date of such notice), subject to the condition that the CCCFA Commodity Swap must terminate effective as of the same date (provided that, if certain conditions apply, then the Energy Supplier, in addition to previously accrued unpaid amounts, shall owe the Commodity Swap Counterparty a Termination Fee); and
- if the rights and obligations of the Energy Supplier under the Prepaid Energy Sales Agreement are assigned to another entity, or the rights and obligations of either the Energy Supplier or MSCG under the Energy Management Agreement are assigned to another entity, unless either (a) the Commodity Swap Counterparty consents to such assignment or (b) all of the Commodity Swap Counterparty's rights and obligations under the Energy Supplier Commodity Swap are assigned and novated to another entity. See "The Prepaid Energy Sales Agreement—*Assignment*" above.

Other Listed Events. The Commodity Swaps contain other listed events (including breach or repudiation, misrepresentation, illegality and certain tax and credit events) that do not give CCCFA, the Energy Supplier or the Commodity Swap Counterparty the right to designate an early termination date, but which permit the non-defaulting party or the non-affected party to pursue such equitable remedies, including specific performance, as may be available.

Custodial Agreements

The Energy Supplier will enter into the Energy Supplier Custodial Agreement to administer payments under the Energy Supplier Commodity Swap. CCCFA will enter into the CCCFA Custodial Agreement to administer payments under the CCCFA Commodity Swap. The Custodial Agreements contain provisions designed to mitigate risks to CCCFA and Bondholders resulting from a failure of the Commodity Swap Counterparty to make payments to CCCFA under the CCCFA Commodity Swap and mitigate risks to the Energy Supplier resulting from a failure of the Commodity Swap Counterparty to make payments to the Energy Supplier under the Energy Supplier Commodity Swap.

Payments made by the Energy Supplier under the Energy Supplier Commodity Swap will be made to a custodial account maintained by the Custodian under the Energy Supplier Custodial Agreement. Such amounts will not be released until the Custodian has confirmed that the amount payable to CCCFA by a Commodity Swap Counterparty under the CCCFA Commodity Swap for such month has been paid. If a Commodity Swap Counterparty does not make a required payment under the CCCFA Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian will pay the amount that the Energy Supplier paid under the Energy Supplier Commodity Swap (which amount is held in custody) to the Trustee for deposit in the Revenue Fund and that payment will be treated as a Commodity Swap Receipt. Additionally, if the Energy Supplier Commodity Swap terminates, the Energy Supplier will continue to make payments to the custodial account as if the Energy Supplier Commodity Swap were still in effect until the earlier of (i) replacement of the Commodity Swaps in accordance with the requirements of the Prepaid Energy Sales Agreement and (ii) termination of the Prepaid Energy Sales Agreement, and such payments will be used to ensure that CCCFA receives deposits in the Revenue Fund as described in the preceding sentence in the event that the Commodity Swap Counterparty does not make a required payment under the CCCFA Commodity Swap.

Payments made by CCCFA under the CCCFA Commodity Swap will be made to a custodial account maintained by the Custodian under the CCCFA Custodial Agreement. Such amounts will be paid to the Commodity Swap Counterparty on each date when due, provided that if, prior to any such date, the Energy Supplier has instructed the Custodian to hold any scheduled payments to the Commodity Swap Counterparty under the CCCFA Commodity Swap, such amounts will not be released until the Custodian has received confirmation that the amount payable to the Energy Supplier by the Commodity Swap Counterparty under the Energy Supplier Commodity Swap for such month has been paid. If the Commodity Swap Counterparty does not make a required payment under the Energy Supplier Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian will pay the amount that CCCFA paid under the CCCFA Commodity Swap (which amount is held in custody) to the Energy Supplier. Additionally, if the CCCFA Commodity Swap terminates, CCCFA will continue to make payments to the custodial account as if the CCCFA Commodity Swap were still in effect until the earlier of (i) replacement of the Commodity Swaps in accordance with the requirements of the Prepaid Energy Sales Agreement and (ii) termination of the Prepaid Energy Sales Agreement, and such payments will be withdrawn by the Custodian and paid to the Energy Supplier.

THE COMMODITY SWAP COUNTERPARTY

Set forth below is certain information regarding the Commodity Swap Counterparty. CCCFA assumes no responsibility for such information and cannot guarantee the accuracy thereof. Under no circumstance is the Commodity Swap Counterparty obligated to pay any amount owed in respect of the Bonds.

[to be provided]

The delivery of this Official Statement does not imply that there has been no change in the affairs of [] since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

The foregoing information regarding the Commodity Swap Counterparty has been obtained from sources CCCFA believes to be reliable, but CCCFA assumes no responsibility for the content thereof.

CONTINUING DISCLOSURE

CCCFA. CCCFA will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the MSRB’s EMMA system for municipal securities disclosures (“*EMMA*”), pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (“*Rule 15c2-12*”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

A failure by CCCFA to comply with the Undertaking will not constitute an event of default under the Indenture or the Bonds and Beneficial Owners of the Bonds shall only be entitled to the remedies for any such failure described in the Undertaking. A failure by CCCFA to comply with the Undertaking must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Undertaking and commitments of CCCFA described under this heading and in APPENDIX D hereto to furnish the above-described documents and information are agreements and commitments solely of CCCFA, and the Underwriter has no responsibility to ensure that CCCFA complies with any such Undertaking or commitment. In addition, the Underwriter makes no representation that any such documents or information will be furnished, or that any such documents or information so furnished will be accurate or complete, or sufficient for the purposes for which they may be used.

CCCFA has previously entered into continuing disclosure undertakings pursuant to Rule 15c2-12. CCCFA has adopted a written policy that sets forth procedures for compliance with the federal tax and continuing disclosure requirements applicable to its bonds. The policy includes, among other things, procedures that are intended to promote CCCFA’s compliance with the Undertaking.

During the five-year period preceding the date of this Official Statement, CCCFA has determined that certain financial information relating to a project participant for its fiscal year ending June 30, 2021 and unaudited financial statements for its fiscal year ending December 31, 2023 were filed late. CCCFA subsequently filed such information and unaudited financial statements on the Municipal Securities Rulemaking Board Electronic Municipal Market Access System. CCCFA has engaged BLX Group to assist with its continuing disclosure obligations.

Project Participant. Pursuant to the Power Supply Contract, the Project Participant has agreed to provide to CCCFA certain annual operating and financial information, which information will enable CCCFA to comply with the Undertaking. Failure of the Project Participant to provide such information is not a default under its Power Supply Contract, but any such failure entitles CCCFA to take such actions and to initiate such proceedings as shall be necessary to cause the Project Participant to comply with its undertaking as set forth in its Power Supply Contract.

LITIGATION

There are no legal proceedings pending against CCCFA relating to the issuance, sale or delivery of the Bonds which could adversely affect the Clean Energy Project. In addition, there is no litigation pending or, to the knowledge of CCCFA, threatened against or affecting CCCFA or in any way questioning or in any manner affecting the validity or enforceability against CCCFA of the Bonds, the Power Supply

Contract, the Prepaid Energy Sales Agreement, the CCCFA Commodity Swap, the Receivables Purchase Provisions, the Debt Service Account Investment Agreement, the Custodial Agreements, the Indenture, or the pledge of the Trust Estate under the Indenture.

The Project Participant reports that there is no litigation pending or, to its knowledge, threatened against it questioning or in any manner affecting the validity or enforceability of the Power Supply Contract.

FINANCIAL STATEMENTS

CCCFA's audited financial statements for the fiscal year ended December 31, 2023 are available on EMMA, and are hereby incorporated into this Official Statement.

Pursuant to the Undertaking described under "CONTINUING DISCLOSURE" above, CCCFA has agreed to file its audited financial statements and the audited financial statements of the Project Participant, commencing with its audited financial statements for its fiscal year ended December 31, 2024 and the Project Participant's audited financial statements for its fiscal year ended June 30, 2025, on EMMA.

FINANCIAL ADVISOR

PFM Financial Advisors LLC (the "*Financial Advisor*") has served as financial advisor to CCCFA in connection with the Clean Energy Project and the Bonds. Among other responsibilities, the Financial Advisor has provided advice and recommendations to CCCFA with respect to the structure, timing, terms of and similar matters relating to the Bonds, bond market conditions, costs of issuance and other matters relating to the Bonds and the Clean Energy Project. The Financial Advisor has also provided advice and recommendations to CCCFA, and has served as CCCFA's "qualified independent representative," with respect to the CCCFA Commodity Swap. The Financial Advisor has reviewed this Official Statement, but has not audited, authenticated or otherwise verified the information set forth herein, and makes no guaranty, warranty or representation with respect to the accuracy and completeness of the information contained in this Official Statement. The Financial Advisor's fees are contingent upon the sale and delivery of the Bonds, and are based, in part, on the proceeds of the Bonds.

UNDERWRITING

Pursuant to the purchase contract relating to the Bonds between CCCFA and Morgan Stanley & Co. LLC, as the underwriter of the Bonds (the "*Underwriter*"), the Underwriter has agreed, subject to certain conditions to purchase the Bonds from CCCFA at an aggregate purchase price of \$_____ (representing the principal amount of the Bonds, plus original issue premium of \$_____, less Underwriter's discount of \$_____). The obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions set forth in the purchase contract. The Underwriter is obligated to purchase all the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter. The Underwriter has no obligations other than those that are set forth in the purchase contract. The payment of the Bonds is not guaranteed by the Underwriter.

Morgan Stanley & Co. LLC has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan

Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Morgan Stanley & Co. LLC (together with its affiliates) is a full service financial institution engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Morgan Stanley & Co. LLC and its affiliates have provided, and may in the future provide, a variety of these services to CCCFA and to persons and entities with relationships with CCCFA, for which they received or will receive customary fees and expenses.

In the ordinary course of its various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own accounts and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of CCCFA (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with CCCFA. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriter is not acting as financial advisor to CCCFA in connection with the Bonds or the offering or sale of the Bonds.

CERTAIN RELATIONSHIPS

The Energy Supplier is the prepaid seller under the Prepaid Energy Sales Agreement, the Receivable Purchaser, the electricity purchaser under the Energy Management Agreement, the lender under the Funding Agreement and a party to the Energy Supplier Commodity Swap, and is wholly owned by MSCG. MSCG is the sole member of the Energy Supplier and the electricity seller under the Energy Management Agreement, and is a wholly owned subsidiary of Morgan Stanley. Morgan Stanley & Co. LLC, the Underwriter, is a wholly owned subsidiary of Morgan Stanley. The payment obligations of MSCG under the Energy Management Agreement are unconditionally guaranteed by the Morgan Stanley Guarantee.

Neither the Energy Supplier nor Morgan Stanley has guaranteed or is responsible for the payment of the Bonds.

RATING

Moody's Investors Service, Inc. has assigned a municipal bond rating of "[]" to the Bonds.

CCCFA has furnished to each rating agency that is expected to rate the Bonds certain information, including information not included in this Official Statement, about CCCFA and the Bonds. Generally, a rating agency bases its ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating, once obtained, will continue for any given period of time or

that it will not be revised downward or withdrawn entirely if, in the opinion of the rating agency, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the marketability or market price of the Bonds. CCCFA has not undertaken any responsibility after issuance of the Bonds to assure the maintenance of the ratings applicable thereto or to oppose any revision or withdrawal of such ratings.

TAX MATTERS

In the opinion of Ballard Spahr LLP, Bond Counsel to CCCFA, interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of CCCFA and continuing compliance by CCCFA with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the “adjusted financial statement income” (as defined in Section 56A of the Code) for purposes of computing the alternative minimum tax imposed on such corporations.

The Code contains a number of restrictions and requirements that apply to the Bonds, including, without limitations, (i) investment restrictions, (ii) requirements for periodic payments of arbitrage profits to the United States, and (iii) rules regarding the proper use of the proceeds of the Bonds and the facilities to be financed or refinanced with such proceeds. CCCFA has covenanted to comply with all of the restrictions and requirements of the Code that must be satisfied in order for the interest on the Bonds to be and remain excludable from the gross income of the owners thereof for federal income tax purposes.

Original Issue Discount. Certain of the Bonds may be offered at a discount (“original issue discount”) equal generally to the difference between the public offering price and the principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of such Bond as interest with the same tax exemption and alternative minimum tax status as stated interest. The accrual of original issue discount increases the bondholder’s tax basis in the Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Bondholders should consult their tax advisers for an explanation of the accrual rules.

Original Issue Premium. Certain of the Bonds may be offered at a premium (“original issue premium”) over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bond through reductions in the bondholder’s tax basis for the Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Bondholders should consult their tax advisers for an explanation of the amortization rules.

Information Reporting and Backup Withholding. A person making payments of tax-exempt interest to a bondholder is generally required to make an information report of the payments to the Internal Revenue Service and to perform “backup withholding” from the interest if the bondholder does not provide an IRS Form W-9 to the payor. “Backup withholding” means that the payor withholds tax from the interest payments at the backup withholding rate, currently 24%. Form W-9 sets forth the bondholder’s taxpayer identification number or basis of exemption from backup withholding.

If a bondholder purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the account, as generally can be expected, there should be no backup withholding from the interest on the Bond.

If backup withholding occurs, it does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding

would be allowed as a refund or a credit against the bondholder's federal income tax once the required information is furnished to the Internal Revenue Service.

Bond Counsel expresses no opinion regarding any other federal tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the Bonds, including whether interest on the Bonds is exempt from taxation under the laws of any jurisdiction other than the State of California.

These opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel will not express any opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

APPROVAL OF LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Ballard Spahr LLP, Bond Counsel to CCCFA. A complete copy of the proposed form of the opinion of Bond Counsel is contained in APPENDIX E to this Official Statement.

Certain legal matters will be passed upon for CCCFA by Ballard Spahr LLP; for the Project Participant by Chapman and Cutler LLP; for the Energy Supplier by its counsel, Sheppard, Mullin, Richter & Hampton LLP; and for the Underwriter by Nixon Peabody LLP.

CCCFA will receive an opinion from counsel to the Project Participant on the date of original delivery of the Bonds, to the effect that the Power Supply Contract of the Project Participant has been duly authorized, executed and delivered by the Project Participant and constitutes the legal, valid and binding obligation of the Project Participant enforceable in accordance with its terms. The enforceability of the Power Supply Contract may be limited by or subject to applicable bankruptcy, insolvency, moratorium, reorganization, other laws affecting creditors' rights generally and by general principles of equity, public policy and commercial reasonableness.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, estimates or forecasts, whether or not expressly so stated, are intended as such and not as representations of fact. The Appendices attached hereto are an integral part of this Official Statement and must be read in conjunction with the foregoing material. This Official Statement is not to be construed as a contract or agreement between CCCFA and the purchasers or owners of the Bonds.

The delivery of this Official Statement has been duly authorized by the Board of Directors of CCCFA.

**CALIFORNIA COMMUNITY CHOICE FINANCING
AUTHORITY**

By: _____
Treasurer/Controller

APPENDIX A
THE PROJECT PARTICIPANT

APPENDIX B DEFINITIONS OF CERTAIN TERMS

“*Account*” or “*Accounts*” means, as the case may be, each or all of the Accounts established in and pursuant to the Indenture.

“*Act*” means the Joint Exercise of Powers Act constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended or supplemented from time to time.

“*Administrative Fee Fund*” means the Administrative Fee Fund established in the Indenture.

“*Advance*” means the amounts paid to the Trustee, on behalf of CCCFA, pursuant to the Custodial Agreements.

“*Alternate Liquidity Facility*” means a Liquidity Facility for a Series of Bonds delivered to the Trustee in substitution for a Liquidity Facility then in effect with respect to such Bonds.

“*Amortized Value*” means, with respect to any Bond to be redeemed during the Initial Interest Rate Period, the principal amount of such Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by CCCFA, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date of such Bond and a yield equal to such Bond’s original reoffering yield (as set forth on the inside cover page of this Official Statement) on the date such Bond began to bear interest at its current Term Rate. The Amortized Value of the Bonds as of certain dates during the Initial Interest Rate Period is shown on Appendix H.

“*Annual Quantity*” means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth in the applicable exhibit to the Power Supply Contract for such Contract Year; provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate quantities of Base Energy required to be remarketed under the Power Supply Contract for any given Contract Year.

“*Applicable Factor*” means (a) with respect to the initial issuance of a Series of Bonds bearing interest at a SOFR Index Rate, the percentage or factor of the SOFR Index determined by the Underwriter and specified in the Index Rate Determination Certificate for such Series of Bonds, or (b) with respect to a Series of Bonds for which the Interest Rate Period is being converted to a SOFR Index Rate Period (including a change in such Interest Rate Period from one SOFR Index Rate Period to another SOFR Index Rate Period), the percentage or factor of the SOFR Index determined by the Remarketing Agent and specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice, provided in each case that the Issuer delivers to the Trustee a Favorable Opinion of Bond Counsel addressing the selection of such percentage or factor. The Applicable Factor shall be determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with the Indenture and included in the applicable Index Rate Determination Certificate, and once determined shall remain constant for the duration of the applicable SOFR Index Rate Period.

“Applicable Spread” means, with respect to a Series of Bonds for which the Initial Interest Rate Period is an Index Rate Period, or for any Series of Bonds for which the Interest Rate Period is converted to an Index Rate Period, the margin or spread, which may be positive or negative, determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with the Indenture, on or prior to the Issue Date or Conversion Date for such Bonds, as applicable, and specified in the applicable Supplemental Indenture or Index Rate Determination Certificate or Index Rate Continuation Notice, as applicable, which shall be added to the applicable Index (or the product of the Applicable Factor and the applicable Index, as the case may be) to determine the Index Rate. Once so determined, Applicable Spread shall remain constant for the duration of the applicable Index Rate Period.

“Assigned Delivery Point” means the delivery point for Assigned Energy as set forth in the applicable Assignment Agreement.

“Assigned Energy” means EPS Compliant Energy assigned pursuant to an Assignment Agreement.

“Assigned Paygo Quantity” means any Assigned Products delivered under the Power Supply Contract in excess of the Annual Quantity for any Contract Year.

“Assigned PPAs” means the initially Assigned PPAs, and any future power purchase contracts assigned by the Project Participant.

“Assigned PPA Index Adder” means the amount (in \$/MWh) specified in the Power Supply Contract for each Month of the Delivery Period.

“Assigned Product” means, as applicable, PCC1 Product, Long-Term PCC1 Product, PCC2 Product, Assigned Energy, Assigned RECs and any other product included in an Assignment Agreement

“Assigned RECs” means any RECs to be delivered to MSCG or the Energy Supplier pursuant to any Assigned Rights and Obligations.

“Assigned Rights and Obligations” means a portion of the Project Participant’s rights and obligations under a power purchase agreement assigned pursuant to an Assignment Agreement.

“Assignment Agreements” mean the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

“Assignment Letter Agreements” means those certain Letter Agreements, dated as of the date of the Prepaid Energy Sales Agreement, by and among MSCG, the Energy Supplier, CCCFA and the Project Participant.

“Assignment Payment” means any payment received from the Energy Supplier, or the Master Custodian on its behalf, in connection with an assignment of the Energy Management Agreement to a replacement Seller, as such term is defined in the Energy Management Agreement.

“Assignment Payment Fund” means the Assignment Payment Fund established under the Indenture.

“Authorized Denominations” means, with respect to the Bonds, denominations of \$5,000 and any integral multiple thereof

“Authorized Newspaper” means The Wall Street Journal or The Bond Buyer or any other newspaper or journal printed in the English language and customarily published on each Business Day devoted to financial news and selected by CCCFA, with prior written notice to and approval of the Trustee, whose decision shall be final.

“Authorized Officer” means (a) the Treasurer/Controller of CCCFA, and (b) any other person or persons designated by the Board by resolution to act on behalf of CCCFA under the Indenture. The designation of such person or persons shall be evidenced by a Written Certificate of CCCFA delivered to a Responsible Officer of the Trustee containing the specimen signature of such person or persons and signed on behalf of CCCFA by its Treasurer/Controller, which incumbency certificate shall be amended by CCCFA, with notice to a Responsible Officer of the Trustee and the Custodian, whenever a person is to be added or deleted from the listing. Such designation as an Authorized Officer shall remain in effect until a Responsible Officer of the Trustee receives actual written notice from CCCFA to the contrary, accompanied by a new certificate.

“Base Energy” means Firm (LD) Energy to be delivered to an Energy Delivery Point.

“Beneficial Owner” means, with respect to Bonds registered in the Book-Entry System, any Person who acquires a beneficial ownership interest in a Bond held by the Securities Depository, and the term “Beneficial Ownership” shall be interpreted accordingly.

“Board” means the Board of Directors of CCCFA, or if said Board is abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the power and duties granted or imposed by the Indenture are given by law, and which shall be identified in a Written Notice of the Issuer delivered to the Trustee.

“Bond Counsel” means Ballard Spahr LLP or any other counsel of nationally recognized standing in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions and instrumentalities, duly admitted to the practice of law before the highest court of any state of the United States, and selected by CCCFA.

“Bond Payment Date” means each date on which (a) interest on the Bonds is due and payable, (b) an Interest Rate Swap Payment is due, or (c) principal of the Bonds is payable at maturity or pursuant to Sinking Fund Installments.

“Bond Purchase Fund” means the fund by that name established pursuant to the Indenture, including the Remarketing Proceeds Account and the Issuer Purchase Account.

“Bond Registrar” means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by CCCFA to perform the duties of Bond Registrar under the Indenture.

“Bondholder” or *“Holder”* or *“Owner”* means any Person who shall be the registered owner of any Bond or Bonds.

“*Business Day*” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, or the cities in which are located the designated corporate trust offices of the Trustee, the Custodian, or the Calculation Agent are authorized by law or executive order to close, (c) a day on which the New York Stock Exchange, Inc. is closed, (d) a day on which the payment system of the Federal Reserve System is not operational, and (e) for purposes of determining the SIFMA Index Rate and the SOFR Index Rate, any day that SIFMA recommends that the fixed income departments of its members be closed for the purposes of trading fixed-income securities.

“*CAISO*” means California Independent System Operator or its successor.

“*Calculation Agent*” means, with respect to any Series of Bonds bearing interest at an Index Rate, the Calculation Agent with respect to such Bonds appointed by the Issuer in a Written Instrument to the Trustee, pursuant to the applicable Calculation Agent Agreement and the Indenture.

“*CCCFA*” or the “*Issuer*” means the California Community Choice Financing Authority.

“*CCCFA Custodial Agreement*” means the Custodial Agreement, dated as of the date of issuance of the Bonds, by and among the Commodity Swap Counterparty, CCCFA, and The Bank of New York Mellon Trust Company, N.A., as Trustee and custodian, as the same may be amended, modified or supplemented from time to time.

“*CCCFA Commodity Swap*” means the ISDA Master Agreement, Schedule and Confirmation between CCCFA and the Commodity Swap Counterparty, or any replacement agreement permitted by the Indenture, pursuant to which CCCFA will pay to the Commodity Swap Counterparty an index based floating price and the Commodity Swap Counterparty will pay to CCCFA a fixed price in relation to the quantities of Energy to be delivered under the Prepaid Energy Sales Agreement.

“*Cede*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 3.09.

“*Clean Energy Project*” means CCCFA’s purchase of Energy pursuant to the Prepaid Energy Sales Agreement and related contractual arrangements and agreements, and the purchase of any Energy to replace Energy not delivered as required pursuant to the Prepaid Energy Sales Agreement.

“*Commercial Paper Interest Rate Period*” means, with respect to a Series of Bonds, each period comprised of CP Interest Terms for the Bonds of such Series, during which CP Interest Term Rates are in effect for the Bonds of such Series.

“*Commercially Reasonable*” or “*Commercially Reasonable Efforts*” means, with respect to any purchase or sale or other action required to be made, attempted or taken by the Project Participant, CCCFA or the Energy Supplier under the Power Supply Contract or the Prepaid Energy Sales Agreement, as applicable, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

“Commodity Swap Counterparty” means [] and its successors and assigns, and the counterparty to any replacement Commodity Swap that meets the requirements of the Indenture.

“Commodity Swap Payment Fund” means the Commodity Swap Payment Fund established pursuant to the Indenture.

“Commodity Swap Payments” means, as of each scheduled payment date specified in the CCCFA Commodity Swap, the amount, if any, payable to a Commodity Swap Counterparty by CCCFA (including any such amount paid to the Custodian pursuant to the CCCFA Custodial Agreement).

“Commodity Swap Receipts” means, as of each scheduled payment date specified in a Commodity Swap, the amount, if any, payable to CCCFA by a Commodity Swap Counterparty.

“Commodity Swaps” means the CCCFA Commodity Swap and the Energy Supplier Commodity Swap; provided any reference to “Commodity Swap” in Appendix C means the CCCFA Commodity Swap.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking, dated the date of the Indenture, between CCCFA and the Dissemination Agent, as the same may be amended from time to time.

“Contract Price” means (i) with respect to Monthly Projected Quantities, (a) the Day-Ahead Average Price for the Month in which Energy is delivered, minus (b) the Monthly Discount, and (ii) with respect to Monthly Excess Quantities and Assigned Paygo Quantities, the Day-Ahead Average Price. The Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

“Contract Quantity” means, (a) with respect to the Assigned Energy, the Annual Quantity of Assigned Energy set forth in the applicable exhibit to the Prepaid Energy Sales Agreement for each Contract Year of the Delivery Period and (b) with respect to Base Energy, the Hourly Quantity of Base Energy set forth in the applicable exhibit to the Prepaid Energy Sales Agreement for any Month, as such exhibits shall be updated from time to time in accordance with the Prepaid Energy Sales Agreement.

“Contract Year” means each period of 12 Months from January 1 until December 31 during the Delivery Period.

“Conversion” means (a) a conversion of a Series of Bonds from one Interest Rate Period to another Interest Rate Period, (b) with respect to a Series of Bonds bearing interest at an Index Rate, the establishment of a new Index, a new Index Rate and/or a new Index Rate Period and (c) with respect to a Series of Bonds bearing interest in a Term Rate Period, the establishment of a new Term Rate and/or a new Term Rate Period. A Conversion may occur only on a Mandatory Purchase Date.

“Conversion Date” means the effective date of a Conversion of a Series of Bonds and shall occur only on a Mandatory Purchase Date.

“Cost of Acquisition” means all costs of planning, financing, refinancing, acquiring, transmitting, storing and implementing the Clean Energy Project, including:

- (a) the amount of the prepayment required to be made by CCCFA under the Prepaid Energy Sales Agreement;

(b) the amount for deposit into the Debt Service Account for capitalized interest on the Bonds, with such interest being calculated in accordance with the definition of “Debt Service;”

(c) the costs and expenses incurred in the issuance and sale of the Bonds, including, without limitation, legal, financial advisory, accounting, engineering, consulting, municipal advisory, financing, technical, fiscal agent and underwriting costs, fees and expenses, bond discount, rating agency fees, and all other costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds and preparation of the Indenture;

(d) all other costs incurred in connection with and properly chargeable to, the acquisition or implementation of the Clean Energy Project;

(e) the allowance for working capital requirements of CCCFA with respect to the Clean Energy Project in such amounts as shall be deemed reasonably necessary by CCCFA; and

(f) with respect to any Series of Refunding Bonds, the amounts necessary to purchase, redeem and discharge Bonds being refunded, including the payment of the Purchase Price or the Redemption Price of such Bonds, any necessary deposits to the Debt Service Account, and all other costs and expenses incurred in connection with such Series of Refunding Bonds, including the costs and expenses described in (e) and (f) above.

“*CP Interest Term*” means, with respect to a Commercial Paper Interest Rate Period for a Series of Bonds, each period established in accordance with the Indenture during which a CP Interest Term Rate is in effect for the Bonds of such Series.

“*CP Interest Term Rate*” means, with respect to any Bond of a Series of Bonds in the Commercial Paper Interest Rate Period, an interest rate established periodically for each CP Interest Term in accordance with the Indenture.

“*Custodial Agreements*” means, collectively, the CCCFA Custodial Agreement and the Energy Supplier Custodial Agreement.

“*Custodian*” means The Bank of New York Mellon Trust Company, N.A., as Custodian under the Custodial Agreements and its successors and assigns.

“*Daily Interest Rate*” means, with respect to a Series of Bonds, the final daily interest rate for such Bonds determined by the Remarketing Agent by 11:00 a.m. New York City time pursuant to the Indenture.

“*Daily Interest Rate Period*” means, with respect to a Series of Bonds, each period during which a Daily Interest Rate is in effect for such Bonds.

“*Day-Ahead Average Price*” means, for any Assigned Energy in any EPS Energy Period, the result of (i)(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 plus (ii) the Assigned PPA Index Adder for the relevant Month. As used in this definition, “Pricing Interval” means each unit of time for which CAISO establishes a separate price.

“Day-Ahead Market Price” means the Day Ahead Market or Locational Marginal Price for the Energy Delivery Point for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

“Debt Service” means with respect to any Outstanding Bonds, for any particular period of time, an amount equal to the sum of:

(a) all interest payable during such period on such Bonds, but excluding any interest that is to be paid from Bond proceeds on deposit in the Debt Service Account, plus

(b) the Principal Installments payable during such period on such Bonds, calculated on the assumption that, on the day of calculation, such Bonds cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture;

provided that (i) the interest on any Bonds with a related Interest Rate Swap shall be calculated on the basis of the fixed interest rate payable by CCCFA under the Interest Rate Swap, and (ii) principal and interest due on the first day of a Fiscal Year shall be deemed to have been payable and paid on the last day of the immediately preceding Fiscal Year.

“Debt Service Account” means the Debt Service Account in the Debt Service Fund established under the Indenture.

“Debt Service Fund” means the Debt Service Fund established in Section 5.02 of the Indenture.

“Debt Service Fund Agreement” means any debt service fund agreement, that is a Qualified Investment, among the Trustee, CCCFA and a provider, or between CCCFA and a provider and assigned to the Trustee, relating to amounts deposited in the Debt Service Account of the Debt Service Fund. The initial Debt Service Fund Agreement shall be the Debt Service Account Investment Agreement between the Issuer and the Investment Agreement Provider, dated [____], 2025.

“Debt Service Fund Agreement Guaranty” means any unconditional guaranty, in favor of CCCFA and the Trustee, guarantying the obligations of the provider under any Debt Service Fund Agreement.

“Defeasance Securities” means (a) Government Obligations and (b) to the extent that such deposits or certificates of deposit are Qualified Investments, deposits in interest-bearing time deposits or certificates of deposit which shall not be subject to redemption or repayment prior to their maturity or due date other than at the option of the depositor or holder thereof or as to which an irrevocable notice of redemption or repayment, or irrevocable instructions have been given to call for redemption or repayment, of such time deposits or certificates of deposit on a specified redemption or repayment date has been given and such time deposits or certificates of deposit are not otherwise subject to redemption or repayment prior to such specified date other than at the option of the depositor or holder thereof, and which are fully secured by Government Obligations to the extent not insured by the Federal Deposit Insurance Corporation.

“Delivered Product Payment Amount” means, in respect of each PPA Monthly Statement, an amount equal to the lesser of (a) the Monthly Projected Quantity under the relevant Assigned PPA for such

Month multiplied by the Assigned Product Price (specified in Exhibit A to the Participant Custodial Agreement) for such Assigned PPA; and (b) the actual quantity of Assigned Product reflected in such PPA Monthly Statement multiplied by the Assigned Product Price then in effect under the relevant Assigned PPA, minus the face amount of any Receivable (as defined in the Prepaid Energy Sales Agreement) that is delivered by the PPA Assignee to the Participant Custodian pursuant to Section 4(e) of the Participant Custodial Agreement; provided that, notwithstanding the foregoing, there shall be no Delivered Product Payment Amount or any other obligations of PPA Assignee with respect to Monthly Excess Quantities or Assigned Paygo Quantities.

“Delivery Period” means the period commencing [_____] 1, 20[_____] and ending [_____] 20[_____] *.

“Delivery Point” means (i) the applicable Assigned Delivery Point(s) for Assigned Energy and (ii) the applicable Energy Delivery Point for Base Energy, as set forth in the Prepaid Energy Sales Agreement.

“Depository” means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by CCCFA as a depository of moneys and securities held under the provisions of the Indenture, and may include the Trustee.

“Dissemination Agent” means that certain dissemination agent appointed by CCCFA, pursuant to the Continuing Disclosure Undertaking, and any successor Dissemination Agent appointed by CCCFA in accordance with the Continuing Disclosure Undertaking.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Early Termination Date” means a date designated pursuant to the Prepaid Energy Sales Agreement upon which the Delivery Period will end and CCCFA’s and the Energy Supplier’s respective obligations to receive and deliver Energy under the Prepaid Energy Sales Agreement will terminate.

“Early Termination Payment Date” means the date payment of a Termination Payment is required to be made by the Energy Supplier under the Prepaid Energy Sales Agreement.

“Electronic Means” means the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by a Responsible Officer of the Trustee as available for use in connection with its services hereunder.

“Eligible Bonds” means any Bonds other than Bonds which a Responsible Officer of the Trustee actually knows to be owned by, for the account of, or on behalf of CCCFA or a Project Participant.

“EMMA” means the Electronic Municipal Market Access system, the website currently maintained by the Municipal Securities Rulemaking Board and any successor municipal securities disclosure website approved by the Securities and Exchange Commission.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in MWhs.

“Energy Delivery Point” means the delivery point for Base Energy specified in the Prepaid Energy Sales Agreement.

“Energy Management Agreement” means the Energy Management Agreement, dated as of [____], 2025 between the Energy Supplier and Morgan Stanley Capital Group Inc.

“Energy Remarketing Reserve Fund” means the Energy Remarketing Reserve Fund in established under the Indenture.

“Energy Supplier” means Energy Prepay [____], LLC, a Delaware limited liability company.

“Energy Supplier Commodity Swap” means (i) the transaction entered into under the ISDA Master Agreement, dated as of the date of the Indenture, by the Energy Supplier and the Commodity Swap Counterparty (as supplemented by the confirmation in respect of such transaction and the Credit Support Documents thereto), and (ii) each replacement Energy Supplier Commodity Swap entered into pursuant to the Prepaid Energy Sales Agreement.

“Energy Supplier Custodial Agreement” means the Custodial Agreement, dated as of the date of the Initial Issue Date among the Commodity Swap Counterparty, the Energy Supplier, the Trustee, and the Custodian.

“Energy Supplier Documents” means (i) the Prepaid Energy Sales Agreement, (ii) the Energy Management Agreement, (iii) the Funding Agreement, (iv) the Master Custodial Agreement, (v) the Energy Supplier LLC Agreement, and (vi) the Seller Swap (as defined in the Prepaid Energy Sales Agreement).

“Energy Supplier LLC Agreement” means the Amended and Restated Limited Liability Company Agreement of the Energy Supplier, dated as of [____], 2025.

“EPS” means California’s Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

“EPS Compliant Energy” means Energy that the Project Participant can contract for and purchase in compliance with EPS requirements that are applicable to the Project Participant.

“EPS Energy Period” means the Initial EPS Energy Periods and any subsequent EPS Energy Periods established by future assignments of power purchase agreements consistent with the Assignment Letter Agreements.

“Extraordinary Expenses” means extraordinary and nonrecurring expenses. Termination payments under the CCCFA Commodity Swap shall not be considered an Extraordinary Expense.

“Failed Remarketing” means, (a) with respect to the Bonds on the Mandatory Purchase Date, a failure to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem such Bonds in whole on such date (including from any funds required from an Assignment Payment to the Assignment Payment Fund) or (b) with respect to the Bonds (i) if, on the last day of the current Reset Period prior to the Mandatory Purchase Date, CCCFA has not entered into a bond purchase agreement, firm

remarketing agreement or similar agreement with respect to the remarketing or refunding of such existing Bonds, or (ii) if the conditions of (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date.

“Favorable Opinion of Bond Counsel” means an Opinion of Bond Counsel to the effect that an action proposed to be taken is not prohibited by the Indenture and will not, in and of itself, cause interest on the applicable Bonds to be included in gross income for purposes of federal income taxation.

“Fiduciary” or *“Fiduciaries”* means the Trustee, the Paying Agents, the Bond Registrar, the Calculation Agents, the Custodian, the tender agent or any or all of them, as may be appropriate.

“Final Fixed Rate Conversion Date” means, with respect to a Series of Bonds, the date on which such Bonds begin to bear interest for a Term Rate Period which extends to the Final Maturity Date for such Series of Bonds.

“Final Maturity Date” means with respect to the Bonds, [] 1, 20[]*.

“Firm (LD)” means, with respect to the obligation to deliver Energy, that CCCFA or the Energy Supplier shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure.

“Fiscal Year” means (a) the twelve-month period beginning on January 1 of each year and ending on and including the next December 31, or (b) such other twelve-month period established by CCCFA from time to time, upon Written Notice to the Trustee, as its fiscal year.

“Fitch” means Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

“Force Majeure” means an event or circumstance which prevents the Project Participant, CCCFA or the Energy Supplier from performing its obligations under the Prepaid Energy Sales Agreement or Power Supply Contract, which event or circumstance was not anticipated as of the execution date, which is not within the reasonable control of, or the result of the negligence of, such party, and which, by the exercise of due diligence, such party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of CCCFA’s or the Project Participant’s markets; (ii) CCCFA’s or the Project Participant’s inability economically to use or resell any Energy purchased under the Prepaid Energy Sales Agreement or Power Supply Contract, respectively; (iii) the loss or failure of CCCFA’s or the Energy Supplier’s supply except if such loss or failure results from curtailment by a Transmission Provider; or (iv) CCCFA’s or the Energy Supplier’s ability to sell the Energy at a higher price. No party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (a) such party (or an upstream supplier with respect to the Energy Supplier or the Project Participant with respect to CCCFA) has contracted for firm transmission with such Transmission Provider for the Energy to be delivered to or received at the Energy Delivery Point and (b) such curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the Transmission Provider’s tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively

prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that Force Majeure as defined in the first sentence hereof has occurred. Notwithstanding the foregoing or anything to the contrary herein, (I) to the extent that (x) a PPA Supplier fails to deliver any Assigned Energy and claims force majeure with respect to such failure to deliver or (y) a PPA Supplier otherwise is unable to deliver any portion of the Annual Quantity due to an event that would be considered Force Majeure if it affected CCCFA or the Energy Supplier directly, then such event shall be deemed to constitute Force Majeure in respect of the CCCFA or the Energy Supplier, as applicable; (II) to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to the Energy Supplier under the Prepaid Energy Sales Agreement and with respect to CCCFA under the Power Supply Contract, in each case, until the earlier of (A) the commencement of an “Assignment Period” under a replacement Assignment Agreement, (B) the commencement of the delivery of EPS Compliant Energy procured by the Energy Supplier or MSCG, as applicable, consistent with the Assignment Letter Agreement or (C) the end of the second Month following the Month in which such early termination occurs; and (III) any invocation of Force Majeure by the Energy Supplier under the Prepaid Energy Sales Agreement shall constitute Force Majeure in respect of CCCFA under the Power Supply Contract.

“*Funding Agreement*” means the [] from [].

“*Funding Recipient*” means [].

“*General Reserve Fund*” means the General Reserve Fund established in the Indenture.

“*Government Agency*” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“*Government Obligations*” means:

(a) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, obligations unconditionally guaranteed as to principal and interest by the United States of America, and evidences of ownership interests in such direct or unconditionally guaranteed obligations; or

(b) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which: (i) are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice; (ii) are rated in the two highest Rating Categories of S&P and Moody’s; and (iii) are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in clause (a) above, which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable notice, as appropriate; or

(c) Any other bonds, notes or obligations of the United States of America or any agency or instrumentality thereof which, if deposited with the Trustee for the purpose described in

the Indenture, will result in a rating on the Bonds which are deemed to have been paid pursuant to the Indenture that is in the same Rating Category of the obligations listed in subsection (a) above.

The determination as to whether any bond, note or other obligation constitutes a Government Obligation shall be made solely at the time of initial investment or purchase; *provided that*, the Trustee shall have no responsibility for monitoring any ratings or determining whether any bond, note or other obligation is or continues to be a Government Obligation.

“*Hour*” means each 60-minute period commencing at 00:00 PPT on the first day of the Delivery Period. The term “*Hourly*” shall be construed accordingly.

“*Hourly Quantity*” means, with respect to each Delivery Hour during a Delivery Period, the quantity (in MWh) of Base Energy set forth in the Prepaid Energy Sales Agreement for the Month in which such Delivery Hour occurs, as updated from time to time in accordance with the Prepaid Energy Sales Agreement.

“*Increased Interest Rate*” means (a) during the Initial Interest Rate Period, 8% per annum, and (b) during any subsequent Interest Rate Period, the rate (if any) set forth in a Supplemental Indenture or Written Direction of the Issuer with respect to such Interest Rate Period; provided that the Increased Interest Rate shall be payable for the Increased Interest Rate Period only to the extent Issuer receives Ledger Event Payments.

“*Increased Interest Rate Period*” means the period from and including the date on which a Ledger Event occurs to but not including the earliest of: (a) the date on which an Early Termination Payment Date occurs and (b) the Initial Mandatory Purchase Date or any prior redemption date, and (c) the Interest Payment Date immediately succeeding the last date on which the Energy Supplier paid a Ledger Event Payment.

“*Indenture*” means the Trust Indenture as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms hereof.

“*Index*” means the SIFMA Index or the SOFR Index, as applicable.

“*Index Rate*” means a SIFMA Index Rate or the SOFR Index Rate, as applicable.

“*Index Rate Continuation Notice*” means a Written Notice delivered by the Issuer in the form provided in the Indenture.

“*Index Rate Determination Certificate*” means a Written Certificate delivered by CCCFA in the form attached to the Indenture.

“*Index Rate Period*” means, with respect to a Series of Bonds, an Interest Rate Period during which the Bonds of such Series bear interest at an Index Rate.

“*Index Rate Reset Date*” means, with respect to a Series of Bonds bearing interest at an Index Rate, each date on which the applicable Index Rate is determined by the Calculation Agent based on the change in the applicable Index as of such date, which shall be the date or dates so specified in the applicable Index

Rate Determination Certificate with respect to such Index Rate Period (including, by way of example and not limitation, Thursday of each week, the first Business Day of each calendar month or the first Business Day of a calendar quarter).

“Initial Assignment Agreement” means the Assignment Agreement entered into among the Project Participant, the Energy Supplier and MSCG, as seller.

“Initial EPS Energy Period” means the period during which the Initial Assignment Agreement is in effect, which commences on first day of the Initial Reset Period and ends on [____], 20[____].

“Initial Interest Rate Period” means, with respect to the Series 2025[____] Bonds, the period from the date of issuance of the Bonds to and including [____], 20[____]*.

“Initial Issue Date” means the date of initial issuance and delivery of the Bonds.

“Initial PPA Supplier” means MSCG.

“Interest Accrual Date” means, with respect to any Bond (a) during any Daily Interest Rate Period or Weekly Interest Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Daily Interest Rate Period or Weekly Interest Rate Period, as applicable, (b) during any Index Rate Period for such Bond, the first day thereof and, thereafter each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Index Rate Period, except as otherwise provided in the Supplemental Indenture for such Bond, (c) during any Term Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Term Rate Period, and (d) for each CP Interest Term for such Bond within a Commercial Paper Interest Rate Period, the first day thereof.

“Interest Payment Date” means, with respect to the Series 2025[____] Bonds, (a) each [____] 1 and [____] 1, commencing [____] 1, 20[____]*, (b) any redemption date for such Bond, (c) any Mandatory Purchase Date for such Bond, and (d) the Maturity Date for such Bond.

“Interest Rate Period” means a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period. Notwithstanding anything contained in the Indenture to the contrary, all Bonds of a Series shall at all times bear interest in the same Interest Rate Period. All Interest Rate Periods for all Series of Bonds shall terminate on the first to occur of the day prior to (a) the next occurring Mandatory Purchase Date or (b) the Final Maturity Date.

“Interest Rate Swap” means the ISDA Master Agreement, the Schedule thereto and the Confirmations thereunder between the Issuer and the Interest Rate Swap Counterparty, and any replacement interest rate swap agreement permitted by the Indenture.

“Interest Rate Swap Counterparty” means the Energy Supplier.

* Preliminary; subject to change.

* Preliminary, subject to change.

“Interest Rate Swap Payments” means, as of each scheduled payment date specified in the Interest Rate Swap, the amount, if any, payable to the Interest Rate Swap Counterparty by CCCFA.

“Interest Rate Swap Receipts” means, as of each scheduled payment date specified in the Interest Rate Swap, the amount, if any, payable to CCCFA by the Interest Rate Swap Counterparty.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, including the applicable U.S. Treasury Regulations promulgated thereunder.

“Investment Agreement Provider” means [_____].

“Issuer Purchase Account” means the Account by that name in the Bond Purchase Fund.

“Law” means any statute, law, rule or regulation or any judicial or administrative interpretation thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the execution date of the Prepaid Energy Sales Agreement or at any time in the future.

“Ledger Event” has the meaning assigned to such term in Exhibit C to the Prepaid Energy Sales Agreement.

“Ledger Event Payment” means a payment made from the Energy Supplier, as required by the Prepaid Energy Sales Agreement, at the Increased Interest Rate, directly into the Debt Service Account and which relates to a Ledger Event.

“Liquidity Facility” means, with respect to a series of bonds issued under the Indenture, a standby bond purchase agreement, letter of credit or similar facility providing liquidity support for such series of bonds and any Alternate Liquidity Facility provided in substitution of the foregoing.

“Liquidity Facility Provider” means, with respect to a Liquidity Facility for a series of bonds issued under the Indenture, the commercial bank or other financial institution providing the same and any other commercial bank or other financial institution issuing or providing (or having primary obligation for, or acting as agent for the financial institutions obligated under) an Alternate Liquidity Facility.

“Long-Term PCCI Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to MSCG, the Energy Supplier or any successors thereto pursuant to any Assigned Rights and Obligations.

“Mandatory Purchase Date” means [_____] 1, 20[_____] *.

“Master Custodial Agreement” means that certain Master Custodial Agreement, dated as of the date of the Indenture, by and among Seller, Morgan Stanley Capital Group Inc., the Issuer and the Master Custodian, as the same may be amended, modified or supplemented from time to time.

* Preliminary; subject to change.

“*Master Custodian*” means The Bank of New York Mellon Trust Company, N.A., as custodian under the Master Custodial Agreement, and its successors as Master Custodian under the Master Custodial Agreement.

“*Maturity Date*” means each date upon which principal of the Bonds is due, as set forth in the Indenture.

“*Maximum Lawful Rate*” means the maximum interest rate permitted by applicable law.

“*Maximum Rate*” means the lesser of 12% per annum and the Maximum Lawful Rate.

“*Minimum Discount*” has the meaning specified in the Power Supply Contract.

“*Minimum Rate*” means 0.00% per annum.

“*Minimum Rating*” means the credit rating equal to at least “[]” from Moody’s.

“*Month*” means a calendar month.

“*Monthly Excess Quantity*” means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered under an Assigned PPA in such Month exceeds the Monthly Projected Quantity for such Assigned PPA for such Month.

“*Monthly Projected Quantity*” means, with respect to each Assigned PPA and each Month of the Delivery Period, the projected quantity (in MWh) of Assigned Product for such Month as set forth in the Prepaid Energy Sales Agreement and the Power Supply Contract, as updated from time to time in accordance therewith.

“*Moody’s*” means Moody’s Investors Service, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

“*Morgan Stanley*” means Morgan Stanley, a Delaware corporation.

“*Morgan Stanley Guarantee*” means the guarantee of Morgan Stanley of MSCG’s payment obligation under the Energy Management Agreement.

“*MSCG*” means Morgan Stanley Capital Group Inc., a Delaware corporation.

“*Municipal Utility*” means any Person that (a)(i) is a “governmental person” as defined in Treasury Regulation Section 1.141-1(b) and (ii) owns an electric distribution utility (or provides Energy at wholesale to entities described in clause (i) that own such utilities) or (b) is a community choice aggregator organized under the Laws of the State of California. CCCFA may from time to time revise the definition of “Municipal Utility” under the Prepaid Energy Sales Agreement to conform to the applicable provisions of the Code or Treasury Regulations by delivery of written notice to Energy Supplier setting forth the revised definition together with an Opinion of Bond Counsel to the effect that such change will not adversely affect the tax-exempt status of the Bonds.

“*MWh*” means a megawatt-hour.

“*Net Participant Shortfall Amount*” means, for any Month in which the Project Participant fails to pay the full amount due under the Power Supply Contract in time for such amount to be credited to the Revenue Fund for application pursuant to the Indenture and the full amount due by the Project Participant is not otherwise paid by the Energy Supplier pursuant to the Receivables Purchase Provisions, an amount equal to the positive result (if any) of (i) the Project Participant’s Payment Deficiency Index Baseline for such Month minus (ii) the greater of (a) the Project Participant’s Payment Deficiency Fixed Baseline for such Month, and (b) the actual amount paid by the Project Participant for such Month, *provided* that if the foregoing does not result in a positive number, then no Net Participant Shortfall Amount will exist for the Project Participant for such Month.

“*NY Federal Reserve’s Website*” means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website of the Federal Reserve Bank of New York.

“*Operating Expenses*” means, to the extent properly allocable to the Clean Energy Project, (a) CCCFA’s expenses for operation of the Clean Energy Project, including all Rebate Payments, costs, collateral deposits and other amounts (other than Commodity Swap Payments) necessary to maintain the CCCFA Commodity Swap; and payments required under the Prepaid Energy Sales Agreement (which may, under certain circumstances, include imbalance charges and other miscellaneous payments) or required to be incurred under or in connection with the performance of CCCFA’s obligations under the Power Supply Contract; (b) any other current expenses or obligations required to be paid by CCCFA under the provisions of the Indenture (other than Debt Service on the Bonds and deposits to the General Reserve Fund and the Energy Remarketing Reserve Fund, or any Cost of Acquisition) or by law or required to be incurred under or in connection with the performance of CCCFA’s obligations under the Power Supply Contract; (c) fees payable by CCCFA with respect to any Remarketing Agreement; (d) the fees and expenses of the Fiduciaries; (e) reasonable accounting, legal and other professional fees and expenses, and all other reasonable administrative and operating expenses of CCCFA, which are incurred by CCCFA with respect to the Bonds, the Indenture, or the Clean Energy Project, including but not limited to those relating to the administration of the Trust Estate and compliance by CCCFA with its continuing disclosure obligations, if any, with respect to the Bonds; and (f) the costs of any insurance premiums incurred by CCCFA, including, without limitation, directors and officers liability insurance allocable to the Clean Energy Project; provided that, for purposes of the transfers from the Revenue Fund described under the proviso “second” under the heading “Flow of Funds” in the forepart of this Official Statement, Operating Expenses shall not include any of the foregoing administrative expenses, fees or other costs described in the foregoing clauses (a) through (f) that are paid from funds on deposit in the Administrative Fee Fund. Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses.

“*Operating Fund*” means the Operating Fund established pursuant to the Indenture.

“*Opinion of Bond Counsel*” means a written opinion of either Bond Counsel or Special Tax Counsel (or written opinions of both of them) addressed to CCCFA and delivered to the Trustee.

“*Opinion of Counsel*” means an opinion signed by an attorney or firm of attorneys (who may be counsel to CCCFA) selected by CCCFA.

“*Optional Purchase Date*” means any date on which Bonds are to be purchased pursuant to the optional tender provisions of the Indenture.

“*Outstanding*” when used with reference to Bonds, means as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(a) Bonds cancelled (or portions thereof deemed to have been cancelled) by the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), *provided* that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in the Indenture;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture;

(d) Bonds paid or deemed to have been paid as provided in the Indenture; and

(e) Bonds (or portions thereof) deemed to have been purchased pursuant to the provisions of any Supplemental Indenture in lieu of which other Bonds have been authenticated and delivered as provided in such Supplemental Indenture.

“*Outstanding Sold Receivables*” means, in respect of the Project Participant, Put Receivables that have been sold to the Energy Supplier pursuant to the Receivables Purchase Provisions, together with any interest accrued thereon pursuant to the Receivables Purchase Provisions, less any such Put Receivables and interest thereon that has been previously paid or repurchased from the Energy Supplier pursuant to the Receivables Purchase Provisions.

“*Participant Custodial Agreement*” means that certain Second Consolidated, Amended and Restated Custodial Agreement, dated as of [____], 2025, by and among the Project Participant, CCCFA, the Energy Supplier, MSCG and the Participant Custodian.

“*Participant Custodian*” means The Bank of New York Mellon Trust Company, N.A., a national banking association.

“*Paying Agent*” means the Trustee, its successors and assigns, and any other bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in the Indenture.

“*Payment Deficiency Fixed Baseline*” means, for any Month, the amount the Project Participant would have been required to pay for such Month under its Power Supply Contract if the Contract Price for

such Month had been determined using an Index Price (as defined under its Power Supply Contract) for such Month equal to the Fixed Price (as defined under the Commodity Swap) for such Month.

“Payment Deficiency Index Baseline” means, for any Month, the amount required to be paid by the Project Participant for such Month under its Power Supply Contract.

“PCC1 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to MSCG, the Energy Supplier or any successors thereto pursuant to any Assigned Rights and Obligations.

“PCC2 Product” means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 2 to be delivered to MSCG, Prepay LLC or any successors thereto pursuant to any Assigned Rights and Obligations.

“Person” (a) as defined in the Indenture, means any and all natural persons, firms, associations, corporations and public bodies, and (b) as defined in the Power Supply Contract, means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

“Pledged Funds” means (a) the Project Fund, (b) the Revenue Fund, (c) the Debt Service Fund, (d) the General Reserve Fund, (e) the Assignment Payment Fund, and (f) the Commodity Swap Payment Fund, in each case including the Accounts in each of such Funds and in the case of the Commodity Swap Payment Fund, subject to the prior pledge thereof in favor of the Commodity Swap Counterparty.

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

“Power Supply Contract” means (a) each of the contracts for the sale by CCCFA of Energy from or attributable to the Clean Energy Project to the Project Participant, as such contracts may be amended from time to time in accordance with the terms thereof and the Indenture, and (b) any other contract for the sale by CCCFA of Energy from or attributable to the Clean Energy Project entered into by a Person that becomes a Project Participant in accordance with the assignment and novation requirements set forth in the Indenture, as such contract may be amended from time to time in accordance with the terms thereof and the Indenture.

“PPA Assignee” means MSCG or, to the extent that MSCG is a PPA Supplier under the applicable Assigned PPA, the Energy Supplier, in each case in its capacity as the limited assignee under the applicable Assignment Agreement.

“PPA Assignee Resettlement Amount” means, in respect of any PPA Monthly Statement, that (a) is delivered after the delivery of the Billing Statement under the Power Supply Contract for such Month and (b) reflects a quantity of Assigned Product less than the Monthly Projected Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to the product of (x) the Monthly Projected Quantity for such Month minus the quantity of Assigned Products actually delivered under the Assigned PPA in such Month, multiplied by (y) the Day-Ahead Average Price; provided that, notwithstanding the

foregoing, there shall be no PPA Assignee Resettlement Amount or any other obligations of PPA Assignee with respect to Monthly Excess Quantities or Assigned Paygo Quantities.

“*PPA Monthly Statement*” means the monthly consolidated invoice delivered to PPA Assignee and Project Participant consistent with the terms of the applicable Assignment Agreement.

“*PPA Supplier*” means the Initial PPA Supplier and any subsequent supplier who enters into an Assignment Agreement consistent with the Assignment Letter Agreements.

“*PPT*” means Pacific Prevailing Time when such time is applicable and otherwise means Pacific Standard Time.

“*Prepaid Clean Energy Project Administration Agreement*” means the Prepaid Clean Energy Project Administration Agreement by and between CCCFA and the Project Participant, as the same may be amended from time to time.

“*Prepaid Energy Sales Agreement*” means the Prepaid Energy Sales Agreement dated as of [____], 2025 between the Energy Supplier and CCCFA.

“*Prevailing Market Conditions*” means, without limitation, the following factors: existing short term market rates for securities, the interest on which is excluded from gross income for federal income tax purposes or, as applicable, qualifies the issuer thereof to receive Subsidy Payments or similar benefit; indexes of such short term rates; the existing market supply and demand and the existing yield curves for short term and long term securities for obligations of credit quality comparable to the Bonds, the interest on which is excluded from gross income for federal income tax purposes; general economic conditions and financial conditions that may affect or be relevant to the Bonds; and such other facts, circumstances and conditions as the Remarketing Agent, in its sole discretion, shall determine to be relevant to the remarketing of the Bonds at the Purchase Price thereof.

“*Principal Installment*” means, as of any date of calculation, (a) the principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance (determined as provided in Section 5.10(c) of the Indenture) of any Sinking Fund Installments due on a certain future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments.

“*Project Administration Fee*” means the annual amount, if any, payable by the Project Participant under the Prepaid Clean Energy Project Administration Agreement for the payment of Operating Expenses of CCCFA.

“*Project Fund*” means the Project Fund established under the Indenture.

“*Project Participant*” means (a) SVCE and (b) any other Person that enters into a Power Supply Contract with CCCFA in accordance with the assignment and novation requirements set forth in the Indenture.

“*Provisional Payment Fee*” means \$____/MWh, which fee shall apply with respect to Provisional Payments whenever the Provisional Payment Fee is applicable.

“PSC Remarketing Election” means, with respect to any Power Supply Contract, that the relevant Project Participant delivered a Remarketing Election Notice (as defined thereunder) for any Reset Period.

“Public Agency” means a state, a governmental or political subdivision of a state and a corporate instrumentality or public corporation of a state or a subdivision of a state, including without limitation any of their departments or agencies, counties, county boards of education, county superintendents of schools, cities, public corporations, public districts, public commissions or joint powers authorities.

“Purchase Date” means an Optional Purchase Date or a Mandatory Purchase Date, as the case may be.

“Purchase Price” means (a) with respect to any Purchased Bond to be purchased on an Optional Purchase Date, an amount equal to the principal amount of such Bond Outstanding on such date plus accrued and unpaid interest thereon, unless such Optional Purchase Date is an Interest Payment Date for such Bond, in which case interest on such Bond shall not be included in the Purchase Price of such Bond but shall be paid to the Owner of such Bond in accordance with the interest payment provisions of the Indenture, (b) except as provided in clause (c) below, with respect to any Purchased Bond to be purchased on a Mandatory Purchase Date, an amount equal to the principal amount of such Bond Outstanding on such date, and (c) in the case of a purchase of a Bond bearing interest at a Term Rate pursuant to the Indenture with respect to which the new Interest Rate Period commences prior to the day originally established as the last day of the preceding Term Rate Period, the optional redemption price for such Bond set forth in the Indenture or in an applicable Supplemental Indenture which would have been applicable to such Bond if the preceding Term Rate Period had continued to the day originally established as its last day. Accrued interest due on any Bonds to be purchased on a Mandatory Purchase Date shall be paid from amounts on deposit in the Debt Service Account of the Debt Service Fund on such date in accordance with the Indenture.

“Purchased Bonds” means any Bonds required to be purchased on a Purchase Date.

“Put Receivable” has the meaning set forth in the Receivables Purchase Provisions.

“Qualified Investments” means any of the following investments, if and to the extent that the same are rated (or whose financial obligations to CCCFA receive credit support from an entity rated) (i) at least the Minimum Rating or (ii) at such a rating that will allow the Bonds to be rated the same as the credit rating or financial strength rating assigned to the Funding Recipient (except for (c) below), and are at the time authorized for such purpose by law:

- (a) Direct obligations of the United States government or any of its agencies;
- (b) Obligations guaranteed as to principal and interest by the United States government or any of its agencies;
- (c) Certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and CCCFA, and other evidences of deposit at state and federally chartered banks, savings and loan institutions or savings banks, including the Trustee or any of its affiliates (each having the highest short term rating by each Rating Agency then rating the Bonds) deposited and collateralized as required by law;
- (d) Repurchase agreements entered into with the United States or its agencies or with any bank, broker dealer or other such entity, including the Trustee and its affiliates, so long as the

obligation of the obligated party is secured by a perfected pledge of obligations that meet the conditions set forth in the preamble to this definition of Qualified Investments;

(e) Guaranteed investment contracts, forward delivery agreements, interest rate exchange agreements or similar agreements providing for a specified rate of return over a specified time period; *provided, however*, that guaranteed investment contracts, forward delivery agreements or similar agreements shall meet the conditions set forth in the preamble to this definition of Qualified Investments;

(f) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers;

(g) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by or on behalf of the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of principal of and interest on such obligations and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

(h) Money market funds registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, and having a rating in the highest Rating Category by each Rating Agency, including money market funds of the Trustee and funds for which the Trustee or its affiliates (i) provide investment or other management services and (ii) serve as investment manager, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (A) the Trustee or its affiliate receives or collects fees from such funds for services rendered, and (B) services performed by the Trustee pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliate; or

(i) Any other investments permitted by applicable law for the investment of the funds of CCCFA and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

provided, that CCCFA shall monitor, or shall cause to be monitored, ratings and shall determine whether any investment made is or continues to be a Qualified Investment, and the Trustee shall have no responsibility whatsoever for monitoring ratings or determining whether any investment is or continues to be a Qualified Investment.

“Rating Agency” means Fitch, Moody’s or S&P, or any other rating agency so designated in a Supplemental Indenture that, at the time, rates the Bonds.

“Rating Category” means one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier, a plus or minus, or otherwise.

“Rating Confirmation” means evidence satisfactory to CCCFA, so designated in a Written Statement of CCCFA delivered to the Trustee, that upon the effectiveness of any proposed action, all Outstanding Bonds will continue to be assigned at least the same or equivalent ratings (including the same or equivalent numerical, plus or minus, or other modifiers within a Rating Category) by each Rating Agency then rating such Outstanding Bonds.

“Rebate Payments” means those portions of moneys or securities held in any Fund or Account that are required to be paid to the United States Treasury Department under the requirements of Section 148(f) of the Internal Revenue Code.

“Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of the date of issuance of the Bonds, by and between CCCFA and the Energy Supplier.

“Real-Time Market Price” means The Five Minute Market (FMM) Locational Marginal Price for the Energy Delivery Point for each applicable interval as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

“Receivables Purchase Provisions” means (i) initially, the provisions set forth in Exhibit G to the Prepaid Energy Sales Agreement, and (ii) any successor provisions for the purchase and sale of receivables in respect of amounts due and unpaid under the Power Supply Contract and provided in a Written Notice of the Issuer to the Trustee.

“Redemption Account” means the Redemption Account in the Debt Service Fund established in the Indenture.

“Redemption Price” means, with respect to any Bond, the amount payable upon redemption thereof pursuant to such Bond or the Indenture.

“Refunding Bonds” means a series of bonds issued pursuant to the Indenture for the sole purpose of refunding or defeasing in whole any Series of Bonds then Outstanding, and paying the Cost of Acquisition with respect to such Refunding Bonds.

“Regular Record Date” means (i) with respect to any Interest Payment Date in respect of any Index Rate Period, the Business Day immediately preceding such Interest Payment Date, and (ii) with respect to any Interest Payment Date in respect of any Term Rate Period, the 15th day of the Month (whether or not such day is a Business Day) immediately preceding the Month in which such Interest Payment Date falls.

“Remarketing Agent” means, with respect to any Series of Bonds, the entity appointed as the remarketing agent for such Series pursuant to the related Remarketing Agreement and, if applicable, the related Supplemental Indenture.

“Remarketing Agreement” means, with respect to any Series of Bonds, the remarketing agreement, if any, entered into between CCCFA and the Remarketing Agent for such Series of Bonds.

“Remarketing Proceeds Account” means the Account by that name within the Bond Purchase Fund.

“Remarketing Provisions” means the electricity remarketing provisions set forth in Exhibit C to the Prepaid Energy Sales Agreement.

“Remediation Remarketing Purchase Price” has the meaning given to such term in the Remarketing Provisions.

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

“*Reset Period*” means Initial Reset Period or Reset Period, as the case may be, each as defined in the Re-Pricing Agreement.

“*Retained Payment Amount*” means in respect of each PPA Monthly Statement, an amount equal to all amounts owed to the applicable PPA Supplier for such Month, less (b) the sum of the Delivered Product Payment Amount and the PPA Assignee Resettlement Amount, if any.

“*Responsible Officer*” means, when used with respect to the Trustee, the Custodian or the Calculation Agent, as applicable, any managing director, president, vice president, senior associate, associate or other officer of the Trustee, the Custodian or the Calculation Agent, respectively, within its designated corporate trust office for delivery of notice specified in Section 12.11 of the Indenture (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at such office because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Indenture.

“*Revenue Fund*” means the Revenue Fund established under the Indenture.

“*Revenues*” means:

(a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by CCCFA from or attributable or relating to the ownership and operation of the Clean Energy Project, including all revenues attributable or relating to the Clean Energy Project or to the payment of the costs thereof received or to be received by CCCFA under the Power Supply Contract and the Prepaid Energy Sales Agreement or otherwise payable to the Trustee for the account of CCCFA for the sale and/or transmission of Energy or otherwise with respect to the Clean Energy Project (excluding any payments received by the Issuer in respect of any Monthly Excess Quantities or Assigned Paygo Quantities, each as defined in the Prepaid Energy Sales Agreement);

(b) interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund;

(c) any Commodity Swap Receipts received by the Trustee on behalf of CCCFA;

(d) any Subsidy Payments received by the Trustee, on behalf of CCCFA, in accordance with the Indenture; and

(e) any Advance received by the Trustee on behalf of CCCFA.

provided that, the term “Revenues” shall not include: (t) Ledger Event Payments, (u) any Termination Payment pursuant to the Prepaid Energy Sales Agreement; (v) any amounts received from the Energy

Supplier that are required to be deposited into the Energy Remarketing Reserve Fund pursuant to the Indenture; (w) any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement; (x) any Assignment Payment received from the Energy Supplier; (y) Interest Rate Swap Receipts; and (z) amounts paid by the Project Participant in respect of the Project Administration Fee.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., its successors and assigns, and, if such entity shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

“Schedule”, “Scheduled” or “Scheduling” means the actions of the Energy Supplier, CCCFA, the Project Participant and/or their designated representatives, including their respective Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

“Scheduled Debt Service Deposits” means the required monthly deposits to the Debt Service Account in the Debt Service Fund and the required cumulative deposits to the Debt Service Account in the Debt Service Fund in respect of the Debt Service coming due on the Bonds on each Bond Payment Date.

“Securities Depository” means DTC, or its nominee, and its successors and assigns.

“Series 2025[] Bonds” or “Bonds” means the Clean Energy Project Revenue Bonds, Series 2025[].

“SIFMA Index” means the SIFMA Municipal Swap Index, which, for purposes of an Index Rate Reset Date for a Series of Bonds bearing interest at a SIFMA Index Rate, will be the level of such index which is issued weekly and which is compiled from the weekly interest rate resets of tax exempt variable rate issues included in a database maintained by Refinitiv Global Markets, Inc. which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day, such date being the same day the SIFMA Swap Index is expected to be published or otherwise made available to the Calculation Agent. If the SIFMA Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date selected and designated by CCCFA in its commercially reasonable judgment in compliance with the Indenture.

“SIFMA Index Rate” means a per annum rate of interest equal to the sum of (a) the SIFMA Index then in effect, plus (b) the Applicable Spread.

“SIFMA Index Rate Period” means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SIFMA Index Rate.

“Sinking Fund Installment” means, for the Series 2025[] Bonds, the amounts so designated in the Indenture.

“SOFR Accrual Period” means (a) the number of actual days from and including the Initial Issue Date to but not including the first SOFR Interest Calculation Date and (b) thereafter, the number of actual

days from and including the preceding SOFR Interest Calculation Date to but not including the next succeeding SOFR Interest Calculation Date, regardless of the number of days in any Month.

“*SOFR Effective Date*” means each Business Day. Each SOFR Effective Date is an Index Rate Reset Date for all purposes of the Indenture unless the context clearly requires otherwise.

“*SOFR Effective Period*” means the number of actual days from a SOFR Effective Date to but not including the next SOFR Effective Date.

“*SOFR*” or “*SOFR Index*” means the “Secured Overnight Financing Rate” reported on the NY Federal Reserve’s Website, or reported by any successor to the NY Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing SOFR as of the SOFR Lookback Date, which will be used to calculate interest for the SOFR Effective Period beginning on the SOFR Effective Date. If SOFR is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date designated by CCCFA in writing (with notice to, and which is available to, the Calculation Agent) in compliance with the Indenture.

“*SOFR Index Rate*” means a daily variable interest rate equal to the sum of (1) the product of the SOFR Index and the Applicable Factor, plus (2) the Applicable Spread on each day of a SOFR Effective Period, but not less than the Minimum Rate and not greater than the Maximum Rate.

“*SOFR Index Rate Period*” means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SOFR Index Rate.

“*SOFR Interest Calculation Date*” means the first Business Day of each Month.

“*SOFR Lookback Date*” means the third Business Day immediately preceding each SOFR Effective Date.

“*SOFR Publish Date*” means the second Business Day immediately preceding each SOFR Effective Date.

“*Special Tax Counsel*” means Ballard Spahr LLP or any other counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States, and selected by CCCFA. Bond Counsel may serve as Special Tax Counsel.

“*Specified Discount*” means the amount specified in the Prepaid Energy Sales Agreement.

“*State*” means the State of California.

“*Subsidy Payments*” means, with respect to a Series of Bonds issued under Section 54AA of the Internal Revenue Code, the amounts relating to such Series of Bonds which are payable by the federal government under Section 6431 of the Internal Revenue Code, which the Issuer has elected to receive under Section 54AA(g)(1) of the Internal Revenue Code, and (b) with respect to a Series of Bonds issued under any other provision of the Internal Revenue Code that creates a substantially similar direct-pay subsidy program, the amounts relating to such Series of Bonds which are payable by the federal government under

the applicable provision of the Internal Revenue Code which CCCFA has elected to receive under the applicable provisions of the Internal Revenue Code.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture executed and delivered by CCCFA and the Trustee in accordance with the Indenture.

“SVCE” means Silicon Valley Clean Energy Authority, a joint powers authority organized pursuant to Act.

“Swap Payment Deficiency” means, as of any date, (a) the amount of the next Commodity Swap Payment expected to become due, minus (b) the amount on deposit in the Commodity Swap Payment Fund; provided, however, that if such difference is a negative number, then the Swap Payment Deficiency shall be zero.

“Tax Agreement” means the Tax Certificate and Agreement of CCCFA with respect to the Bonds dated as of the Initial Issue Date.

“Term Rate” means, with respect to a Series of Bonds, a fixed interest rate for each maturity of such Bonds established in under the Indenture.

“Term Rate Conversion Date” means, with respect to a Series of Bonds, each date on which such Bonds begin to bear interest at a Term Rate pursuant to the Indenture, including each date on which a new Term Rate Period is established for such Bonds and the Final Fixed Rate Conversion Date with respect to such Bonds.

“Term Rate Period” means, with respect to a Series of Bonds, each period during which a Term Rate is in effect for such Bonds.

“Term Rate Tender Date” means the Mandatory Purchase Date.

“Termination Payment” means, with respect to any Early Termination Payment Date, the amount specified in the Prepaid Energy Sales Agreement for the calendar month in which such Early Termination Payment Date occurs (as adjusted by any applicable Termination Payment Adjustment Amount) without any set-off or netting of amounts then due from CCCFA.

“Transmission Provider(s)” means any entity or entities transmitting or transporting Energy on behalf of the Project Participant, CCCFA or the Energy Supplier to or from the Delivery Point.

“Trustee” means The Bank of New York Mellon Trust Company, N.A. and its successor or successors and any other corporation or national banking association which may at any time be substituted in its place pursuant to the Indenture.

“Trust Estate” means (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of CCCFA in, to and under the Power Supply Contract, except for the right to receive the Project Administration Fee, (c) the Revenues, (d) any Termination Payment or the right to receive such Termination Payment (e) all right, title and interest of CCCFA in, to and under the Receivables Purchase Provisions, including payments received from the Energy Supplier (or the Master Custodian on its behalf)

pursuant thereto, (f) all right, title and interest of CCCFA in, to and under each Interest Rate Swap and the Interest Rate Swap Receipts, (g) all right, title and interest of CCCFA in, to and under any Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty and (h) the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), including the investment income, if any, thereof subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

“*Undelivered Bond*” means any Bond which constitutes an Undelivered Bond under the provisions of the Indenture.

“*Underwriter*” means (a) with respect to the Series 2025[] Bonds, Morgan Stanley & Co., and (b) with respect to any other Series of Bonds, the municipal securities broker dealer engaged by CCCFA to underwrite such Series of Bonds.

“*Weekly Interest Rate*” means, with respect to a Series of Bonds, a variable interest rate established for such Bonds in accordance with the Indenture.

“*Weekly Interest Rate Period*” means, with respect to a Series of Bonds, each period during which a Weekly Interest Rate is in effect for such Series of Bonds.

“*Written Certificate*,” “*Written Direction*,” “*Written Instrument*,” “*Written Notice*,” “*Written Request*” and “*Written Statement*” of CCCFA means in each case an instrument in writing signed on behalf of CCCFA by an Authorized Officer thereof. Any such instrument and any supporting opinions or certificates may, but need not, be combined in a single instrument with any other instrument, opinion or certificate, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or certificate of counsel, consultants, accountants or engineers, unless the Authorized Officer signing such Written Certificate, Direction, Instrument, Notice, Request or Statement knows, or in the exercise of reasonable care should know, that the opinion or certificate with respect to the matters upon which such Written Certificate, Direction, Instrument, Notice, Request or Statement may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel, consultant, accountant or engineer, as the case may be, need not certify to all of the matters required to be certified under any provision of the Indenture, but different Authorized Officers, counsel, consultants, accountants or engineers may certify to different facts, respectively. Every Written Certificate, Direction, Instrument Notice, Request or Statement of CCCFA, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include:

- (a) a statement that the person making such certificate, direction, instrument, notice, request, statement or opinion has read the pertinent provisions of the Indenture to which such certificate, direction, notice, request, statement or opinion relates;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, direction, instrument, notice, request, statement or opinion is based;
- (c) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion

with respect to the subject matter referred to in the instrument to which his or her signature is affixed; and

(d) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture pertaining to the Bonds. Such summary does not purport to be complete and reference is made to the Indenture for full and complete statements of all provisions of the Indenture.

DEFINITIONS

See “DEFINITIONS OF CERTAIN TERMS” in APPENDIX B for the definitions of terms used but not otherwise defined in this APPENDIX C.

SUBSEQUENT INTEREST RATE PERIODS

As provided in the Indenture, the term of the Bonds will be divided into consecutive Interest Rate Periods during each of which such Bonds shall bear interest at the Daily Interest Rate, the Weekly Interest Rate, CP Interest Term Rates, Term Rates or an Index Rate; *provided, however*, that the Interest Rate Period shall be the same for all Bonds of a Series, and, notwithstanding anything in the Indenture to the contrary, no Bond shall bear interest in excess of the Maximum Rate.

(Section 2.04)

TERM RATE PERIOD

(a) *Determination of Term Rates.* For each Term Rate Period for a Series of Bonds, (i) the Issuer may by Written Notice to the Trustee delivered in connection with a Term Rate Conversion Date establish one or more Maturity Dates for the Bonds of such Series and Sinking Fund Installments for any maturities of the Bonds of such Series, and (ii) each maturity of the Bonds of such Series shall bear interest at a Term Rate; provided that the Term Rate, Maturity Dates and Sinking Fund Installments for each maturity of Bonds of any Series upon initial issuance of such Bonds, if any, shall be specified in the Indenture or a Supplemental Indenture providing for the issuance of such Series of Bonds. The Term Rate for each maturity of Bonds of a Series bearing interest in the Term Rate Period shall be determined by the Underwriter or the Remarketing Agent, as applicable, on a Business Day no later than the Issue Date or the Term Rate Conversion Date for such Series of Bonds, as applicable. Subject to the provisions of the Indenture described in paragraph (d) below, each Term Rate shall be the rate of interest per annum determined by the Underwriter or the Remarketing Agent, as applicable, to be the minimum interest rate which, if borne by the Bonds of the applicable Series and maturity, would enable the Underwriter or the Remarketing Agent, as the case may be, to sell such Bonds and maturity on such date at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If, for any reason, with respect to any Series of Bonds being converted to a Term Rate Period, the Term Rate for such Term Rate Period is not determined by the Remarketing Agent on or prior to the first day of such Term Rate Period, then the Interest Rate Period for the Bonds of the applicable Series shall be a Weekly Interest Rate Period and such Weekly Interest Rate Period shall continue until such time as the Interest Rate Period for such Series of Bonds shall have been converted to a Daily Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period as provided in the Indenture.

(b) *Conversion to or Continuation of Term Rate Period.* Subject to the provisions of the Indenture, at any time, the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at Term Rates. Such direction of the Issuer shall specify (i) the proposed effective date of the Term Rate Period, which date shall

be a Business Day not earlier than the 30th day following receipt by the Trustee of such Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to the provisions of the Indenture or an applicable Supplemental Indenture; (ii) the last day of such Term Rate Period, which day shall be either the day immediately prior to the Final Maturity Date for the applicable Series of Bonds, or a day which both immediately precedes a Business Day and is at least one hundred eighty one (181) days after the effective date of the Term Rate Period; and (iii) with respect to any such Term Rate Period, may specify redemption prices and periods different than those set forth in the Indenture or the applicable Supplemental Indenture providing for the issuance of such Series of Bonds, subject to the Favorable Opinion of Bond Counsel as provided in the provisions of the Indenture described in this paragraph. In addition, such direction shall be accompanied by the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Term Rate Conversion Date and by a form of the notice to be mailed by the Trustee as provided in the provisions of the Indenture described in paragraph (c) below. Upon Conversion of any Series of Bonds to the Term Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate Period under the terms of the Indenture, the interest rate or rates borne by such Series of Bonds shall be Term Rates as provided in the Indenture. The day following the last day of any Term Rate Period for a Series of Bonds shall be a Term Rate Tender Date for such Series of Bonds. After the Final Fixed Rate Conversion Date for a Series of Bonds, the Bonds of such Series shall no longer be subject to or have the benefit of the provisions of the Indenture.

(c) *Notice of Conversion to or Continuation of Term Rate.* Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Term Rate Period as provided in the provisions of the Indenture described in paragraph (b) above, the Trustee shall give notice by first-class mail of the Conversion of such Bonds to bear interest in a (or the establishment of another) Term Rate Period for a Series of Bonds to the Owners of the Bonds of such Series not less than thirty (30) days prior to the proposed effective date of such Term Rate Period. Such notice shall be in the form provided to the Trustee pursuant to the Indenture to state: (i) that the Interest Rate Period for such Bonds shall be converted to, or continue to be, a Term Rate Period unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Term Rate Period as provided in the Indenture or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the Term Rate Conversion Date; (ii) that such Bonds are subject to mandatory tender for purchase on the Term Rate Conversion Date and setting forth the applicable Purchase Price and the place of delivery for purchase of such Bonds; (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Term Rate Period as provided in the Indenture; and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

(d) *Sale at Premium or Discount.* Notwithstanding the provisions of the Indenture described in paragraph (a) above, the Term Rate for each maturity of any Series of Bonds as initially issued, or the Term Rate for each maturity of any other Series of Bonds upon Conversion to a Term Rate Period, shall be the rate of interest per annum determined by the Underwriter or the Remarketing Agent, as applicable, to be the interest rate which, if borne by the Bonds of such Series and maturity, would enable the Underwriter or the Remarketing Agent, as applicable, to sell the Bonds of such Series and maturity at a price (without regard to accrued interest) which will result in the lowest net interest cost for the Bonds of such Series and maturity, after taking into account any premium or discount at which the Bonds of such Series and maturity are sold by the Underwriter or the Remarketing Agent, as applicable, provided that: (i) The Underwriter or the Remarketing Agent, as applicable, certifies in writing to the Trustee and the Issuer that the sale of the Bonds of such Series at the interest rate and premium or discount specified by the Underwriter or the Remarketing Agent, as applicable, is expected to result in the lowest net interest cost for such Bonds;

(i) The Issuer consents in writing to the sale of the Bonds of such Series at such premium or discount;

(ii) In the case of the Bonds of such Series to be sold at a premium, the Underwriter or the Remarketing Agent, as applicable, shall transfer the amount of such premium to the Trustee for deposit into such Funds and Accounts as shall be specified in a Written Direction of the Issuer;

(iii) On or before the date of determination of the Term Rates for the Bonds of such Series, the Issuer delivers to the Trustee and the Remarketing Agent a form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Term Rate Conversion Date; and

(iv) On or before the Conversion Date, a Favorable Opinion of Bond Counsel shall have been delivered to the Trustee.

(Section 2.07)

PROVISIONS REGARDING INTEREST RATE SWAP

(a) In connection with the issuance of any Variable Rate Series of Bonds, or the Conversion of any Series of Bonds, to bear interest in a Daily Interest Rate Period, a Weekly Interest Rate Period, an Index Rate Period or a Commercial Paper Interest Rate Period, the Issuer shall enter into an Interest Rate Swap with an Interest Rate Swap Counterparty. The following shall apply to the Interest Rate Swap:

(i) The method for the calculation of the Interest Rate Swap Payments and Interest Rate Swap Receipts, as applicable, and the scheduled payment dates therefor are set forth in the Interest Rate Swap;

(ii) Interest Rate Swap Payments shall be made by the Trustee (for the account of the Issuer) from the Debt Service Account on parity with principal and interest payments on Bonds; and

(iii) Interest Rate Swap Receipts shall be payable directly to the Trustee (for the account of the Issuer) and shall be deposited directly into the Debt Service Account.

(b) The following shall apply with respect to restrictions on replacement and termination of the Interest Rate Swap:

(i) The Issuer agrees that it will not exercise any right to declare an early termination date under the Interest Rate Swap unless either (A) the Issuer has entered into a replacement Interest Rate Swap in accordance with clause (ii) and (iii) below, and such replacement Interest Rate Swap will be effective as of such early termination date and cover interest rate exposure from and after such early termination date, or (B) in all other cases, the Prepaid Energy Sales Agreement will terminate prior to or as of such early termination date.

(ii) The Issuer may replace the Interest Rate Swap (and any related guaranty of the Interest Rate Swap Counterparty's obligations thereunder) with a similar agreement for the same hedging purposes with an alternate Interest Rate Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation.

(iii) If the Interest Rate Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) the Issuer may, subject

to clause (i) above, terminate the Interest Rate Swap if the Issuer has the right to do so, and (B) the Issuer may enter into a replacement Interest Rate Swap with an alternate Interest Rate Swap Counterparty without Rating Confirmation, but only if the replacement Interest Rate Swap is identical in all material respects to the existing Interest Rate Swap, except for the identity of the Interest Rate Swap Counterparty, and (1) the alternate Interest Rate Swap Counterparty (or its credit support provider under the Interest Rate Swap) is then rated at least the lower of (a) the credit rating of the Funding Recipient or (b) at least as highly as the rating then assigned by each Rating Agency to the Bonds, or (2) the Interest Rate Swap Counterparty provides such collateral and security arrangements as the Issuer shall determine to be necessary.

(Section 2.13)

MANDATORY TENDER FOR PURCHASE ON CONVERSION OF INTEREST RATE PERIOD

Eligible Bonds of a Series shall be subject to mandatory tender for purchase on each Conversion Date (which shall be a Mandatory Purchase Date) at the applicable Purchase Price, payable in immediately available funds. The Purchase Price of any Bond so purchased shall be payable from the sources and in the order of priority specified in the Indenture only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to such Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange at or prior to 10:00 a.m., New York City time, on the date specified for such delivery as described in this paragraph or in the notice provided pursuant to the Indenture.

(Section 4.14)

GENERAL PROVISIONS RELATING TO TENDERS

(a) *Creation of Bond Purchase Fund.*

(i) There shall be created and established under the Indenture with the Trustee a fund to be designated the "Bond Purchase Fund" to be held in trust only for the benefit of the Owners of tendered Bonds who shall thereafter be restricted exclusively to the moneys held in such fund for the satisfaction of any claim for the Purchase Price of such tendered Bonds. The Bond Purchase Fund and the Accounts therein are not Pledged Funds.

(ii) There shall be created and designated under the Indenture the following Accounts with respect to each Series of Bonds within the Bond Purchase Fund: the "Remarketing Proceeds Account" and the "Issuer Purchase Account." Moneys paid to the Trustee for the purchase of tendered or deemed tendered Bonds of a Series received from (A) the Remarketing Agent shall be deposited in the Remarketing Proceeds Account for such Series in accordance with the provisions of the Indenture described under the first paragraph of "*Deposits of Funds*" below and (B) the Issuer shall be deposited in the Issuer Purchase Account in accordance with the provisions of the Indenture described under the second paragraph of "*Deposits of Funds*" below. Moneys provided by the Issuer not required to be used in connection with the purchase of tendered Bonds shall be returned to the Issuer in accordance with the provisions of the Indenture described under "*Deposits of Funds*" and "*Disbursements; Payment of Purchase Price*" below.

(iii) Moneys in the Issuer Purchase Account and the Remarketing Proceeds Account with respect to a Series of Bonds shall not be commingled with other funds held by the Trustee and shall remain uninvested. The Issuer shall have no right, title or interest in any of the funds held on

deposit in the Remarketing Proceeds Account or any remarketing proceeds held for any period of time by the Remarketing Agent.

(b) *Deposit of Bonds.* The Trustee agrees to hold all Bonds delivered to it pursuant to the Indenture in trust for the benefit of the respective Owners which shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds have been delivered to such Owner in accordance with the provisions of the Indenture and until such Bonds shall have been delivered by the Trustee in accordance with the provisions of the Indenture described under “*Delivery of Purchased Bonds*” below.

(c) *Remarketing of Bonds.*

(i) Immediately upon its receipt, but not later than noon, New York City time on the following Business Day, from an Owner of a Bond bearing interest at a Daily Interest Rate or a Weekly Interest Rate of a notice pursuant to the Indenture, the Trustee shall notify the Remarketing Agent by telephone, promptly confirmed in writing by Electronic Means, of such receipt, specifying the principal amount of Bonds for which it has received such notice, the names of the Owners thereof and the date on which such Bonds are to be purchased in accordance with the Indenture.

(ii) As soon as practicable, but in no event later than 10:15 a.m., New York City time, on a Purchase Date, the Remarketing Agent shall inform the Trustee by telephone, promptly confirmed in writing, by Electronic Means, of the principal amount of Purchased Bonds to be purchased on such date, the name, address and taxpayer identification number of each such purchaser, and the Authorized Denominations in which such Purchased Bonds are to be delivered. Upon receipt from the Remarketing Agent of such information, and in no event later than 12:30 p.m., New York City time, on the Purchase Date, the Trustee shall prepare Purchased Bonds in accordance with such information received from the Remarketing Agent for the registration of transfer and redelivery to the Remarketing Agent pursuant to “*Delivery of Purchased Bonds*” below.

(iii) Any Purchased Bonds which are subject to mandatory tender for purchase in accordance with the Indenture which are not presented to the Trustee on the Purchase Date and any Purchased Bonds which are the subject of a notice pursuant to the Indenture which are not presented to the Trustee on the Purchase Date, shall, in accordance with the provisions of the Indenture, be deemed to have been purchased upon the deposit of moneys equal to the Purchase Price thereof into any or all of the accounts of the Bond Purchase Fund.

(d) *Deposits of Funds.*

(i) The Trustee shall deposit into the Remarketing Proceeds Account for the applicable Series of Bonds any amounts received by it in immediately available funds by 12:30 p.m., New York City time, on any Purchase Date from the Remarketing Agent against receipt of Bonds by the Remarketing Agent pursuant to the provisions of the Indenture described under “*Delivery of Purchased Bonds*” below and on account of Purchased Bonds remarketed pursuant to the terms of the Remarketing Agreement.

(ii) The Issuer may, in its sole discretion, pay to the Trustee in immediately available funds the amount equal to the difference, if any, between the total Purchase Price of Bonds to be purchased and the amount of money deposited as described in the preceding paragraph (the “*Additional Liquidity Drawing Amount*”) by 12:45 p.m., New York City time. The Trustee shall

deposit any Additional Liquidity Drawing Amounts into the Issuer Purchase Account for the applicable Series of Bonds.

(iii) The Trustee shall hold all proceeds received from the Remarketing Agent or the Issuer pursuant to the provisions of the Indenture described under this section entitled “*Deposits of Funds*” in trust for the tendering Owners. In holding such proceeds and moneys, the Trustee will be acting on behalf of such Owners by facilitating the purchase of the Bonds and not on behalf of the Issuer and will not be subject to the control of the Issuer. Subject to the provisions of the Indenture described under “*Disbursements; Payment of Purchase Price*” below, following the discharge of the pledge created by the Indenture or after payment in full of the Bonds, the Trustee shall pay any moneys remaining in any Account of the Bond Purchase Fund directly to the Persons for whom such money is held upon presentation of evidence reasonably satisfactory to the Trustee that such Person is rightfully entitled to such money and the Trustee shall not pay such amounts to any other Person.

(e) *Disbursements; Payment of Purchase Price.* Moneys delivered to the Trustee on a Purchase Date shall be applied at or before 1:00 p.m., New York City time, on such Purchase Date to pay the Purchase Price of Purchased Bonds of the applicable Series in immediately available funds as follows in the indicated order of application and, to the extent not so applied on such date, shall be held in the separate and segregated Accounts of the Bond Purchase Fund for the benefit of the Owners of the Purchased Bonds which were to have been purchased:

FIRST: Moneys deposited in the Remarketing Proceeds Account for the Bonds of the applicable Series; and

SECOND: Moneys deposited in the Issuer Purchase Account for the Bonds of the applicable Series.

Any moneys held by the Trustee in the Issuer Purchase Account remaining unclaimed by the Owners of the Purchased Bonds which were to have been purchased for two years after the respective Purchase Date for such Bonds shall be paid to the Issuer, upon a request in a Written Direction of the Issuer against written receipt therefor. The Owners of Purchased Bonds who have not yet claimed money in respect of such Bonds shall thereafter be entitled to look only to the Trustee, to the extent it shall hold moneys on deposit in the Bond Purchase Fund, or the Issuer to the extent moneys have been transferred in accordance with the provisions of the Indenture described under this section entitled “*Disbursements; Payment of Purchase Price.*” The Trustee shall have no obligation to advance its own funds to fund the Bond Purchase Fund or otherwise pay the Purchase Price on any Bonds.

(f) *Delivery of Purchased Bonds.*

(i) The Remarketing Agent shall give telephonic notice, promptly confirmed by a written notice, by Electronic Means, to the Trustee on each date on which Bonds shall have been purchased pursuant to the Indenture, specifying the principal amount of such Bonds, if any, sold by it and a list of such purchasers showing the names and Authorized Denominations in which such Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers. By 12:30 p.m., New York City time, on the Purchase Date, a principal amount of Bonds equal to the amount of Purchased Bonds purchased with moneys from the Remarketing Proceeds Account shall be made available by the Trustee to the Remarketing Agent against payment therefor in immediately available funds.

(ii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Issuer Purchase Account shall be delivered on the day of such

purchase by the Trustee to or as directed by the Issuer. The Trustee shall register such Bonds in the name of the Issuer or as otherwise directed by the Issuer.

(Section 4.15)

NOTICE OF MANDATORY TENDER FOR PURCHASE

In connection with any mandatory tender for purchase of Bonds in accordance with the Indenture, the Trustee shall give the notice (which in the case of a mandatory tender pursuant to the provisions of the Indenture described under the section entitled “Mandatory Tender for Purchase on Conversion of Interest Rate Period” above shall be given as a part of the notice given pursuant to certain provisions of the Indenture) stating: (a) that the Purchase Price of any Bond so subject to mandatory tender for purchase shall be payable only upon surrender of such Bond to the Trustee at the office specified in such notice, accompanied by an instrument of transfer thereof in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner’s duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange; (b) that all Bonds so subject to mandatory tender for purchase shall be purchased on the Mandatory Purchase Date, unless (i) a Failed Remarketing shall have occurred prior to such Mandatory Purchase Date, in which case such Bonds shall be redeemed rather than purchased on such Mandatory Purchase Date, or (ii) such Bonds shall have otherwise been redeemed on or prior to, or are not Outstanding as of, such Mandatory Purchase Date; and (c) that in the event that any Owner of a Bond so subject to mandatory tender for purchase shall not surrender such Bond to the Trustee for purchase on such Mandatory Purchase Date, then such Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such Mandatory Purchase Date and that the Owner thereof shall have no rights under the Indenture other than to receive payment of the Purchase Price thereof. Any such notice of a mandatory tender of Bonds pursuant to the Indenture shall be given no less than thirty (30) days prior to the applicable Mandatory Purchase Date, and the Trustee shall give a conditional notice of extraordinary redemption pursuant to the Indenture no later than the applicable deadlines set forth therein to provide for the extraordinary redemption of the Bonds if a Failed Remarketing occurs prior to the Mandatory Purchase Date. No later than five (5) Business Days prior to the date on which such conditional notice of extraordinary redemption is required to be given by the Trustee pursuant to the Indenture, the Issuer shall direct the Trustee to send such conditional redemption notice pursuant to a Written Direction, which Written Direction shall include the applicable Redemption Date and method(s) for calculating the Redemption Price, to be followed by notice of the Redemption Price.

(Section 4.16)

THE PLEDGE EFFECTED BY THE INDENTURE

The Bonds and the Interest Rate Swap are limited obligations of the Issuer payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Indenture solely by, the Trust Estate. Pursuant to the Granting Clauses of the Indenture, the Trust Estate has been conveyed, assigned and pledged to the payment of the principal and Redemption Price of and interest on the Bonds and the Interest Rate Swap Payments in accordance with their terms, and any other senior, parity and subordinate obligations of the Issuer secured by the lien of the Indenture, subject to (i) the pledge of and lien on the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparty, and (ii) the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Trust Estate thereby pledged and assigned shall immediately be subject to the lien of such pledge without any further physical delivery thereof or other further act, and the lien of such pledge shall be a first lien and shall be valid and binding as against all parties having claims of

any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

None of the Bonds, the Interest Rate Swap or the Commodity Swap constitute a debt or liability of the State or of any political subdivision thereof, other than as limited obligations of the Issuer, and the Issuer shall not be obligated to pay the principal or Redemption Price of, or interest on, the Bonds, the Interest Rate Swap Payments or the Commodity Swap Payments except from the funds provided therefor under the Indenture. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof, including the Issuer, or of the Project Participant is pledged to the payment of the principal or Redemption Price of and interest on the Bonds, the Interest Rate Swap Payments or the Commodity Swap Payments. The issuance of the Bonds and the execution and delivery of the Interest Rate Swap and the Commodity Swap shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment. The Issuer has no taxing power.

Nothing contained in the Indenture shall be construed to prevent the Issuer from acquiring, constructing or financing, through the issuance of its bonds, notes or other evidences of indebtedness, any facilities or supplies of Energy other than the Clean Energy Project; provided that such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Trust Estate or any portion thereof, and neither the cost of such facilities or supplies of Energy nor any expenditure in connection therewith or with the financing thereof shall be payable from the Trust Estate or any portion thereof.

(Section 5.01)

ESTABLISHMENT OF FUNDS AND ACCOUNTS

(a) The following Funds and Accounts are established in the Indenture, each of which shall be held by the Trustee except as indicated below:

- (i) Project Fund;
- (ii) Revenue Fund;
- (iii) Operating Fund;
- (iv) Debt Service Fund, consisting of the Debt Service Account and the Redemption Account;
- (v) Commodity Swap Payment Fund;
- (vi) General Reserve Fund;
- (vii) Energy Remarketing Reserve Fund, consisting of a Remediation Account;
- (viii) Assignment Payment Fund;
- (ix) Bond Purchase Fund, consisting of the Issuer Purchase Account and the Remarketing Proceeds Account; and
- (x) Administrative Fee Fund.

(b) Within the Funds and Accounts established under the Indenture and held by the Trustee, the Trustee may create additional Accounts in any Fund or subaccounts in any Accounts as may facilitate the administration of the Indenture. The Issuer may, by Supplemental Indenture, with the prior written approval of the Trustee, establish one or more additional accounts or subaccounts. By Supplemental Indenture, the Issuer may also (i) establish custodial accounts to be held by the Trustee as custodian to receive Revenues paid by the Project Participant under the Power Supply Contract, and (ii) provide for the application of such amounts for transfer to the Revenue Fund and for such other purposes as may be specified therein.

(Section 5.02)

PROJECT FUND

(a) There shall be paid into the Project Fund proceeds of the Bonds in the amount specified by Written Request of the Issuer, and there may be paid into the Project Fund, at the option of the Issuer, any moneys received for or in connection with the Clean Energy Project by the Issuer from any other source, unless required to be otherwise applied as provided by the Indenture. Upon delivery of the Bonds, the Trustee shall immediately transfer from the Project Fund into the Debt Service Account an amount, specified by Written Request of the Issuer, representing capitalized interest on the Bonds to the date set forth in such Written Request. Except as otherwise described in this section entitled "Project Fund," amounts in the Project Fund shall be applied by the Issuer to pay the Cost of Acquisition and any capitalized interest on the Bonds.

(b) Before any payment is made by the Trustee from the Project Fund, the Issuer shall file with the Trustee a Written Request of the Issuer, showing with respect to each payment to be made, the name of the Person to whom payment is due and the amount to be paid, and stating that the obligation to be paid was incurred and is a proper charge against the Project Fund. To the extent that the Written Request includes amounts to be paid pursuant to the Prepaid Energy Sales Agreement, copies of the invoices or requests for direct payments submitted under the Prepaid Energy Sales Agreement shall be attached to the Written Request. Each such Written Request shall be sufficient evidence to the Trustee: (i) that obligations in the stated amounts have been incurred by the Issuer and that each item thereof is a proper charge against the Project Fund; and (ii) that there has not been filed with or served upon Issuer notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the Persons named in such Written Request which has not been released or will not be released simultaneously with the payment of such obligation other than materialmen's or mechanics' liens accruing by mere operation of law.

(c) Upon receipt of each such Written Request, the Trustee shall pay the amounts set forth therein as directed by the terms thereof from the applicable Account in accordance with and subject to the applicable terms of the Indenture described in this section entitled "Project Fund."

(d) Notwithstanding any of the other provisions described in this section entitled "Project Fund," to the extent that other moneys are not available therefor, amounts in Project Fund shall be applied to the payment of principal of and interest on Bonds when due.

(e) Upon Written Direction of the Issuer, but not earlier than six months after the date of delivery of the Bonds, the Trustee shall transfer to the Revenue Fund any amounts remaining on deposit in Project Fund.

(Section 5.03)

REVENUES AND REVENUE FUND; OTHER AMOUNTS

(a) All Revenues shall be deposited promptly by the Trustee upon receipt thereof into the Revenue Fund; *provided* that, for the avoidance of doubt, if any amounts are received from a Project Participant for which Outstanding Sold Receivables exist, as identified in a written notice from the Issuer to the Trustee, the Trustee shall promptly cause any such receipts to be paid to the Energy Supplier to the extent of such Outstanding Sold Receivables without setoff of any kind in accordance with the Receivables Purchase Provisions and any remaining amounts received from the Project Participant shall be deposited into the Revenue Fund.

(b) In the event that the Specified Project Participant fails to pay the amount due under the Power Supply Contract, the Trustee shall perform the following actions on behalf of the Issuer under the Receivables Purchase Provisions: (i) provide a preliminary notice by email to the Issuer and the Energy Supplier that a Specified Project Participant will fail to make a payment as soon as practicable after becoming aware that a payment default will occur and in any event no later than the end of the calendar day on which the relevant payment default occurs, and (ii) prepare and deliver to the Energy Supplier a Put Option Notice by 12:00 p.m. New York City time on the Business Day following any such payment default. On the twenty-fourth day of the Month in which such Put Option Notice was delivered (or if such day is not a Business Day, the next Business Day following the twenty fourth day of such Month), the Trustee shall deliver to the Energy Supplier the bill of sale and certificates required by the Receivables Purchase Provisions. The Trustee is authorized under the Indenture to sell the Put Receivables then owed by the Specified Project Participant under the Power Supply Contract pursuant to the Receivables Purchase Provisions and to take all actions on its part necessary in connection therewith. All amounts received by the Trustee pursuant to the Receivables Purchase Provisions in respect of Put Receivables shall be deposited in the Revenue Fund for application pursuant to the Indenture.

(c) Upon receipt of the preliminary notice from the Trustee pursuant to (b)(i) above, the Issuer shall:

(i) in consultation with the Energy Supplier, determine the amount of the Net Participant Shortfall Amount, if any, resulting from such failure to pay; and

(ii) give prompt written notice of the amounts of such Net Participant Shortfall Amount, if any, and the amount of such nonpayment and the resulting Net Participant Shortfall Amount, to the Trustee, the Energy Supplier and the Commodity Swap Counterparty.

(d) The following amounts, which are payable to the Trustee but do not constitute Revenues, shall be applied by the Trustee as follows:

(i) any Termination Payment shall be deposited directly into the Redemption Account of the Debt Service Fund as provided in the Indenture,

(ii) any Assignment Payment shall be deposited directly into the Assignment Payment Fund as provided in the Indenture,

(iii) [Reserved.];

(iv) amounts representing the Project Administration Fee, together with any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement, shall be paid as received by the Issuer into the Administrative Fee Fund;

(v) any Interest Rate Swap Receipts shall be deposited directly into the Debt Service Account as provided in the Indenture;

(vi) any amounts required by the Indenture to be deposited into the Energy Remarketing Reserve Fund shall be deposited directly therein; and

(vii) Ledger Event Payments shall be deposited directly into the Debt Service Account as provided in the Indenture.

(Section 5.04)

PAYMENTS FROM REVENUE FUND

(a) In each Month during which there is a deposit of Revenues into the Revenue Fund (but in no case later than the respective dates set forth below), the Trustee shall apply the amounts on deposit in the Revenue Fund, to the extent available, for credit or deposit to the Funds and Accounts indicated below, in the amounts described below (such application to be made in such a manner so as to assure good funds are available on the respective dates set forth below) in the following order of priority:

(i) To the Operating Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount, if any, required so that the balance therein shall equal the amount necessary for the payment of Operating Expenses coming due for such Month;

(ii) Subject to the provisos below, to the Debt Service Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day) for the credit to the Debt Service Account, an amount equal to the greater of (A) the Scheduled Debt Service Deposit, as set forth in Schedule II attached to the Indenture, or (B) the amount necessary to cause an amount equal to the cumulative unpaid Scheduled Debt Service Deposits due through such date to be on deposit therein (without credit for undisbursed Interest Rate Swap Receipts on deposit therein); and

(iii) To the Commodity Swap Payment Fund, on or before the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount required so that the balance therein shall equal the Commodity Swap Payments due for such Month.

(b) If, after a scheduled monthly deposit to the Debt Service Account or the Commodity Swap Payment Fund, the balance therein is below the cumulative Scheduled Debt Service Deposits for such month as specified on Schedule II attached to the Indenture or the Commodity Swap Payments due for such month, respectively, the Trustee shall immediately notify the Issuer of such deficiency and the Trustee shall (i) if the Issuer has not previously done so, cause the Issuer to suspend all deliveries of all quantities of Energy under the Power Supply Contract if the Project Participant is in default thereunder, and (ii) promptly give notice to the Energy Supplier to follow the Remarketing Provisions.

(c) On each [] 1, beginning [] 1, 20[], after (i) the deposit of Revenues into the Revenue Fund and (ii) making such transfers, credits and deposits as required by paragraph (a) above, the Trustee shall credit to the General Reserve Fund the remaining balance in the Revenue Fund.

(d) So long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds and Interest Rate Swap Payments in accordance with their terms (including principal

or applicable Sinking Fund Installments and interest thereon), no transfers shall be required to be made to the Debt Service Fund.

(Section 5.05)

OPERATING FUND

(a) Amounts credited to the Operating Fund shall be applied from time to time by the Trustee to the payment of (i) first, Rebate Payments, and (ii) second, any other Operating Expenses then due and payable.

(b) Amounts credited to the Operating Fund that the Trustee, on the last Business Day of each Month, determines to be in excess of the requirements of such Fund for such Month, shall be applied to make up any deficiencies in the Debt Service Account. Any balance of such excess not required to be so applied shall be transferred to the Revenue Fund for application in accordance with the Indenture.

(Section 5.06)

DEBT SERVICE FUND – DEBT SERVICE ACCOUNT

(a) The amounts deposited into the Debt Service Account pursuant to the Indenture shall be held in such Account and applied to the payment of the Debt Service and Interest Rate Swap Payments payable on each Bond Payment Date; *provided* that, for the purposes of computing the amount to be deposited in such Account, there shall be excluded from the required deposit the amount, if any, on deposit in the Debt Service Account from the proceeds of Bonds (including amounts, if any, transferred thereto from the Project Fund) for the payment of interest on the Bonds. Amounts attributed to capitalized interest shall be applied to Debt Service prior to other monies held within the Debt Service Account.

(b) The Trustee shall pay out of the Debt Service Account to the Paying Agent: (i) on or before each Interest Payment Date, the amount required for the interest on the Bonds payable on such date; (ii) on or before each Bond Payment Date, the Interest Rate Swap Payments then due, (iii) on or before the Bond Payment Date on which a Principal Installment is due, the amount required for the Principal Installment payable on such date; and (iv) on or before any redemption date, the amount required for the payment of the Redemption Price of and accrued interest on such Bonds then to be redeemed; provided, however, that if with respect to any Bonds or portions thereof the amounts due on any such Bond Payment Date and/or redemption date are intended to be paid from a source other than amounts in the Debt Service Account prior to any application of amounts in the Debt Service Account to such payments, then the Trustee (after Written Notice from the Issuer to the Trustee that the Issuer intends to make payments from a source other than amounts in the Debt Service Account) shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and if any such amounts due are paid from such other source the Trustee shall apply the amounts in the Debt Service Account to provide reimbursement for such payment from such other source as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agent on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

(c) Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the Issuer in a Written Request delivered not less than thirty (30) days before the due date of such Sinking Fund Installment, be applied by the Trustee to (i) the purchase of Bonds of the Series, maturity and tenor for which such Sinking Fund

Installment was established, (ii) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (iii) any combination of (i) and (ii). All purchases and redemptions of any Bonds pursuant to this paragraph (c) shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Issuer shall direct the Trustee in writing. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating the amount of such Account. As soon as practicable after the thirtieth (30th) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for the redemption on such due date, by giving notice as required by the Indenture, Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment after making allowance for any Bonds purchased or redeemed pursuant to the provisions of the Indenture described under the section entitled “General Reserve Fund” below which the Issuer has directed the Trustee in writing to apply as a credit against such Sinking Fund Installment as provided in the Indenture. The Trustee shall pay out of the Debt Service Account to the Paying Agent, on or before such redemption date or maturity date, as applicable, the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption or payment, as applicable. All expenses in connection with the purchase or redemption of Bonds shall be paid by the Issuer in such manner as the Issuer shall direct the Trustee in writing from the Operating Fund.

All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee at its designated corporate trust office when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed pursuant to the Indenture that have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Bonds purchased by the Trustee pursuant to the provisions of the Indenture described under this section entitled “Debt Service Fund – Debt Service Account,” shall thereupon be promptly cancelled (or deemed to have been cancelled).

(d) Amounts accumulated in the Debt Service Account with respect to any principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established (together with amounts accumulated therein with respect to interest on such Bonds) shall, upon the reasonable prior Written Direction of the Issuer, be applied by the Trustee on or prior to the due date thereof, to (i) the purchase of such Bonds or (ii) the redemption at the principal amount of such Bonds, if then redeemable by their terms. All purchases and redemptions of any Bonds as described in this paragraph shall be made at prices not exceeding the principal amount of such Bonds plus accrued interest, and such purchases and redemptions shall be made in such manner as the Issuer shall determine. The principal amount of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such due date, for the purpose of calculating the amount of such Account.

(e) The amount deposited in the Debt Service Account on the Issue Date of any Series of Bonds from the proceeds thereof shall be set aside and applied to the payment of interest on such Series of Bonds and related Interest Rate Swap Payments.

(f) In the event of the refunding or defeasance of any Bonds, the Trustee shall, if directed by the Issuer in writing, withdraw from the Debt Service Account all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded or defeased and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; *provided* that such withdrawal shall not be made unless immediately thereafter Bonds being refunded or defeased shall be deemed to have been paid pursuant to the Indenture. In the event of such refunding or defeasance, the Issuer may direct the Trustee to withdraw

from the Debt Service Account all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded or defeased and deposit such amounts in any Fund or Account under the Indenture; *provided, however*, that such withdrawal shall not be made unless the Bonds being defeased shall be deemed to have been paid pursuant to the Indenture and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Indenture.

(g) Any amount remaining in the Debt Service Account shall, to the extent not required to be retained therein for purposes of making future payments, be deposited in the Revenue Fund.

(Section 5.07)

DEBT SERVICE FUND – REDEMPTION ACCOUNT

(a) In the event of an early termination of the Prepaid Energy Sales Agreement, the Issuer shall direct the Energy Supplier to pay the Termination Payment directly to the Trustee for the account of the Issuer. The Trustee shall deposit the Termination Payment into the Redemption Account. Amounts deposited into the Redemption Account shall be applied by the Trustee to the redemption of Outstanding Bonds pursuant to the Indenture.

(b) Any amounts remaining on deposit in the Redemption Account following the redemption and payment of all Outstanding Bonds shall be applied by the Trustee first to pay any Swap Payment Deficiency, second to repurchase any Put Receivables owned by the Energy Supplier, and third, upon Written Direction of the Issuer to the Trustee, shall be transferred to the Revenue Fund.

(c) For the avoidance of doubt, no Extraordinary Expenses shall be paid from the Redemption Account.

(Section 5.08)

COMMODITY SWAP PAYMENT FUND

(a) Amounts credited to the Commodity Swap Payment Fund shall be applied from time to time by the Trustee to the payment of the Commodity Swap Payments when due.

(b) Any amount remaining in the Commodity Swap Payment Fund following the payment of the Commodity Swap Payment due in any Month and prior to any deposit therein for the following Month shall be transferred to the Revenue Fund for application in accordance with the Indenture.

(Section 5.09)

GENERAL RESERVE FUND

(a) The Trustee shall apply moneys on deposit in the General Reserve Fund in the following amounts and in the following order of priority: first, for deposit into the Debt Service Account, the amount necessary (or all of the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in the deposits to such Account described in paragraph (a)(iii) of “Payments from Revenue Fund” above; second, for deposit into the Commodity Swap Payment Fund, the amount necessary to cause the balance therein to equal a Commodity Swap Payment that is then due; and third for deposit into the Operating Fund, the amount necessary for the payment of any Operating Expenses then due and payable and for which other funds are not available under the Indenture.

(b) Amounts on deposit in the General Reserve Fund not required to meet a deficiency or to make a deposit as provided in paragraph (a) above shall be applied by the Trustee upon the Written Request of the Issuer to the following in the order listed below:

- (i) payment of Extraordinary Expenses;
- (ii) payment of any fees owed pursuant to any Qualified Investments;
- (iii) the repurchase of Put Receivables and the payment of interest on all receivables sold to the Energy Supplier pursuant to the Receivables Purchase Provisions;
- (iv) annual refunds to the Project Participant pursuant to the Power Supply Contract;
- (v) the purchase or redemption of Bonds and expenses in connection with the purchase or redemption of such Bonds or any reserves which the Issuer determines shall be required for such purposes; and
- (vi) any other lawful purpose of the Issuer under the Act;

provided, however, that, subject to the provisions of paragraph (a) of this section entitled “General Reserve Fund,” amounts credited to the General Reserve Fund and required by the Indenture to be applied to the purchase or redemption of Bonds shall be applied to such purpose.

(c) If at any time Bonds of any Series, maturity and tenor for which Sinking Fund Installments shall have been established are (i) purchased or redeemed other than as described in “Debt Service Fund – Debt Service Account” above or (ii) deemed to have been paid pursuant to the Indenture and, with respect to such Bonds which have been deemed paid, irrevocable written instructions have been given by the Issuer to the Trustee to redeem or purchase the same on or prior to the due date of the Sinking Fund Installment to be credited under this paragraph (c), the Issuer may from time to time and at any time by Written Direction to the Trustee specify the portion, if any, of such Bonds so purchased, redeemed or deemed to have been paid and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments. Such direction shall specify the amounts of such Bonds to be applied as a credit against each Sinking Fund Installment or Installments and the particular Sinking Fund Installment or Installments against which such Bonds are to be applied as a credit; provided, however, that none of such Bonds may be applied as a credit against a Sinking Fund Installment to become due less than thirty (30) days after such written notice is delivered to the Trustee. All such Bonds to be applied as a credit shall be surrendered to the Trustee for cancellation on or prior to the due date of the Sinking Fund Installment against which they are being applied as a credit. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

(Section 5.10)

ENERGY REMARKETING RESERVE FUND

There shall be paid by the Trustee into the Remediation Account of the Energy Remarketing Reserve Fund, and within such Remediation Account the subaccount applicable to each Project Participant, the amounts, as directed in a Written Direction of the Issuer, specified in the Remarketing Provisions. In the case of a Remediation Remarketing (as defined in the Remarketing Provisions) pursuant to the

Remarketing Provisions, amounts shall be released from the applicable subaccount of the Remediation Account upon such remarketing and applied pursuant to a Written Direction of the Issuer as follows: (a) if the proceeds received by the Trustee from the remarketing equal or exceed the Remediation Remarketing Purchase Price, the portion of the applicable subaccount of the Remediation Account allocable to such remarketing shall be transferred to the General Reserve Fund, and (b) if the proceeds received by the Trustee from the remarketing are less than the Remediation Remarketing Purchase Price, then (x) the portion of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund allocable to such remarketing shall be used to make a payment to the Energy Supplier in an amount equal to the excess of such Remediation Remarketing Purchase Price over such proceeds received by the Issuer from the remarketing, and (y) any remaining amounts allocable to such remarketing shall be transferred to the General Reserve Fund. For purposes of the provisions of the Indenture described in this paragraph, the portion of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund specified in writing by the Issuer to the Trustee as the amount allocable to a remarketing shall consist of the product of (i) a fraction, the numerator of which is the purchase price of the Energy to be remarketed, and the denominator of which is the aggregate amount previously received by the Issuer from the sale of such Energy in Non-Private Business Sales (as defined in the Remarketing Provisions) or Private Business Sales (as defined in the Remarketing Provisions) that, as of the time of the remarketing, has not been remediated in accordance with the Remarketing Provisions, multiplied by (ii) the balance of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund at the time of the remarketing.

(Section 5.11)

ASSIGNMENT PAYMENT FUND

In connection with the issuance of Refunding Bonds, any Assignment Payment received from the Energy Supplier (or the Master Custodian on its behalf) shall be deposited into the Assignment Payment Fund to be transferred to the replacement energy supplier, provided, however, that if the existing Bonds have not been redeemed or defeased on or before the Mandatory Purchase Date, in whole, by the Refunding Bonds, all or a portion of the Assignment Payment shall be transferred to the Trustee for deposit as directed by the Issuer in writing to the Redemption Account pursuant to the Indenture, along with the proceeds of the Refunding Bonds, in order to redeem all of the Outstanding Bonds.

(Section 5.12)

PURCHASES OF BONDS

Except as otherwise provided in the Indenture, any purchase of Bonds (or portions thereof) by or at the direction of the Issuer pursuant to the Indenture may be made with or without tenders of Bonds and at either public or private sale, in such manner as the Issuer may determine.

(Section 5.13)

ADMINISTRATIVE FEE FUND

All Project Administration Fees, together with any amounts paid by the Project Participant pursuant to the Prepaid Clean Energy Project Administration Agreement, shall be deposited by the Trustee into the Administrative Fee Fund. The Trustee shall apply amounts on deposit in the Administrative Fee Fund to pay Operating Expenses promptly upon receipt of a Written Request of the Issuer directing such payment. In the event amounts on deposit in the Administrative Fee Fund are insufficient to make any payments directed in the Written Request of the Issuer, the Trustee shall promptly notify each Project Participant, at

its respective address shown on Schedule I attached to the Indenture, of the fact and amount of such deficiency.

(Section 5.14)

INVESTMENT OF CERTAIN FUNDS

Moneys held in the Debt Service Account shall be invested and reinvested by the Trustee at the Written Direction of the Issuer to the fullest extent practicable in Qualified Investments specified in such Written Direction which mature or are payable not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts and may take the form of a Debt Service Fund Agreement. To the extent moneys held in the Debt Service Account are invested in a Debt Service Fund Agreement, the Issuer covenants and agrees that it will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with such Debt Service Fund Agreement without the written consent of the Trustee and the delivery to the Trustee of a Rating Confirmation with respect to such amendment. Moneys held in the Revenue Fund and the Project Fund may be invested and reinvested by the Trustee at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys in the Operating Fund (other than moneys in the Operating Fund held with respect to Rebate Payments) may be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction which mature within twelve months or which provide funds as needed; moneys held in the Operating Fund with respect to Rebate Payments shall be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction at fair market value; and moneys in the General Reserve Fund and the Energy Remarketing Reserve Fund may be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction; in any case the Qualified Investments in such Funds or in the Accounts therein shall mature not later than such times as shall be necessary to provide moneys when needed to provide payments from such Funds or Accounts. The Trustee shall only be required to make investments of moneys held by it in the Funds and Accounts established under the Indenture in accordance with Written Directions received by the Trustee from any Authorized Officer of the Issuer and may rely on such investment directions without verifying the suitability or legality of such investment and any deposit or investment directed by the Issuer shall constitute a certification by the Issuer that the assets so deposited or to be purchased pursuant to such directions are Qualified Investments. In making any investment in any Qualified Investments with moneys in any Fund or Account established under the Indenture, the Issuer may give Written Direction to the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Qualified Investments.

The Trustee shall only be required to make investments of moneys held by it in the Funds and Accounts established under the Indenture in accordance with Written Directions received by the Trustee from any Authorized Officer of the Issuer. The Trustee shall be entitled to rely in good faith on any Written Direction of the Issuer as to the suitability and legality of the directed investment and any deposit or investment directed by the Issuer shall constitute a certification by the Issuer that the assets so deposited or to be purchased pursuant to such directions are Qualified Investments. In making any investment in any Qualified Investments with moneys in any Fund or Account established under the Indenture, the Issuer may give Written Direction to the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Qualified Investments.

Interest earned on any moneys or investments in the Funds and Accounts established under the Indenture shall be paid into the Revenue Fund, other than interest earned on any moneys or investments in (i) the Redemption Account in the Debt Service Fund, (ii) the Operating Fund relating to Rebate Payments, (iii) the Energy Remarketing Reserve Fund, and (iv) the Administrative Fee Fund. Such interest shall be

held in such respective Fund or Account for the purposes thereof. If no written investment directions have been delivered to the Trustee for any Fund or Account, moneys shall be held there uninvested by the Trustee.

Nothing in the Indenture shall prevent any Qualified Investments acquired as investments of or security for Funds held under the Indenture from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Nothing in the Indenture shall preclude the Trustee from investing or reinvesting moneys that it holds in the Funds and Accounts established pursuant to the Indenture through its bond department; provided, however, that the Issuer may, in its discretion, give a Written Direction to the Trustee that such moneys be invested or reinvested in a manner other than through such bond department.

To the extent any Qualified Investment is insured, guaranteed or otherwise supported by any secondary facility, the Trustee shall make a claim under such facility at such time as shall be required to receive payment thereunder not later than the date required to make any necessary deposit pursuant to the Indenture.

(Section 6.03)

VALUATION AND SALE OF INVESTMENTS

Obligations purchased as an investment of moneys in any Fund created under the provisions of the Indenture shall be deemed at all times to be a part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund.

In computing the amount in any Fund created under the provisions of the Indenture for any purpose provided in the Indenture, obligations purchased as an investment of moneys therein shall be valued at the lower of market value or the amortized cost thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined at the Written Direction of the Issuer to the Trustee as of each Principal Installment payment date and at such other times as the Issuer shall reasonably determine. Guaranteed investment contracts or similar agreements shall be valued at their face value to the extent that they provide for withdrawals without market adjustment or penalty when they are required to provide payment pursuant to the Indenture.

Except as otherwise provided in the Indenture, the Trustee shall use reasonable efforts to sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested to do so by a Written Request of the Issuer. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by the Trustee or the Issuer, the Issuer or the Trustee at the Written Direction of the Issuer shall use reasonable efforts to sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Officer in a Written Direction of the Issuer to the Trustee as necessary to provide sufficient moneys for such payment or transfer. The Issuer acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the Issuer the right to receive from the Trustee brokerage confirmations of security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall not be required to provide any brokerage information.

The Trustee shall not be liable or responsible for any loss, fee, tax or other charge resulting from any such investment, sale or presentation for redemption made in the manner provided in the Indenture. In the event of any such loss, fee, tax or other charge, the Issuer shall pay such amount to the Trustee to be credited as part of the monies originally invested.

(Section 6.04)

POWER TO ISSUE BONDS AND PLEDGE THE TRUST ESTATE

The Issuer is duly authorized under all applicable laws to create and issue the Bonds and to execute and deliver the Indenture and to pledge the Trust Estate, in the manner and to the extent provided in the Indenture. Except to the extent otherwise provided in or contemplated by the Indenture, the Trust Estate will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the security interest, the pledge and assignment created by the Indenture, and all action on the part of the Issuer to that end has been and will be duly and validly taken. The Bonds and the provisions of the Indenture are and will be the valid and legally enforceable limited obligations of the Issuer in accordance with their terms and the terms of the Indenture. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other moneys, securities and funds pledged under the Indenture and all the rights of the Bondholders under the Indenture against all claims and demands of all Persons whomsoever.

(Section 7.05)

POWER TO FIX AND COLLECT FEES AND CHARGES FOR THE SALE OF ENERGY

The Issuer has, and, to the extent permitted by law, will have as long as any Bonds are Outstanding, good right and lawful power to fix, establish, maintain and collect fees and charges for the sale of Energy or otherwise with respect to the Clean Energy Project, subject to the terms of the Power Supply Contract.

(Section 7.06)

CREATION OF LIENS

Except as expressly permitted under the terms of the Indenture, for so long as any Bonds are Outstanding, the Issuer shall not, without a Rating Confirmation, issue any bonds, notes, debentures or other evidences of indebtedness of similar nature payable from or secured by a pledge and assignment of the Trust Estate, other than the Bonds and bonds, notes, debentures or other evidences of indebtedness issued to refund Outstanding Bonds, or otherwise incur obligations other than those contemplated by the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the CCCFA Custodial Agreement, the Commodity Swap, the Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments), payable out of or secured by a pledge or assignment of, or lien on, the Trust Estate; and, except as expressly permitted under the terms of the Indenture, shall not, without a Rating Confirmation, create or cause to be created any lien or charge on the Trust Estate except as provided in or contemplated by the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the CCCFA Custodial Agreement, the Commodity Swap, the Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments); provided, however, that nothing contained in the Indenture shall prevent the Issuer from entering into or issuing, if and to the extent permitted by law (A) evidences of indebtedness (1) payable out of moneys in the Project Fund as part of the Cost of Acquisition or (2) payable out of or secured by a pledge and assignment of the Trust Estate or any part thereof to be derived on and after such date as the pledge of the Trust Estate provided in the Indenture shall be discharged

and satisfied as provided in the Indenture, or (B) Commodity Swap and Interest Rate Swap upon the terms and conditions set forth in the Indenture.

(Section 7.07)

AMENDMENTS TO POWER SUPPLY CONTRACT

The Issuer will not consent or agree to or permit any termination or rescission of, assignment or novation (in whole or in part) by a Project Participant of, or amendment to or otherwise take any action under or in connection with any Power Supply Contract that will impair the ability of the Issuer to collect Revenues in each Fiscal Year which, together with the other amounts available therefor, shall provide an amount sufficient to pay:

(a) The amount estimated by the Issuer to be required to be paid during such Fiscal Year into the Operating Fund;

(b) The amounts, if any, required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which the Issuer anticipates shall be transferred from other Funds or Accounts;

(c) The amounts, if any, to be paid during such Fiscal Year into any other Fund established under the Indenture; and

(d) All other charges or liens whatsoever payable out of Revenues during such Fiscal Year;

provided that:

(i) the Issuer may take any other action under or in connection with the Power Supply Contract that is expressly permitted pursuant to the provisions thereof;

(ii) the Issuer and the Project Participant may amend the Power Supply Contract to change any Delivery Point (as defined and provided therein);

(iii) the Power Supply Contract may be amended upon receipt of (A) a Rating Confirmation with respect to such amendment, and (B) to the extent such amendment would have a material adverse effect (including, but not limited to, a change in the timing of payments, the source of such payments, or the Issuer's rights of collection thereof) upon the Receivables Purchase Provisions or the Commodity Swap, the consent of the Energy Supplier or the Commodity Swap Counterparty, respectively, such consent not to be unreasonably withheld or delayed;

(iv) the Issuer may agree to an assignment or novation of all or a portion of a Project Participant's rights and obligations under the Power Supply Contract upon (A) compliance with the restrictions on assignment set forth in the Power Supply Contract, and (B) receipt of a Rating Confirmation with respect to such assignment or novation; and

(v) the Power Supply Contract may also be amended in connection with a remediation pursuant to the Prepaid Energy Sales Agreement.

(Section 7.10)

POWER SUPPLY CONTRACT; ENERGY REMARKETING

(a) The Issuer shall cause all Revenues payable by the Project Participant under the Power Supply Contract to be payable directly to the Trustee for deposit into the Revenue Fund or custodial accounts established pursuant to the provisions of the Indenture. The Issuer shall enforce the provisions of the Power Supply Contract, as well as any other contract or contracts entered into relating to the Clean Energy Project, and duly perform its covenants and agreements thereunder.

(b) In the event that the Project Participant fails to pay when due any amounts owed to the Issuer under the Power Supply Contract, the Issuer shall:

(i) promptly exercise its right to suspend all Energy deliveries to the Project Participant; and

(ii) promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Exhibit to the Prepaid Energy Sales Agreement for each Month of such suspension with respect to the quantities of Energy for which deliveries have been suspended.

(c) In the event that the Project Participant delivers a Remarketing Election Notice (as defined in the Power Supply Contract) in respect of any Reset Period, then the Issuer will promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Provisions for each month of such Reset Period with respect to any quantities of Energy that would otherwise have been delivered to the Project Participant.

(d) As of the date of the Indenture, the Power Supply Contract with the Project Participant set forth on Schedule I attached to the Indenture shall be the only Power Supply Contract until such time, if any, that an assignment or novation occurs in accordance with the requirements set forth above. Without prejudice to the rights of the Energy Supplier to remarket Energy under the Prepaid Energy Sales Agreement or to an assignment or novation of the Power Supply Contract in compliance with the provisions of the Indenture described under this section entitled “Power Supply Contract; Energy Remarketing,” the Issuer may sell the quantities of Energy to be delivered under the Prepaid Energy Sales Agreement only pursuant to the Power Supply Contract. A copy of the Power Supply Contract and any amendment to the Power Supply Contract, certified by an Authorized Officer, shall be filed with the Trustee.

(Section 7.11)

PREPAID ENERGY SALES AGREEMENT; ENERGY SUPPLIER DOCUMENTS

(a) The Issuer shall enforce the provisions of the Prepaid Energy Sales Agreement and duly perform its covenants and agreements thereunder.

(b) The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Energy Supplier under the Prepaid Energy Sales Agreement. The Issuer shall provide the Trustee with Written Notice of the Early Termination Payment Date (i) on the date on which a Failed Remarketing occurs, and (ii) in all other cases, not more than five (5) Business Days after such date is determined.

(c) The Issuer will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with the Prepaid Energy Sales Agreement

which will in any manner materially impair or materially adversely affect the rights of the Issuer thereunder or the rights or security of the Bondholders under the Indenture; *provided* that the Prepaid Energy Sales Agreement may be assigned or amended without Bondholder consent upon receipt of a Rating Confirmation with respect to such assignment or amendment. The Prepaid Energy Sales Agreement may also be amended in connection with a remediation pursuant to the Prepaid Energy Sales Agreement. Copies of the Prepaid Energy Sales Agreement and any amendments thereto, certified by an Authorized Officer, shall be filed with the Trustee.

(d) The Issuer has the right, pursuant to the Energy Supplier LLCA to appoint a director (the “Issuer-Appointed Director”) to the board of directors of the Energy Supplier. In any vote that comes before the board of directors of the Energy Supplier regarding the Energy Supplier Documents, the Issuer shall instruct the Issuer-Appointed Director to exercise its voting rights in favor of the Energy Supplier (i) observing and performing its obligations under the Prepaid Energy Sales Agreement and (ii) enforcing the provisions of the other Energy Supplier Documents and (iii) not permitting any assignment of, rescission of or amendment to or waiver of the Energy Supplier Documents which will in any manner materially impair or materially adversely affect the rights of the Issuer thereunder or the rights or security of the Bondholders under the Indenture.

(Section 7.12)

COMMODITY SWAP

The Issuer shall cause all Commodity Swap Receipts and any other amounts payable to the Issuer pursuant to the Commodity Swap to be collected and paid directly to the Trustee for deposit into the Revenue Fund. The Issuer shall enforce the provisions of the Commodity Swap and duly perform its covenants and agreements thereunder. The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Commodity Swap Counterparty under the Commodity Swap. The Issuer will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Commodity Swap that will impair the ability of the Issuer to comply during the current or any future year with the provisions of the Indenture. The Issuer shall only exercise its right to terminate the Commodity Swap in compliance with the Indenture. A copy of the Commodity Swap certified by an Authorized Officer shall be filed with the Trustee, and a copy of any amendment to the Commodity Swap, certified by an Authorized Officer, shall be filed with the Trustee.

(Section 7.14)

INTEREST RATE SWAP

The Issuer shall cause all Interest Rate Swap Receipts or other amounts payable to the Issuer pursuant to the Interest Rate Swap to be collected and paid to the Trustee for deposit into the Debt Service Account. The Issuer shall enforce the provisions of the Interest Rate Swap and duly perform its covenants and agreements thereunder. The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Interest Rate Swap Counterparty under the Interest Rate Swap. The Issuer will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Interest Rate Swap that will impair the ability of the Issuer to comply during the current or any future year with the provisions of the Indenture. The Issuer shall only exercise its right to terminate the Interest Rate Swap in compliance with the Indenture. A copy of the Interest Rate Swap certified by an Authorized Officer shall be filed with the Trustee, and a copy of any amendment to the Interest Rate Swap, certified by an Authorized Officer, shall be filed with the Trustee.

(Section 7.15)

TAX COVENANTS

(a) The Issuer covenants in the Indenture that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on any of the Bonds under Section 103 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder or, as applicable, would adversely affect the Subsidy Payments or receipt thereof by the Issuer or the Trustee. Without limiting the generality of the foregoing, the Issuer covenants that it will (i) comply with the instructions and requirements of the Tax Agreement and (ii) exercise commercially reasonable efforts to cause the Bonds to be redeemed (A) in such amount as may be necessary to maintain the exclusion from federal gross income of interest on the Bonds and (B) in whole in the event that interest on the Bonds becomes includible in federal gross income. The Issuer further agrees to follow any directions provided by Special Tax Counsel with respect to any such redemption. Such covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time the Issuer is of the opinion that for purposes of the provisions of the Indenture described in this section entitled “Tax Covenants” it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under the Indenture, the Issuer shall so instruct the Trustee in writing as to the specific actions to be taken, and the Trustee shall take such action as specified in such instructions.

(c) Notwithstanding any other provisions of the Indenture described in this section entitled “Tax Covenants,” if the Issuer shall provide to the Trustee an Opinion of Special Tax Counsel that any specified action required under the provisions of the Indenture described in this section entitled “Tax Covenants” is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds or the qualification of the Issuer to receive Subsidy Payments with respect to the applicable Series of Bonds, the Issuer and the Trustee may conclusively rely on such opinion in complying with the requirements of the provisions of the Indenture described in this section entitled “Tax Covenants” and of the Tax Agreement, and the covenants under the Indenture shall be deemed to be modified to that extent.

(d) Notwithstanding any other provision of the Indenture to the contrary, upon the Issuer’s failure to observe or refusal to comply with the above covenants, the Holders of the Bonds, or the Trustee acting on their behalf pursuant to their written request and direction, shall be entitled to the rights and remedies provided to Bondholders under the Indenture based upon the Issuer’s failure to observe, or refusal to comply with, the above covenants. In connection with any action taken by it under the provisions of the Indenture described in this section entitled “Tax Covenants,” the Trustee shall have the benefit of all of the protective provisions set forth in the Indenture.

(Section 7.18)

EVENTS OF DEFAULT

Any one or more of the following shall constitute an “Event of Default” under the Indenture:

(a) default shall be made in the due and punctual payment of the principal or Redemption Price or Purchase Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or tender, or otherwise;

(b) default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable;

(c) default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, and such default shall continue for a period of 60 days or, if such default cannot reasonably be remedied within such 60 day period, such longer period so long as diligent efforts are being made to remedy such default, after written notice thereof specifying such default and requiring that it shall have been remedied and stating that such notice is a "Notice of Default" under the Indenture is given to the Issuer by the Trustee or to the Issuer and to the Trustee by the Holders of not less than 10% in principal amount of the Bonds Outstanding;

(d) default shall be made in the due and punctual payment of any Commodity Swap Payment or Interest Rate Swap Payment when and as the same shall become due and payable;

(e) the Issuer shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (*provided, however*, that such event shall not constitute an Event of Default under the Indenture unless in addition, (i) the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Clean Energy Project), or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Clean Energy Project, or any part thereof, and/or the rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts with respect to the Clean Energy Project as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing;

(f) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (*provided, however*, that such event shall not constitute an Event of Default under the Indenture unless in addition, (i) the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Clean Energy Project), or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Clean Energy Project, or any part thereof, and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Issuer and its affairs or a decree or order finding or determining that the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; and

(g) there shall occur any other Event of Default specified in a Supplemental Indenture.

(Section 8.01)

ENFORCEMENT OF AGREEMENTS; APPLICATION OF MONEYS AFTER DEFAULT

(a) The Issuer covenants that, if an Event of Default shall have occurred and be continuing, it shall upon the demand of the Trustee (i) take such additional actions on its part as shall be necessary to cause the Project Participant to make payments of all amounts due under the Power Supply Contract to the Trustee, (ii) take such additional actions on its part as shall be necessary to cause the Commodity Swap

Counterparty to make payment of all amounts due under the Commodity Swap directly to the Trustee, (iii) take such additional actions on its part as shall be necessary to cause the Interest Rate Swap Counterparty to make payment of all amounts due under the Interest Rate Swap directly to the Trustee, (iv) execute and deliver such additional instruments that may be necessary to establish or confirm its pledge and assignment to the Trustee of its rights and remedies afforded the Issuer under the Power Supply Contract, and (v) pay over or cause to be paid over to the Trustee any Revenues which have not been paid directly to the Trustee as promptly as practicable after receipt thereof. In addition, to secure its obligations under the Indenture, the Issuer irrevocably pledges and collaterally assigns to the Trustee the Issuer's rights to issue notices (including notices to direct the remarketing of Energy) and to take any other actions that the Issuer is required or permitted to take under the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swap and the Interest Rate Swap, and, while an Event of Default has occurred and is continuing under the Indenture, the Trustee is authorized and directed, and shall have the authority, to take any such actions as it deems necessary under the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swap and the Interest Rate Swap. Notwithstanding this authorization, the Issuer shall retain, in the absence of any conflicting action by the Trustee while an Event of Default has occurred and is continuing, the right and obligation to exercise any rights which it has pledged and collaterally assigned to the Trustee in accordance with the foregoing; provided, however, if an Event of Default has occurred and is continuing, the Trustee shall have the right to notify the Issuer to cease exercising such rights and, upon receipt of such notice with a copy provided to the Energy Supplier under the Prepaid Energy Sales Agreement, the Project Participant under the Power Supply Contract, and the Commodity Swap Counterparty under the Commodity Swap, subject to the rights of the Energy Supplier with respect to the Power Supply Contract as set forth in the Receivables Purchase Provisions, the Trustee shall have exclusive authority to exercise such rights until such time as the Event of Default has been cured pursuant to the terms of the Indenture or the Trustee issues a subsequent notice otherwise. For the avoidance of doubt, the Prepaid Energy Sales Agreement, the Power Supply Contract and the Commodity Swap may be amended at any time for changes in Delivery Points as provided therein, without the consent of the Bondholders, any parties other than those to the relevant agreement, and without the provision of opinions or other process under the Indenture.

(b) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of Article VIII of the Indenture in accordance with Article V of the Indenture, after the payment of the fees, charges, expenses and liabilities of the Fiduciaries (including court costs and the fees and expenses of the Fiduciaries' counsel) payable to or incurred by the Fiduciaries in connection with the performance of their duties and the exercise of their rights under the Indenture, provided that (1) moneys held in the Debt Service Account shall not be used for purposes other than payment of the interest and principal or Redemption Price then due on the Bonds and the payment of Interest Rate Swap Payments then due under the Interest Rate Swap, (2) moneys in the Commodity Swap Payment Fund shall be used first to pay any Commodity Swap Payments then due, (3) moneys held in the General Reserve Fund shall not be used other than for the payment of the items specified under the Indenture, and (4) moneys held in the Administrative Fee Fund shall not be used other than as specified in the Indenture.

(c) If and whenever all overdue installments of interest on all Bonds, together with the reasonable charges, expenses and liabilities of the Fiduciaries, and all other sums payable or secured by the Issuer under the Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the Issuer, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under the Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Issuer all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of the Indenture, particularly the terms

of the Indenture described under “Establishment of Funds and Accounts” above, to be deposited or pledged, with the Trustee), and thereupon the Issuer and the Trustee shall be restored, respectively, to their former positions and rights under the Indenture. No such payment over to the Issuer by the Trustee nor restoration of the Issuer and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

(Section 8.03)

APPOINTMENT OF RECEIVER

The Trustee shall have the right, upon the happening of an Event of Default, to apply in an appropriate proceeding for the appointment of a receiver of the Clean Energy Project.

(Section 8.04)

PROCEEDINGS BROUGHT BY TRUSTEE

(a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than a majority in principal amount of the Bonds Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under the Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant contained in the Indenture, or in aid of the execution of any power granted pursuant to the Indenture, or for an accounting against the Issuer as if the Issuer were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

(b) All rights of action under the Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(e) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority in principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

(Section 8.05)

RESTRICTION ON BONDHOLDERS' ACTION

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Indenture or the execution of any trust under the Indenture or for any remedy under the Indenture, unless such Holder (i) shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in the Indenture, and the Holders of at least a majority in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, (ii) shall have offered it reasonable opportunity, either to exercise the powers granted in the Indenture or by the laws of the State or to institute such action, suit or proceeding in its own name, and (iii) shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of the Indenture.

(b) Nothing in the Indenture or in the Bonds shall affect or impair the obligation of the Issuer, which is absolute and unconditional, to pay only from the Trust Estate, in accordance with the terms of the Indenture, at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of its Bond.

(Section 8.06)

REMEDIES NOT EXCLUSIVE

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute on or after the date of execution and delivery of the Indenture.

(Section 8.07)

EFFECT OF WAIVER AND OTHER CIRCUMSTANCES

(a) No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by the Indenture to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

(b) Prior to the declaration of maturity of the Bonds as provided in the Indenture, the Holders of not less than a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Indenture and its consequences, except a default in the payment of interest on or principal of or premium

(if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

(Section 8.08)

NOTICE OF DEFAULT

The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Bonds then Outstanding at its address, if any, appearing upon the registry books of the Issuer.

(Section 8.09)

SUPPLEMENTAL INDENTURES NOT REQUIRING CONSENT OF BONDHOLDERS

The Issuer and the Trustee may from time to time, subject to the conditions and restrictions contained in the Indenture, enter into a Supplemental Indenture or Indentures, in form satisfactory to the Trustee, which shall thereafter form a part of the Indenture, without the consent of the Bondholders for any one or more of the following purposes:

(i) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture;

(ii) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect;

(iii) To make any other modification or amendment of the Indenture which the Trustee shall in its sole discretion determine will not have a material adverse effect on the Bondholders or the Interest Rate Swap Counterparty; and in making such a determination, the Trustee shall be entitled to rely conclusively upon an Opinion of Counsel and/or certificates of investment bankers or other financial professionals or consultants;

(iv) To add to the covenants and agreements of the Issuer in the Indenture, other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(v) To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(vi) To authorize the issuance of Refunding Bonds;

(vii) To authorize, in compliance with all applicable law, Bonds to be issued in the form of coupon Bonds registrable as to principal only and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given under the Indenture to the Holders of such coupon Bonds, which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds;

(viii) To provide for the execution of a Commodity Swap in accordance with the provisions of the Indenture;

(ix) To provide for a Liquidity Facility and Liquidity Facility Provider in accordance with the provisions of the Indenture;

(x) To confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Indenture of the Revenues or of any other moneys, securities or funds;

(xi) To add to the Events of Default in the Indenture additional Events of Default;

(xii) To add to the Indenture any provisions relating to the application of interest earnings on any Fund or Account under the Indenture required by law to preserve the exclusion of interest on Bonds issued from gross income for federal income tax purposes;

(xiii) To evidence the appointment of a successor Trustee; or

(xiv) If the Bonds affected by such change are rated by a Rating Agency, to make any change upon receipt of a Rating Confirmation with respect to the Bonds so affected.

Each Supplemental Indenture authorized by this section entitled “Supplemental Indentures not Requiring Consent of Bondholders” shall become effective as of the date of its execution and delivery by the Issuer and the Trustee or such later date as shall be specified in such Supplemental Indenture.

A Supplemental Indenture will be deemed to not materially adversely affect the Holders of any Bonds that are subject to mandatory tender on or before the effective date of the Supplemental Indenture.

(Section 10.01)

GENERAL PROVISIONS

(a) The Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of the Indenture relating to amendments. Nothing contained in the provisions of the Indenture relating to amendments shall affect or limit the right or obligation of the Issuer to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of the Indenture or the right or obligation of the Issuer to execute and deliver to any Fiduciary any instrument which elsewhere in the Indenture it is provided shall be delivered to said Fiduciary.

(b) Any Supplemental Indenture referred to and permitted or authorized by the Indenture may be entered into between the Issuer and the Trustee without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided under the Indenture. A copy of every Supplemental Indenture shall be accompanied by an Opinion of Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture, and is valid and binding upon the Issuer; provided, that such Opinion of Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium, reorganization, arrangement, fraudulent conveyance or other similar laws relating to or affecting creditors’ rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise

of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy.

(c) The Trustee is authorized under the Indenture to enter into any Supplemental Indenture referred to and permitted or authorized by the Indenture and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an Opinion of Counsel that such Supplemental Indenture is authorized or permitted by the provisions of the Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto; provided, however the provisions of the Indenture described under this section entitled "General Provisions" shall not affect the rights of the Holders or the Issuer to remove the Trustee as provided in the Indenture.

(e) Notwithstanding anything in the provisions of the Indenture relating to amendments to the contrary, no Supplemental Indenture (or other amendment to the Indenture) shall change or modify (i) the order of priority of deposits set forth in the Indenture, (ii) the priority of the application of funds following an Event of Default as set forth in the Indenture, (iii) the definition of Operating Expenses, (iv) any of the rights or interests of the Commodity Swap Counterparty, the Interest Rate Swap Counterparty (if any) or the Energy Supplier, as purchaser under the Receivables Purchase Provisions, granted in the Indenture or in the CCCFA Commodity Swap, the Interest Rate Swap or the Receivables Purchase Provisions, as the case may be, or (v) the provisions of the Indenture regarding the sale by the Trustee of Put Receivables (A) in each case unless the prior written consent of the Commodity Swap Counterparty has been obtained, and the Commodity Swap Counterparty shall have full right to enforce this provision, and (B) in the case of clause (iv) of this paragraph (e), unless the prior written consent of the Interest Rate Swap Counterparty and/or the Energy Supplier, as applicable, has been obtained.

(Section 10.03)

POWERS OF AMENDMENT

Any modification or amendment of the Indenture and of the rights and obligations of the Issuer and of the Holders of the Bonds thereunder may be made by a Supplemental Indenture, subject to the provisions of the Indenture, with the written consent given as provided in in the Indenture of the Holders of not less than a majority in principal amount of Outstanding Bonds, and (b) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of Outstanding Bonds of the particular maturity entitled to such Sinking Fund Installment; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like maturity remain Outstanding (or have become subject to mandatory purchase) the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section entitled "Powers of Amendment;" and provided further, however, that if such modification or amendment would adversely affect the Interest Rate Swap Counterparty, such modification or amendment shall be subject to the prior written consent of the Interest Rate Swap Counterparty. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of the provisions of the Indenture described in this paragraph, the Bonds shall be deemed to be affected by a modification or amendment of the Indenture if

the same adversely affects or diminishes the rights of the Holders of Bonds in any material respect. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds would be materially affected by any modification or amendment of the Indenture and any such determination shall be binding and conclusive on the Issuer and all Holders of Bonds. For purposes of this section entitled “Powers of Amendment,” the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

(Section 11.02)

DEFEASANCE

(a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in the Indenture and shall pay or cause to be paid all amounts due or to become due to the Interest Rate Swap Counterparty under the Interest Rate Swap, then the pledge of all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds; provided, however, that the Indenture shall not be discharged until (i) the Issuer shall have paid and satisfied all claims, charges and expenses that constitute Operating Expenses under the Indenture, (ii) the Trustee shall have received an Opinion of Counsel to the effect that all conditions precedent to the satisfaction and discharge of the Indenture have been fulfilled and (iii) receipt by the Trustee of a Rating Confirmation. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Issuer to be prepared and filed with the Issuer and, upon the request of the Issuer, shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Issuer all moneys or securities held by them pursuant to the Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of the Issuer to the Holders of such Bonds shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the above paragraph (a). In addition, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the above paragraph (a) upon compliance with the provisions of the below paragraph (c).

(c) Subject to the provisions of the Indenture described in paragraph (d) below, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) above of under this section entitled “Defeasance” if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee irrevocable written instructions accepted in writing by the Trustee to mail as provided in Article IV notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Issuer or purchased or otherwise acquired by the Issuer and delivered to the Trustee as thereafter provided prior to the mailing of such notice of redemption) on said date, (ii) there shall have been deposited with the Trustee either moneys (including moneys withdrawn and

deposited pursuant to the Indenture) in an amount which shall be sufficient, or Defeasance Securities (including any Defeasance Securities issued or held in book entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds (with such interest being calculated at the Maximum Rate with respect to any Bonds with interest rates that are not fixed to their redemption or maturity date, as applicable) on or prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day of the month preceding the month for which notice is mailed that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of paragraph (d) below of this section entitled "Defeasance," to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Issuer or purchased or otherwise acquired by the Issuer and delivered to the Trustee as provided in the Indenture prior to the mailing of the notice of redemption referred to in clause (i)). Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to the provisions of the Indenture described under this section entitled "Defeasance" to the retirement of said Bonds in amounts equal to the unsatisfied balances (determined as provided in the Indenture) of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in the Indenture. The Trustee shall, if so directed by the Issuer (A) prior to the maturity date of Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are not to be redeemed prior to their maturity date or (B) prior to the mailing of the notice of redemption referred to in clause (i) above with respect to any Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and, the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds (or the deemed cancellation thereof) shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all Bonds (calculated as described above), in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (1) prior to the maturity date of Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are not to be redeemed prior to their maturity date or (2) prior to the mailing of the notice of redemption referred to in clause (i) with respect to any Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are to be redeemed on any date prior to their maturity, the Issuer shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by written directions from the Issuer to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance." The directions given by the Issuer to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee

to pay Bonds deemed paid in accordance with the provisions of the Indenture described under this section entitled “Defeasance” upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with the provisions of the Indenture described under this section entitled “Defeasance” on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations or deemed cancellations of Bonds as provided in the provisions of the Indenture described under this section entitled “Defeasance” the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under the provisions of the Indenture described under this section entitled “Defeasance” is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy clause (ii) of this paragraph (c) of this section entitled “Defeasance,” the Trustee shall, if requested by the Issuer, in writing pay the amount of such excess to the Issuer free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Indenture. Except as otherwise provided in paragraphs (c) and (d) of this section entitled “Defeasance,” neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the provisions of the Indenture described under this section entitled “Defeasance” nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (x) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Indenture, and (y) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Qualified Investments maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Indenture. Notwithstanding anything contained in the Indenture to the contrary, the Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against Defeasance Securities or the principal and interest received on Defeasance Securities.

(d) Anything in the Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years (or, if shorter, one Business Day before such moneys would escheat to the State under then applicable State law) after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, at the Written Request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Issuer for the payment of such Bonds; provided, however, that before being required to make any such payment to the Issuer the Fiduciary shall, at the expense of the Issuer, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Issuer.

(Section 12.01)

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

[closing date]

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by California Community Choice Financing Authority (“CCCFA”) in connection with the issuance of its \$[] Clean Energy Project Revenue Bonds Series 2025[] (Green Bonds) (Term Rate), (the “*Bonds*”). The Bonds are being issued pursuant to a Trust Indenture, dated as of [] 1, 2025 (the “*Indenture*”), between CCCFA and The Bank of New York Mellon Trust Company, N.A., as trustee.

In consideration of the issuance of the Bonds by CCCFA and the purchase of such Bonds by the beneficial owners thereof, CCCFA covenants and agrees as follows:

1. Purpose of This Agreement. This Agreement is executed and delivered by CCCFA as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). CCCFA represents that it will be the only “obligated person” within the meaning of the Rule with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after the issuance of the Bonds.

2. Definitions. (a) The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in *Exhibit I*.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means collectively, the audited financial statements of CCCFA and the Project Participant, each prepared pursuant to the standards and as described in *Exhibit I*.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by CCCFA and which has filed with CCCFA a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

“*Energy Supplier*” means Energy Prepay [____], LLC, a Delaware limited liability company and its successors and permitted assigns.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Final Official Statement*” means the Final Official Statement dated [____], 2025, relating to the Bonds.

“*Financial Obligation*” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of an obligation or instrument described in clause (a) or (b) of this definition; provided however, the term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*Ledger Event*” has the meaning assigned to such term in Exhibit C to the Prepaid Energy Sales Agreement.

“*Monthly Ledger Report*” means the copies of the ledgers maintained by the Energy Supplier pursuant to Exhibit C of the Prepaid Energy Sales Agreement and delivered each month to CCCFA pursuant to Section 9(b) of such Exhibit.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Non-Private Business Sales Ledger*” and “*Private Business Sales Ledger*” have the meanings assigned to such terms in Exhibit C to the Prepaid Energy Sales Agreement.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

“*Prepaid Energy Sales Agreement*” means the Prepaid Energy Sales Agreement dated as of [____], 2025 between the Energy Supplier and CCCFA.

“*Project Participant*” means Silicon Valley Clean Energy Authority.

“*Reportable Event*” means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

“*Reportable Events Disclosure*” means dissemination of a notice of a Reportable Event as set forth in Section 5.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*Undertaking*” means the obligations of CCCFA pursuant to Sections 4 and 5.

(b) Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

3. CUSIP Numbers. The CUSIP Numbers of the Bonds are as follows:

MATURITY	AMOUNT	CUSIP
(_____ 1)		NUMBER

CCCFA will include the CUSIP Numbers (or applicable CUSIP Number) in all disclosure described in Sections 4 and 5 of this Agreement.

4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, CCCFA hereby covenants that it will disseminate or cause to be disseminated on its behalf its Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, CCCFA will disseminate a statement to such effect as part of the Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Reportable Events Disclosure. Subject to Section 8 of this Agreement, CCCFA hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to “material” in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. Consequences of Failure of CCCFA to Provide Information. CCCFA shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of CCCFA to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause CCCFA to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause CCCFA to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of CCCFA to comply with this Agreement shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Agreement, CCCFA by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation pursuant to a “no-action” letter issued by the Commission, change in law, or change in the identity, nature, or status of CCCFA, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with CCCFA (such as the Trustee), or by approving vote of Bondholders pursuant to the terms of the Indenture at the time of the amendment.

In the event that the Commission, the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, CCCFA shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. Termination of Undertaking. The Undertaking of CCCFA shall be terminated hereunder if CCCFA no longer has any legal liability for any obligation on or relating to repayment of the Bonds under the Indenture. CCCFA shall give notice to EMMA in a timely manner if this Section is applicable.

9. Dissemination Agent. CCCFA may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Agreement shall be deemed to prevent CCCFA from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If CCCFA chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, CCCFA shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the name of CCCFA is changed, CCCFA shall disseminate such information to EMMA.

11. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of CCCFA, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. Recordkeeping. CCCFA shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Assignment. CCCFA shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of CCCFA under this Agreement or to execute an Undertaking under the Rule.

14. Governing Law. This Agreement shall be governed by the laws of the State of California.

CALIFORNIA COMMUNITY CHOICE FINANCING
AUTHORITY

By _____
Its

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

“*Annual Financial Information*” means financial information and operating data with respect to the Clean Energy Project, including:

- (a) with respect to the Project Participant updated information under the headings “Customers – General,” “Customers – Customer Opt-Out Rate and Customer Retention,” “Service Rates – Current and Historical Rate Information,” “Sources of Energy – Energy Purchases,” “Financial Information – Results of Operations,” “Financial Information – Assets, Liabilities, Deferred Inflows or Resources and Net Position” and “Financial Information – Other Liquidity Sources” set forth Appendix A to the Official Statement;
- (b) the quantities of Energy from the Clean Energy Project sold by CCCFA, whether to the Project Participant or others; and
- (c) such other information and data as CCCFA may deem necessary in order to comply with the requirements of the Rule.

“*Audited Financial Statements*” means the audited financial statements of CCCFA and the Project Participant, in each case for the most recent fiscal year (commencing with the fiscal year ended December 31, 2024 for CCCFA, and commencing with the fiscal year ended September 30, 2025 for the Project Participant), in each case prepared in accordance with generally accepted accounting principles as promulgated to comply with governmental entities from time to time (or such other accounting principles as may be applicable to CCCFA and the Project Participant, as the case may be, in the future pursuant to applicable law).

All or a portion of the Annual Financial Information and the Audited Financial Statements set forth above may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available on EMMA. The final official statement need not be available from the Commission. CCCFA shall clearly identify each such item of information included by reference.

Annual Financial Information with respect to the Project Participant will be submitted to EMMA by 200 days after end of the Project Participant’s fiscal year, commencing with its fiscal year ending September 30, 2025.

Annual Financial Information with respect to CCCFA (*i.e.*, the information described in clauses (b) and (c) of the definition of Annual Financial Information) will be submitted to EMMA by 200 days after end of CCCFA’s fiscal year, commencing with its Fiscal Year ending December 31, 2025.

Audited Financial Statements as described above should be filed at the same times as the Annual Financial Information for the Project Participant and CCCFA. If Audited Financial Statements are not available when such Annual Financial Information is filed, unaudited financial statements shall be included. Audited Financial Statements will be submitted to EMMA no later than 30 days after availability to CCCFA.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, CCCFA will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of CCCFA*
13. The consummation of a merger, consolidation, or acquisition involving CCCFA or the sale of all or substantially all of the assets of CCCFA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

15. Incurrence of a Financial Obligation of CCCFA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of CCCFA, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of CCCFA, any of which reflect financial difficulties
17. The receipt by CCCFA of a Monthly Ledger Report that includes a credit to any Non-Private Business Sales Ledger or any Private Business Sales Ledger that has not been reversed within twelve months of the date of such credit
18. The receipt by CCCFA of a Monthly Ledger Report that shows that a Ledger Event has occurred

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

California Community Choice Financing Authority
San Rafael, California

California Community Choice Financing Authority
Clean Energy Project Revenue Bonds, Series 2025[] (Term Rate)

Ladies and Gentlemen:

We have acted as bond counsel to California Community Choice Financing Authority (the “Issuer”) in connection with issuance of \$[PAR] aggregate principal amount of California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2025[] (Green Bonds) (Term Rate) (the “Bonds”), issued pursuant to a Trust Indenture, dated as of [] 1, 2024 (the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Indenture provides that the Bonds are issued for the purpose of financing the Cost of Acquisition of the Clean Energy Project. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

The Issuer is authorized under the Joint Exercise of Powers Act (the “Act”) constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended or supplemented from time to time, to issue the Bonds to finance the Cost of Acquisition of the Clean Energy Project.

In such connection, we have reviewed the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swap, the Seller Swap (as defined in the Prepaid Energy Sales Agreement), the Tax Certificate and Agreement, dated the date hereof (the “Tax Certificate”), opinions of counsel to the Issuer and the Trustee, certificates of the Issuer, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have examined such proceedings, documents, statutes and decisions, as we consider necessary as the basis for this opinion, including, *inter alia*, the Act and an executed and authenticated Bond. We assume that all other Bonds have been similarly executed and authenticated. We also assume that all documents, records, certifications and other instruments examined by us are genuine (including the signatures thereon), accurate and complete and we have not undertaken, by independent investigation, to verify the factual matters set forth in any such documents, records, certifications or other instruments.

The rights and obligations under the Bonds, the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swap, the Seller Swap, the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with

respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Issuer.
2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, and a valid pledge of the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparties.
3. Interest on the Bonds [(including original issue discount)] is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Issuer and continuing compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations, as provided in the Code, for purposes of computing the alternative minimum tax imposed on such corporations. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.
4. Under existing laws as enacted and construed on the date of initial delivery of the Bonds, interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding any other state or local tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds, including, but not limited to, whether the interest on the Bonds is exempt from taxation under the laws of any jurisdiction other than the State of California.

In rendering the opinion set forth in paragraph 3, we have assumed compliance with all covenants and agreements contained in the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

Our engagement as bond counsel imposed no duty on us (a) to undertake any investigation as to either: (i) the adequacy of the security for the Bonds, (ii) the business or financial condition of the Issuer,

and (iii) the veracity of any representations or certification made by the Issuer on which we have relied, or (b) to prepare, file or monitor the filing of continuation statements. We assume no obligation to file continuation statements under the Uniform Commercial Code of any jurisdiction, or to advise you to do so.

Our opinions represent our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and are not a guarantee of a result. This opinion letter is given solely for the benefit of the addressees and their successors and assigns. This opinion letter is not intended to be employed in any transaction other than the one described above and is being delivered to the addressees with the understanding that it may not be published, quoted, relied on or referred to by, and copies may not be delivered or made available to, in whole in or part, any other person or entity (other than the addressees' counsel or any applicable rating agency) or used for any other purpose without the express prior written consent of this firm in each instance.

We render this opinion as of the date hereof on the basis of federal law and the laws of the State of California as enacted and construed on the date hereof. We express no opinion as to any matter not set forth in the numbered paragraphs herein, including, without limitation, the accuracy or completeness of the preliminary or final official statement or other documents prepared or statements made in connection with the offering and sale of the Bonds, and make no representation that we have independently verified the contents thereof.

Sincerely yours,

APPENDIX F

FORM OF SECOND PARTY OPINION REGARDING GREEN BOND DESIGNATION

(Please see attached)

APPENDIX G

BOOK-ENTRY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Bonds exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested

by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership.

DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to CCCFA of securities as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments of principal and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from CCCFA or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, CCCFA or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of CCCFA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to CCCFA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

CCCFA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates are required to be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that CCCFA believes to be reliable, but CCCFA takes no responsibility for the accuracy thereof.

APPENDIX H

REDEMPTION PRICE OF THE BONDS

The following table sets forth the Redemption Price of the Bonds (being the Amortized Value of the Series 2025[] Bonds, but excluding accrued interest, upon an extraordinary mandatory redemption following an early termination of the Prepaid Energy Sales Agreement, as of the redemption dates shown below during the Initial Interest Rate Period.

<u>REDEMPTION DATE</u>	<u>REDEMPTION PRICE</u>

APPENDIX I

SCHEDULE OF TERMINATION PAYMENTS

The Termination Payment for any Early Termination Payment Date will be the amount set forth below in the column corresponding to the month in which the Early Termination Date occurs. In the event that the Early Termination Date occurs on other than the last day of a month, the Early Termination Payment will be increased by an amount equal to the product of (a) the Monthly Projected Quantity for such Month, minus the quantity of Energy delivered in such Month prior to the effectiveness of such Early Termination Date, multiplied by (b) the result of (i) the applicable Fixed Price (as defined in the CCCFA Commodity Swap), minus (ii) the Specified Discount then in effect. The Early Termination Payment Date is the last Business Day of the Month following the Month of Early Termination.

MONTH OF EARLY TERMINATION	TERMINATION PAYMENT

APPENDIX J

[TO COME]

APPENDIX A
THE PROJECT PARTICIPANT
SILICON VALLEY CLEAN ENERGY

General

Silicon Valley Clean Energy (“SVCE”) is a joint powers authority organized and existing pursuant to the Joint Exercise of Powers Act (constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500), as amended or supplemented from time to time) (the “*Joint Powers Act*”), as a “community choice aggregator” (“CCA”) as defined in Section 331.1 of the Public Utilities Code of the State of California, as amended (the “*Public Utilities Code*”). For a general description of CCAs in California, see the section “COMMUNITY CHOICE AGGREGATORS” in this Official Statement.

SVCE was created in 2016 under the name “Silicon Valley Clean Energy Authority” as a CCA in California pursuant to a Joint Powers Agreement, as amended, by and among the cities and towns participating in SVCE and named therein. SVCE began providing service to customers in 2017.

Originally created to serve communities in Santa Clara County, SVCE now serves 13 member communities. SVCE offers carbon-free power at stable rates, significantly reducing energy-related greenhouse emissions and enabling millions of dollars of reinvestment in local energy programs. SVCE’s mission is to drive increasing access to clean energy, serving the needs of our customers and the well-being of our community by delivering positive environmental impacts and local economic benefits.

Formation and History of SVCE

General. SVCE was formed in March 2016 as a “joint powers authority” to provide electric power and related benefits within its service area, including developing a wide range of renewable energy sources and local clean energy programs. The formation of SVCE was made possible by the passage of California Assembly Bill 117 in 2002, enabling communities to purchase power on behalf of their residents and businesses and creating competition in the electric power market. Under California Public Utilities Commission designations, SVCE (like other CCAs) is a “load-serving entity” to the communities it serves and does not provide transmission, distribution or billing services. Transmission, distribution, and billing services are provided by Pacific Gas and Electric Company (“PG&E”). PG&E collects and remits SVCE’s billings for electricity to SVCE on a daily basis.

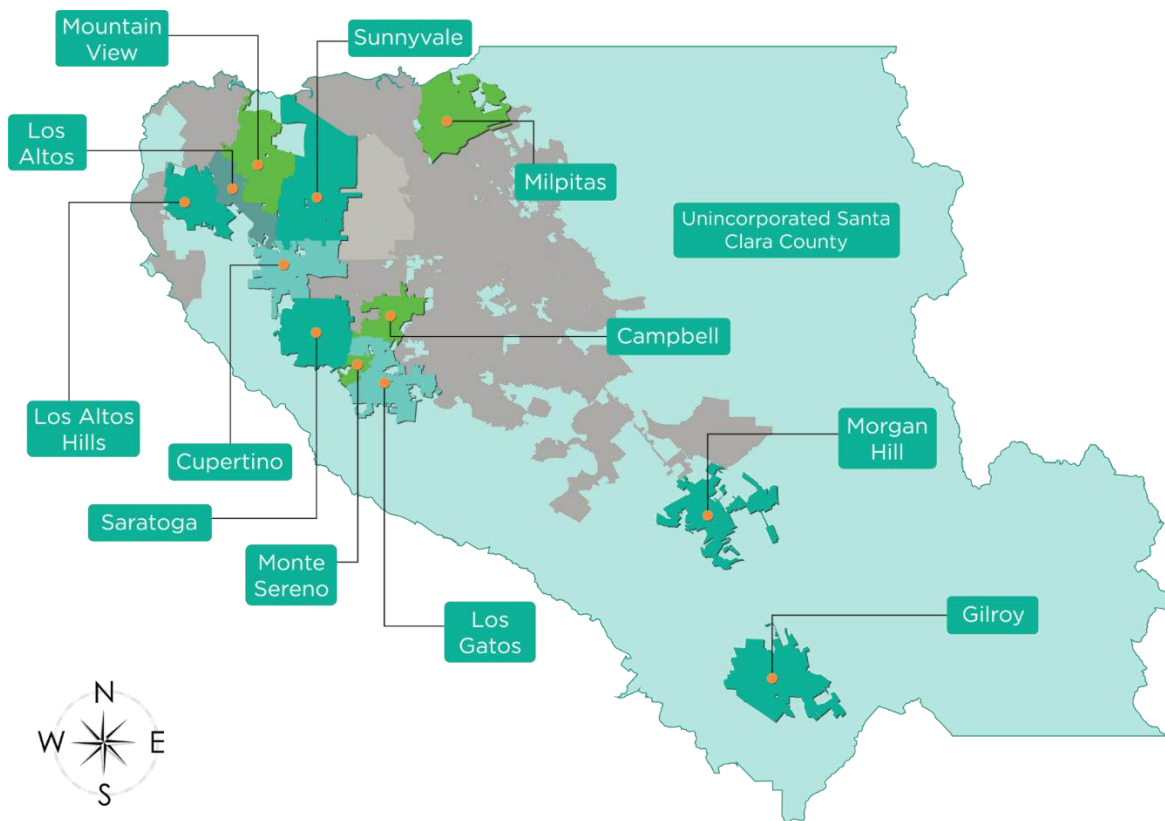
Commencement of Service and Expansion. SVCE began serving customers in communities in Santa Clara County in 2017, with the exceptions of the City of Santa Clara and City of Palo Alto, each having its own municipal utility, and the City of San Jose, which established its own CCA. In December 2017, the Board of Directors accepted the City of Milpitas as a new community member and began providing service to them in June 2018. As further described below, SVCE now serves 13 communities.

Service Area

Communities Served by SVCE. SVCE currently serves 13 jurisdictions in Santa Clara County, as follows:

City of Campbell	City of Cupertino	City of Gilroy
City of Los Altos	Town of Los Altos Hills	Town of Los Gatos
City of Milpitas	City of Monte Sereno	City of Morgan Hill
City of Mountain View	City of Saratoga	City of Sunnyvale
Unincorporated County of Santa Clara		

Service Area Map. The service area of SVCE is shown on the map below:



Governance and Management

Board of Directors. SVCE is governed by its Board of Directors. Each community that has elected to join SVCE appoints a representative to the Board of Directors. Members of the Board of Directors serve at the pleasure of their respective communities. Meetings of the full Board of Directors are scheduled every month. There is also an Executive Committee, a Finance and Administration Committee, an Audit Committee, and an Ad Hoc Regulatory and Legislative Committee, with members appointed by the Board of Directors that review and report to the Board on various matters.

Management.

Monica Padilla, Chief Executive Officer. As the Chief Executive Officer of SVCE since April 1, 2024, Monica Padilla works with the elected Board to develop and implement strategies empowering the SVCE team and community to achieve SVCE's decarbonization goals and its mission of reducing fossil fuels and reinvesting in the community. Previously, Monica was the Chief Operating Officer and Director of Powers Resources at SVCE where she led the team responsible for planning and procurement. Since joining SVCE in 2018, Monica and her team helped negotiate and execute more than \$3.6 billion in 20 long-term power purchase agreements for clean and renewable projects including solar-plus-storage, geothermal, wind, and long-duration storage resources. Monica also led the effort on behalf of SVCE and seven other CCAs to acquire long-duration storage to help with the integration of intermittent resources and in support of the California grid. Before joining SVCE, Monica worked for the City of Palo Alto Utilities for over 30 years where she was instrumental in developing and implementing Palo Alto's Carbon Neutral Plan in 2013, the first carbon-neutral policy adopted for a municipal utility in California. Monica also represented Palo Alto at several joint action agencies, including the Northern California Power Agency and the Transmission Agency of Northern California and oversaw the contract with Palo Alto's largest supplier – Western Area Power Administration. Monica holds a B.S. in Business from California State University East Bay.

Amrit Singh, Chief Financial Officer and Director of Administrative Services. As the Chief Financial Officer, Amrit oversees and leads the finance, information technology and human resources activities of SVCE. Amrit brings over two decades of experience in the California Energy Markets with extensive experience in managing risks of complex energy procurement portfolios as well as in energy regulation, rate design, and commodity portfolio management. Amrit's prior experiences include serving as Pacific Gas and Electric Company's Senior Director, Market and Credit Risk Management and Senior Director, Revenue Requirements and Rates. Amrit also worked at startup companies and provided strategic consulting in areas of risk management and utility operations. Amrit has an MBA from the University of California, Berkeley, and a BS in Managerial Economics from the University of California, Davis.

Kris Van Vactor, Director of Power Resources. As the Director of Power Resources, Kris leads a team responsible for planning and carrying out the various energy and capacity procurement, management, and reporting needs consistent with SVCE's aggressive greenhouse gas reduction policies, portfolio cost and risk management objectives and California's legislative and regulatory requirements. Kris joined SVCE in August 2022 on the Power Resources Team as SVCE's Wholesale Energy Markets Manager. Kris has over 20 years of experience serving in energy consulting, energy reporting and energy procurement roles for organizations throughout the Western United States. Kris holds a B.S. in Economics from the University of Oregon.

Maren Wenzel, Director of Regulatory, Policy and Planning. As the Director of Regulatory, Policy and Planning, Maren works to ensure the resources procured by SVCE meet the organization's greenhouse gas reduction goals as well as the reliability and policy objectives of the state. Maren has worked on decarbonization and resource planning efforts for utilities across the US since 2015. Immediately prior to SVCE, she worked for PG&E where she focused on electricity system forecasting, including for the Integrated Resource Plan and SB100 Joint Agency

efforts. She holds a B.A in International Relations from Mills College and an M.A in International Affairs, with a focus on Energy, Resources and the Environment, from the Johns Hopkins School of Advanced International Studies.

Scott Wigglesworth, Director of Risk Management and Analytics. Scott serves as Director of Risk Management and Analytics after six years at Ascend Analytics. While with Ascend, Scott led the PowerSIMM team which delivered software models and consulting for risk management, procurement and resource planning to dozens of clients including seven California CCAs (including SVCE). Scott's expertise is in portfolio risk management and he takes an applied focus to the discipline placing emphasis on actionable reporting and clear communication. Prior to Ascend, Scott spent seventeen years at the Dayton Power & Light Company and AES Corporation where he led portfolio analytics for utility, retail and merchant generation portfolios. Scott teaches Energy Markets at the University of Dayton where he's been an adjunct professor for a decade. He earned his MBA from the University of Dayton and holds a bachelors in Global Economics from Cedarville University.

Justin Zagunis, Director of Customer Success. Justin works with the SVCE team to plan and design a platform and portfolio of programs to achieve SVCE's mission of deep decarbonization. He leads efforts in developing, deploying and evaluating innovative programs and technologies related to mobility, the built environment and grid integration and innovation. Prior to SVCE, Justin worked at City of Palo Alto Utilities on demand side management program design, management and evaluation. Justin has a bachelor's degree in environmental engineering from California Polytechnic State University and a master's degree in civil and environmental engineering from Stanford University.

Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies. Zoe serves as the head of the Department of Decarbonization Programs and Policy, where she collaborates with a dedicated team to strategize and create a comprehensive platform and assortment of initiatives aimed at advancing SVCE's mission of achieving substantial decarbonization. Her leadership is instrumental in the development, implementation, and assessment of cutting-edge programs and technologies within the spheres of mobility, urban infrastructure, and grid integration and innovation. Zoe supports all customer segments. She is the key contact for Silicon Valley Transportation Electrification Clearinghouse and the Community Energy Resilience Program. Zoe has over a decade of experience leading regional decarbonization and resilience initiatives. She served as Sustainability Manager for the County of Santa Clara, as Associate Director of the Los Angeles Regional Collaborative for Climate Action and Sustainability, and co-founded the California Center for Sustainable Communities at UCLA. Zoe has a Master's Degree in Urban Planning from UCLA where she focused on regional approaches to climate action. She also earned a Leadership in Sustainability certificate from UCLA's Anderson School of Management.

Bena Chang, Director of Government and Legislative Affairs: Bena Chang serves as the Director of Government and Legislative Affairs, where she focuses on legislative initiatives and coalition building. Prior to her role at SVCE, Bena held the position of Intergovernmental Relations Director for the City of San Jose, one of the largest cities in the United States, where she advocated for a wide range of municipal policy issues at regional, state, and federal levels,

encompassing topics such as homelessness, pandemic response, and clean energy. Additionally, Bena was the Senior Vice President of Transportation, Housing, and Health at the Silicon Valley Leadership Group, where she played a pivotal role in various projects and programs, including a successful 2008 Measure B campaign to secure operational funding for BART in Silicon Valley. Bena holds a degree in English with a minor in Astronomy from Wellesley College.

Gia Ille, Director of Human Resources: As Director of Human Resources, Gia leads all the people and culture strategies and functions to recruit, retain, engage, and develop the best workforce to support SVCE's programs and operations. Gia has a breadth and depth of experience in HR across public and private agencies, including leading HR, Labor, Procurement and Administration at BART, developing diversity pipeline and workforce development programs at PG&E, as well as heading up HR for the County of Ventura's District Attorney and a Bay Area start-up. Gia is certified as a Senior Professional in Human Resources as well as a Strategic HR Business Partner. Gia attended UC Santa Barbara on an academic scholarship and graduated with Highest Honors in three years with a Bachelor of Arts in Linguistics, minoring in French.

Customers

General. SVCE provides energy to more than 280,000 residential, commercial, and industrial accounts, serving approximately 700,000 residents and businesses in its service area. The current mix of SVCE's customer base is approximately 34% residential and 66% commercial/industrial by the percentage of load served and 35% residential and 65% commercial/industrial by the percentage of revenue. SVCE's 10 largest customers represent 23% of SVCE's overall load, and none of them individually represent more than 7% of the overall load.

Customer Energy Choices. SVCE offers two different energy service choices, called GreenStart and GreenPrime. In 2024, customers receiving GreenStart service were provided with a minimum of 43% renewable energy, sourced from a mix of wind, geothermal, solar, small hydro, and biomass/biowaste, with 36% coming from large hydroelectric facilities. Customers electing to receive GreenPrime service are provided with 100% renewable energy from solar/wind sources. Customers on the GreenPrime Direct service receive a custom mix of supply sources.

Customer Enrollment. All customers are automatically enrolled in GreenStart and may change their product after enrollment. Approximately 98.93% of SVCE customers receive GreenStart service, with the remaining approximately 1.07% receiving GreenPrime service. Due to commercial enrollments, GreenPrime customers represent a slightly higher percentage in terms of load (4.81%).

New Customers. SVCE has fully subscribed the cities and unincorporated portions of Santa Clara County, with the exceptions of the cities of Santa Clara, San Jose, and Palo Alto, which are served by separate public power providers.

Customer Election to Opt-out of SVCE Service. Customers can opt-out of SVCE service and return to service from their traditional electric service provider, PG&E, either initially upon the transition to SVCE or at any time after SVCE becomes the energy provider. For customers enrolled in the SVCE GreenStart program, there is no fee to opt out before their SVCE service

starts or within 60 days after your SVCE service starts. After that time, there is a one-time administrative fee (\$5 residential and \$25 commercial). Customers that opt out and return to PG&E, will not have the option to return to SVCE for a full year and will be subject to PG&E's terms and conditions of service. SVCE has not experienced a single customer opt-out that had a significant financial impact on SVCE's revenues.

Cumulative Opt-Out Rate and Customer Retention. Overall, opt-out rates have remained stable throughout the course of SVCE's service history. Opt-outs were at their lowest point in August of 2022 (3.55%). Currently, SVCE opt-outs account for 3.85% of the eligible customer base. On an ongoing basis, most opt-outs occur during the 120-day transition period to SVCE service.

Service Rates

General. Rates for SVCE energy service are determined by its Board of Directors and are not regulated by the CPUC. In addition to SVCE's charges for energy, customers' rates include amounts for transmission and distribution of electricity established by PG&E, as well as a "power charge indifference adjustment" ("PCIA") and other non-by-passable load charges imposed by the CPUC in order to compensate investor-owned utilities for investments in power generation and long-term power purchase contracts associated with the loss of customers to CCAs, which in each case are passed through on a customer's bill in the amounts established or imposed.

Determination of Rates for Energy. The rates SVCE charges for GreenStart and GreenPrime services are based on the current generation rate charged by PG&E and the current PCIA fee. All value propositions are priced inclusive of the PCIA. GreenStart service is priced at 4% below the cost of PG&E, and GreenPrime is \$.017 per kilowatt-hour in addition to the GreenStart rate.

Current and Historical Rate Information. An SVCE customer's total cost of electric service is determined by SVCE's charges for energy and includes PG&E charges for transmission, distribution, and other non-by-passable charges. Additionally, SVCE's customers pay a PCIA which can vary annually based on several market factors including benchmarks for regional energy costs, resource adequacy, the year in which their community joined SVCE, and other considerations.

SVCE has priced its generation rate, inclusive of PCIA, below PG&E's comparable generation rate since the organization's initial enrollments. The primary alternative to SVCE service is to opt-out of SVCE service and return to PG&E service where the customer would pay a generation rate, inclusive of the PCIA, higher than SVCE's rate. SVCE strives to maintain this value as a customer retention tool. Given the nature of an opt-out energy program, there are no assurances that customers will continue service should SVCE's bundled costs become higher than PG&E's or that SVCE customers will not opt-out for reasons unrelated to the cost of service.

California Renewable Portfolio Standards and Other Regulations

General. Community choice aggregators such as SVCE are “load-serving entities” (“LSEs”) and as such are required to comply with California’s Renewable Portfolio Standard, Resource Adequacy requirements and Power Source Disclosure requirements described below.

Renewable Portfolio Standard. California’s Renewable Portfolio Standard (“RPS”) requires LSEs to supply their retail sales with minimum quantities of eligible renewable energy. Senate Bill 100 directs all LSEs to procure 60% of their portfolios from RPS-eligible resources by 2030 and 100% of their retail sales from zero-carbon resources (or eligible renewable resources) by 2045. SVCE’s current policy is to procure 100% of retail sales from zero-carbon resources comprised of RPS-eligible resources, such as solar, wind, geothermal and biomass, and zero-carbon non-RPS resources such as large hydroelectricity. SVCE’s RPS directive is to exceed California’s mandated RPS. SVCE’s 2023 retail sales contained 36.7% RPS PCC1 eligible resources for GreenStart service 100% RPS for GreenPrime, and 62.2% for GreenPrime Direct. To date SVCE has executed 19 RPS contracts of ten years or more in duration and has met its RPS requirements for long-term procurement. SVCE intends to solicit additional long-term renewable resources to meet Board-directed goals and as ordered by the CPUC under the Mid-term Reliability Procurement decision (D.21-06-035) and the Supplemental Mid-Term Reliability Procurement Order (D-23-02-040). SVCE has already made significant progress towards procuring its share of the decision’s mandated procurement.

Resource Adequacy. Resource Adequacy (“RA”), a California program jointly administered by the CPUC, the California Energy Commission (“CEC”) and the California Independent System Operator (“CAISO”), directs LSEs to secure forward capacity and offer it into the CAISO’s Day-Ahead and Real-Time markets to ensure that there will be enough supply in the right locations and with sufficient ramping capability to meet load. The RA program is comprised of three products: System RA; Local RA; and Flexible RA, although rules and categories are subject to modification by state agencies. Local RA obligations have been assigned to a Central Procurement Entity as of 2023. SVCE has a strong track record of meeting its RA obligations and expects to meet its future RA obligations in compliance with its Energy Risk Management Policy.

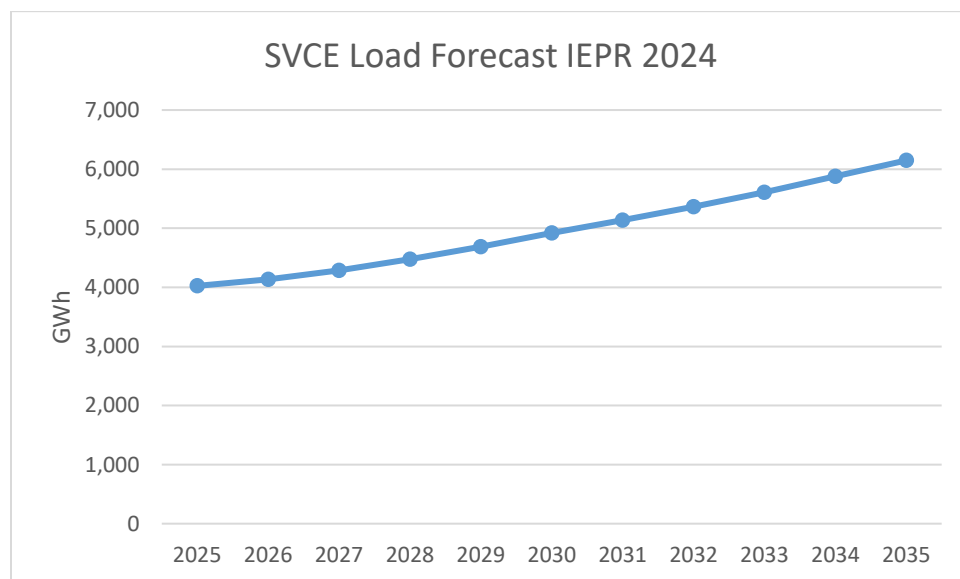
Integrated Resource Planning. Integrated Resource Planning (“IRP”) requires LSEs to forecast their customer load and develop a plan to serve such load in alignment with their own vision and values and in accordance with regulatory requirements. In October 2015, California codified this LSE responsibility with the passage of SB 350, which requires the CPUC to establish and oversee an IRP process to assist with meeting the state’s aggressive GHG targets (40% below 1990 levels by 2030). The IRP process, which is used in many states across the US, generally produces 10- to 20-year plans that map out both the supply-side and demand-side resources required for meeting customer load. Given the complexity of the grid and the time required to plan and build generating facilities, IRPs are critical for ensuring safe, reliable and clean power in a cost-effective manner. In addition to addressing the long-term planning horizon typical of an IRP process, the IRP process has been used in recent years to direct procurement of new capacity to meet near- and mid-term reliability and clean energy needs per CPUC Decision (“D.”) 19-11-016, D. 21-06-035 and D. 23-02-040. Pursuant to the procurement orders in these CPUC Decisions, LSEs are required to procure “Incremental System Capacity,” which is RA capacity from non-

emitting, storage, and/or renewable resources that are in addition to the resources identified on a baseline list of existing, on-line and operating resources.

Power Source Disclosure. California law requires LSEs to disclose the types of power resources used to supply retail sales. This mandate, known as the Power Source Disclosure Program (“PSDP”), is a consumer information program managed by the CEC on an annual basis. A key output of the PSDP is the Power Content Label (“PCL”). The PCL is an LSE-specific document that shows the breakdown of power resource types for each of the LSE’s energy products used to serve retail load, as well as a breakdown of resource types for the overall California grid. The PCL is distributed to customers each year.

Energy Demand

Long-term Load Forecast. SVCE’s long-term load forecast is a 10-year projection of the energy (reflected in MWh) that its customers will annually consume. SVCE’s long-term load forecast is driven primarily by the number and types of customers that SVCE expects to serve, in conjunction with weather projections. SVCE’s long-term load forecast also incorporates the load-modifying effects of increasing electric vehicle adoption and charging, behind-the-meter solar and/or storage (via net energy metering), and energy efficiency.



*Source IEPR Adopted Numbers 2024

Sources of Energy

General. SVCE uses a portfolio risk-management approach in its power purchasing program, seeking low-cost supply and diversity among technologies, production profiles, project sizes and locations, counterparties, length of contract, and timing of market purchases. SVCE currently has 86 renewable, hydro, system energy, hedge, and Resource Adequacy contracts from diversified sources and counterparties, totaling over \$3.9 billion in notional energy contracts to provide energy to its customers over the next 20-25 years.

Energy Purchases. In 2024, SVCE procured approximately 3.98 million MWh of electricity for its customers. SVCE anticipates that roughly 100% of its total 2025 retail sales will be sourced from carbon-free resources including renewables, large hydroelectric, and nuclear energy (primarily large hydroelectric energy from the Pacific Northwest, but also relatively small amounts of nuclear energy). SVCE's procurement strategy through 2030 includes regularly procuring new and existing California renewables by 2030 via both short- and long-term contracts. These renewables contracts will be in addition to the 3.066 million MWh of annual generation from 972 MW, or roughly 62.3% of its retail sales in 2030, of new and existing California and neighboring states renewables that SVCE has already procured. The strategy also includes investing in additional storage paired with solar, stand-alone storage, long-duration storage, and large hydroelectric resources.

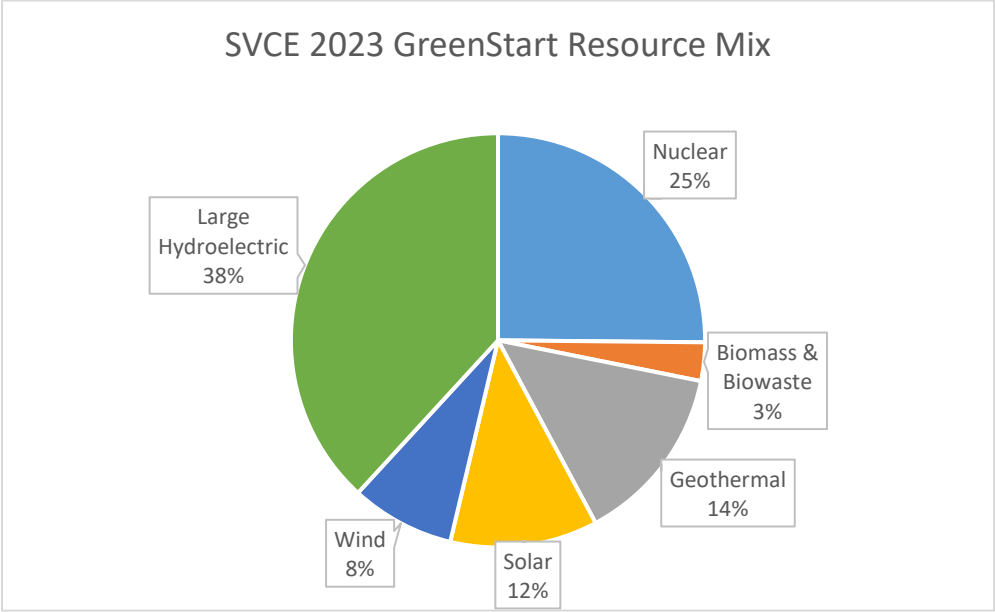
Energy Load and Supply Risk Management. SVCE continually manages its forward load obligations and supply commitments to balance cost stability and cost minimization while leaving some flexibility to take advantage of market opportunities or technological improvements that may arise. SVCE closely monitors its open positions for Portfolio Content Category 1 ("PCC 1") renewable energy and carbon-free, non-RPS eligible, based on calendar-year targets. SVCE maintains its clean portfolio coverage targets of up to 100% in the near term and leaves a greater portion open in the medium- to long-term, consistent with generally accepted industry practice.

SVCE monitors its positions on a regular basis with its Scheduling Coordinator, who produces a daily and weekly report of positions and pricing along with using sophisticated models to simulate hundreds of market conditions to assess optimal hedge levels and net revenue at risk. SVCE uses fixed-price energy contracts to hedge CAISO day-ahead market price exposure associated with its portfolio. More specifically, for the volumes and hours where SVCE does not have supply contracts that yield CAISO day-ahead revenue, SVCE uses fixed-price energy contracts where SVCE pays a fixed price per MWh in order to receive a floating price that clears for each hour. This helps hedge SVCE's CAISO day-ahead market price exposure. SVCE employs a laddering hedge strategy for up to five years out, requiring minimum and maximum tolerance bands of percent of load covered with fixed-price and firm volumes of resources. As SVCE procures increasing portions of fixed-price renewables with storage and fixed-price large hydroelectric and ACS energy, SVCE expects to reduce its use of fixed-price energy contracts.

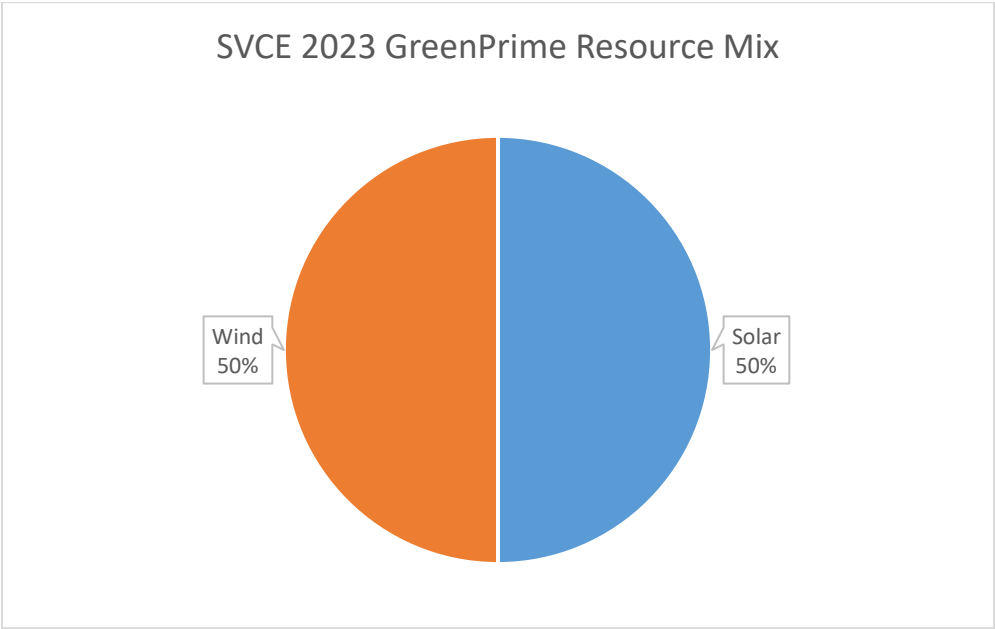
Procurement. SVCE procures energy and Resource Adequacy consistent with its Board-approved Energy Risk Management Policy. To effectively plan and manage its portfolio, SVCE differentiates contracts by their term length: short-term and long-term (longer than ten years). Based upon the expected contract tenor, SVCE may use various methods, including competitive solicitations, standard contract offerings, and bilaterally negotiated agreements. With regard to short-term power purchases, SVCE may negotiate bilateral agreements directly, especially for unique or time-sensitive transactions that do not lend themselves to inclusion in a competitive solicitation. Alternatively, particularly in markets with sufficient transparency to ensure competitive outcomes, SVCE may negotiate short-term transactions via its scheduling coordinator or independent energy brokers or marketers.

GreenStart Procurement Targets. Reducing GHG emissions is at the heart of SVCE’s mission. SVCE’s GreenStart and GreenPrime products provide a source of 100% clean, carbon-free energy. GreenStart is offered at 50% RPS-eligible resources and 50% carbon-free, non-RPS-eligible resources, while GreenPrime is comprised of 100% RPS-eligible resources. Both products deliver a higher renewable content and a competitive cost compared to PG&E.

SVCE 2023 GreenStart Resource Mix*

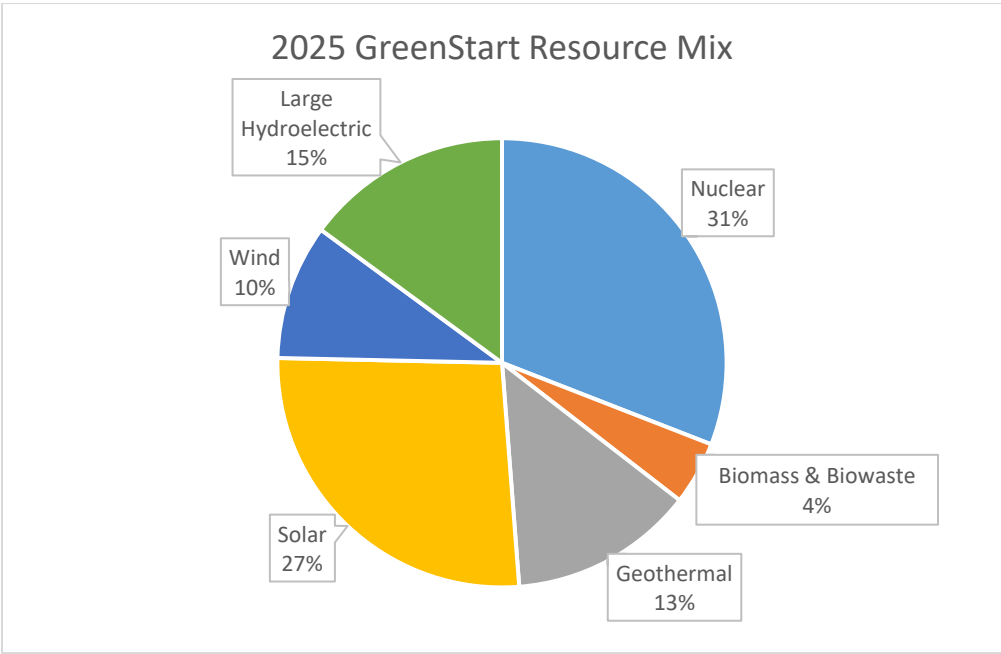


SVCE 2023 GreenPrime Resource Mix*

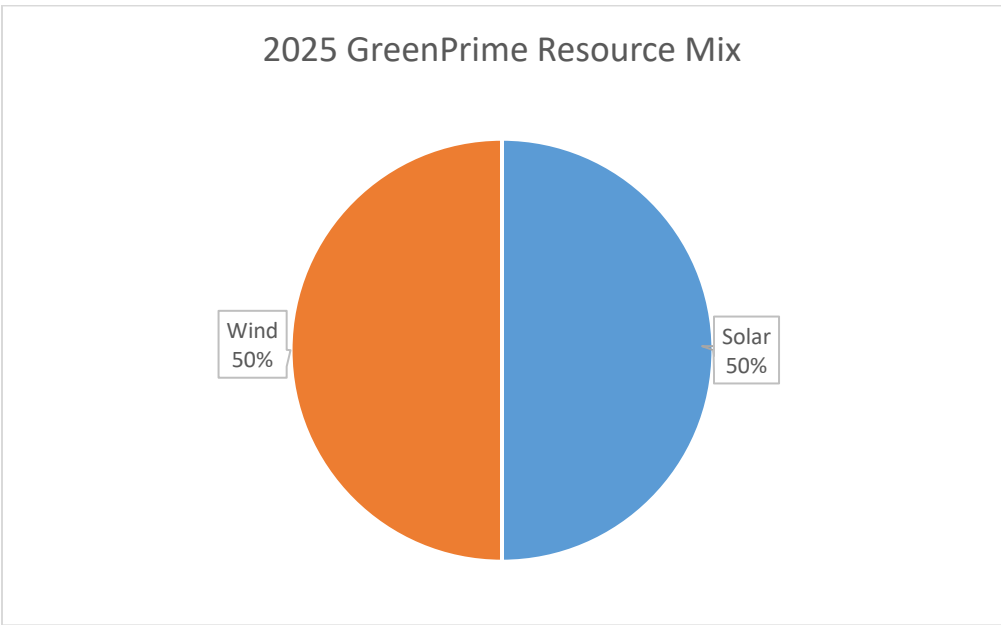


*The charts above are the energy supply that SVCE used to serve its 2023 retail sales for the GreenStart and GreenPrime product offerings

SVCE 2025 Estimated GreenStart Resource Mix*



SVCE 2025 Estimated GreenPrime Resource Mix*



*The charts directly above are estimates of the energy supply that SVCE was expected to use to serve its 2025 retail sales for the GreenStart and GreenPrime product offerings.

Further descriptions of SVCE’s policies and procedures addressing energy procurement and risk management can be found on the SVCE website at www.svcleanenergy.org. The reference to this website address is presented herein for informational purposes only, and information on such website is not incorporated by reference to this Official Statement.

SVCE Technology and Analytics

SVCE’s analytics and data management are handled by teams across the organization, consisting of IT personnel, data analysts, and power analysts. SVCE employs a cloud-first data strategy, where all mission-critical data is stored on cloud services, including Box for cloud file storage, Microsoft Office365 for collaboration, and the Google Cloud Platform (GCP) for data warehousing. GCP offers a modern infrastructure for storing, processing, and analyzing sensitive data in the cloud, with encryption by default of data at-rest and in-transit, as well as fine-grained access control to sensitive resources.

In addition to the security infrastructure embedded in GCP, SVCE IT staff also oversee general compliance with rules and regulations established by the California Public Utilities Commission (CPUC) related to data privacy and security. SVCE conducts independent tri-annual audits of its security and data privacy practices – which are submitted to the CPUC – and produces additional data privacy reports for the CPUC annually, in compliance with CPUC regulations. SVCE customer data has not been the subject of any breaches or data security incidents.

Through the guidance from the VCISO, SVCE continually increases its Cyber Security Posture. SVCE analyzes cyber risks identified through audits and security assessments and uses VCISO’s guidance to prioritize and roadmap remediations and implementations.

Finally, the IT staff oversees device and application security and related policies. In addition to standard threat mitigation and security measures (such as password policies and antivirus software), SVCE enforces multi-factor authentication (MFA) on all mission-critical applications and employs email screening tools and endpoint security systems.

Ultimately, by using a centralized cloud-first policy for critical resources and attendant applications, enforcing modern security practices such as MFA, and limiting the use of distributed storage devices, SVCE can minimize its exposure to security incidents.

Energy Storage

SVCE currently has over 486 MW of 4-hour or longer equivalent wholesale (*i.e.*, in front of the meter) storage capacity contracted over the next twenty years. Of the 486 MW of already contracted storage capacity, 231 MW is paired with solar, 25 MW is 8-hour standalone, 24 MW is 4-hour standalone, 131 MW is paired with a thermal resource, and 75 MW is RA-only. SVCE plans to procure additional solar with storage and standalone storage to meet new procurement mandates.

In 2020, SVCE launched its Lights on Silicon Valley program to deploy customer-sited solar and battery storage systems capable of providing backup power and behind-the-meter

dispatch, driving decarbonization, lowering utility costs for program participants, and enabling local grid management through load shaping. This program prioritizes vulnerable customers and populations disproportionately affected by grid outages.

Financial Information

Revenues from Energy Sales and Operating Expenses. SVCE derives its operating revenues primarily from energy sales to its customers.

Other Sources of Revenue. SVCE also receives revenues from sources other than retail customer sales. These sources include wholesale energy sales to other suppliers and grant income used to assist with various customer programs.

Results of Operations. The following is a summary of SVCE's results of operations for fiscal years ending September 30:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues	534,489,788	503,675,151	363,521,534	242,600,167	297,043,720
Nonoperating revenues	23,348,067	9,262,831	1,870,954	273,985	1,729,841
Total revenues	557,837,855	512,937,982	365,392,488	242,874,152	298,773,561
Operating expenses	397,162,572	401,057,113	318,708,488	257,751,261	260,274,619
Nonoperating expenses	14,224	28,576	36,126	230,632	350,511
Total expenses	397,176,796	401,085,689	318,744,614	257,981,893	260,625,130
Change in net position	160,661,059	111,852,293	46,647,874	(15,107,741)	38,148,431

Assets, Liabilities, Deferred Inflows or Resources and Net Position. The following table is a summary of SVCE’s assets, liabilities, deferred inflows, and net position for the fiscal years ending September 30:

	2024	2023	2022	2021	2020
Current assets	420,352,985	376,699,458	270,632,455	206,813,185	220,538,554
Noncurrent assets					
Capital and lease assets, net	761,171	1,259,365	1,681,871	2,122,391	1,403,175
Other noncurrent assets	150,052,998	56,864,643	45,330	45,330	145,130
Total noncurrent assets	150,814,169	58,124,008	1,727,201	2,167,721	1,548,305
Total assets	571,167,154	434,823,466	272,359,656	208,980,906	222,086,859
Current liabilities	70,667,155	86,003,663	51,733,663	34,519,867	40,094,131
Noncurrent liabilities	15,303,125	24,283,988	7,942,472	8,425,392	1,141,410
Total liabilities	85,970,280	110,287,651	59,676,135	42,945,259	41,235,541
Net position	358,431	348,144	287,728	269,927	(172,895)
Net investment (deficit) in capital assets					
Restricted for security collateral	-	-	-	4,000,216	4,500,000
Unrestricted	484,838,443	324,187,671	212,395,793	161,765,504	176,232,143
Total Net Position	485,196,874	324,535,815	212,683,521	166,035,647	180,559,248

Deposit Accounts. SVCE maintains its cash in both interest-bearing and non-interest-bearing demand and term deposit accounts at River City Bank of Sacramento, California, and through the California Asset Management Program (“CAMP”) at US Bank of St. Paul, Minnesota. SVCE’s deposits with River City Bank are subject to California Government Code Section 16521, which requires that River City Bank collateralize public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 by 110%. CAMP is a California Joint Powers Authority (JPA) offering professional investment services to public agencies across California, including the use of the Cash Reserve Portfolio (CAMP Pool) and CAMP Term investments, which are accessible to all local agencies in accordance with California Government Code Section 53601(p). As of 2023, SVCE has appointed PFMAM (PFM Asset Management, LLC) as an investment advisor to manage the funds in CAMP accounts in accordance with our current investment policy Section 5. SVCE monitors its risk exposure to both River City Bank and CAMP on an ongoing basis. SVCE’s Investment Policy permits the investment of funds in depository accounts, certificates of deposit, and the Local Agency Investment Fund program operated by the California State Treasury, United States Treasury obligations, Federal Agency Securities, California municipal obligations, commercial paper, money market funds, mortgage pass-through and asset-backed securities, supranational obligations, joint power authority pool, and FDIC insured placement service deposits.

Liquidity. In September 2024, the SVCE Board of Directors approved increasing the target financial reserve levels to 350 days of cash on hand. SVCE currently provides cash collateral for only one outstanding letter of credit, totaling \$147,000.

Credit Rating. SVCE has an ‘A’ issuer credit rating from S&P Global with a stable outlook and has been upgraded to A3 with a stable outlook stable rating from Moody’s in 2025.

Attachment 12. First Prepay Timeline

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

Attachment 13.

Summary of the Details of the First Prepay Transaction

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

Summary of the Transaction Cost Breakdown (\$000)

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

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

Summary of the Details of the Second Prepay Transaction

Aggregate Principal Bond Amount	\$841,550,000
Total Bond Proceeds	\$891,418,648.10
Municipal Bond Rating	A1
Green Certification	Designated Green Bonds by Kestrel Verifiers
Initial Bond Pricing Period	6.5 years. - After the initial period, bonds will be repriced per the negotiated repricing agreement, and a new discount will be established based on the then prevailing market conditions.²
Final Bond Maturity Date	July 1, 2053.
Discount Achieved	\$9.77 per MWh, about 10% of the price established for energy deliveries under the power supply contract. ~\$4.7 million per year during the initial bond pricing period of 6.5 years.
Energy Volume Supported by Bond Proceeds	~55 MW (about 12% of load; a slight escalation in the latter half of the transaction)
Power Delivery Start Date	June 1, 2023

Summary of the Transaction Cost Breakdown (\$000)

Bond and Tax Counsel: Ballard Spahr	300
Credit Rating: Moody's	232.5
Issuer's Counsel and Disclosure Counsel: Chapman & Cutler LLP	200
Municipal Advisor: Public Financial Management	175
Investment Advisor: Public Financial Management Asset Mgmt	35
Trustee: Bank of New York (BNY)	30.9
Trustee Counsel: Ballard Spahr	30
Printing Cost	3.3
Contingency/Other	22
Total COI	1,045.5
Morgan Stanley Underwriting	4,359.2
Total	5,404.7

² The repricing agreement has a minimum savings requirement of \$2 per MWh.

Summary of the Details of the Third Prepay Transaction

Aggregate Principal Bond Amount	\$1,101,625,000
Total Bond Proceeds	\$1,165,919,381.75
Municipal Bond Rating	A1
Green Certification	Designated Green Bonds by Kestrel Verifiers
Initial Bond Pricing Period	• ~8 years. • After the initial period, bonds will be repriced per the negotiated repricing agreement, and a new discount will be established based on the then prevailing market conditions.³
Final Bond Maturity Date	• May 1, 2054
Discount Achieved	• \$11.32 per MWh, about 13.1% of the price established for energy deliveries under the power supply contract. • ~\$7.7 million per year during the initial bond pricing period of 8 years.
Energy Volume Supported by Bond Proceeds	~77 MW (about 17% of load; a slight escalation in the latter half of the transaction)
Power Delivery Start Date	April 1, 2024

Summary of the Transaction Cost Breakdown (\$000)

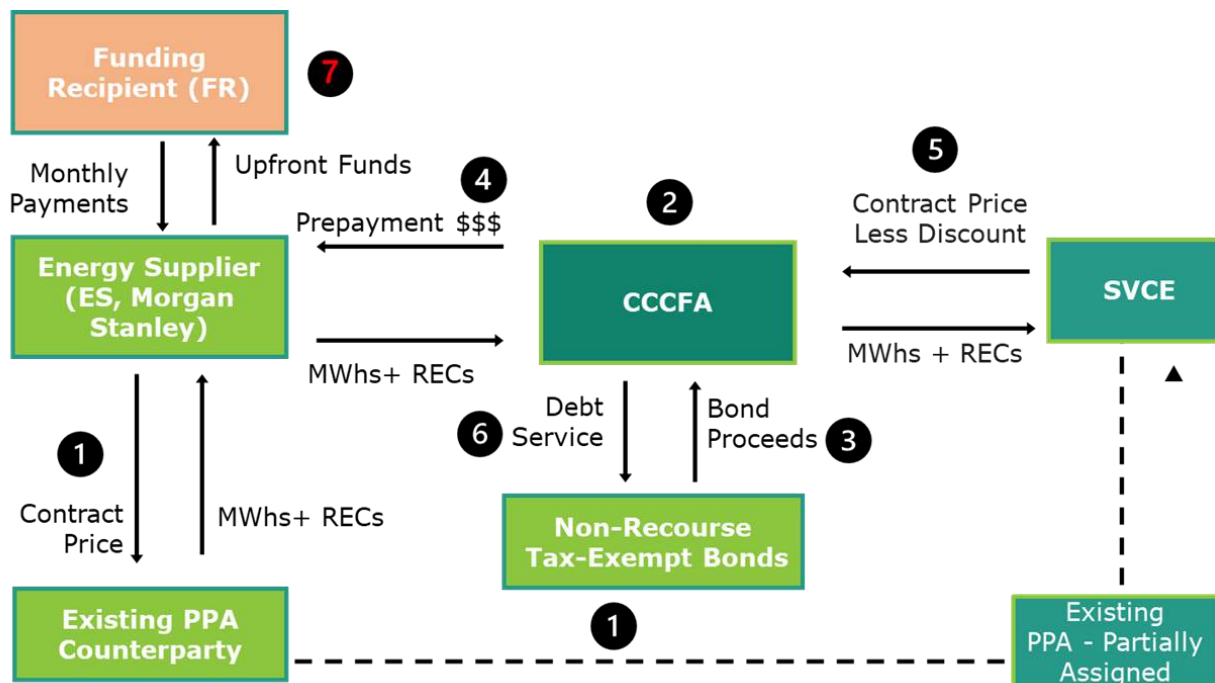
Bond and Tax Counsel: Ballard Spahr	250
Credit Rating: Moody's	273
Issuer's Counsel and Disclosure Counsel: Chapman & Cutler LLP	175
Municipal Advisor: Public Financial Management	155
Investment Advisor: Public Financial Management Asset Mgmt	30
Trustee: Bank of New York (BNY)	41.4
Trustee Counsel: Ballard Spahr	30
Printing Cost	4
Contingency/Other	66
Total COI	\$1,041.3
Morgan Stanley Underwriting	\$5,712.1
Total	\$6,753.4

³ The repricing agreement has a minimum savings requirement of \$5.50 per MWh.

Attachment 14.

Overview of the Prepay structure

Structural Overview of Power Prepay



1. Under the existing, non-Prepay structure, SVCE has Power Purchase Agreements (PPA) and other carbon-free energy transactions with a counterparty (Energy Supplier). The Energy Supplier provides energy and any associated renewable/carbon-free credits (environmental credits) to SVCE, and SVCE pays the Energy Supplier the contract price. Under the prepayment structure: VCE partially assigns its rights to energy under the energy contract equivalent to the prepaid quantity to the Energy Supplier (Morgan Stanley) at the contract price. Now, the PPA Counterparty will provide Morgan Stanley with the assigned quantity of energy with any associated environmental credits. The Energy Supplier, will pay the contract price to the PPA Counterparty.
2. SVCE, along with the other initial founding member CCAs⁴, created the California Community Choice Financing Authority (CCCFA), a separate legal entity that can issue tax-exempt municipal bonds.
3. CCCFA issues non-recourse tax-exempt bonds secured by the contractual rights and transaction cashflows under a trust indenture. The bonds are not secured or guaranteed by SVCE or CCCFA. Based on the contractual agreements securing the bonds, the bonds will carry the credit ratings of the Funding Recipient.
4. CCCFA uses the proceeds from the bonds, net of all prepay transaction fees, and pays Energy Supplier the present value of energy cost and any environmental credits that the Energy

⁴SVCE along with Central Coast Community Energy (3CE), East Bay Community Energy (now Ava), and Marin Clean Energy (MCE), as the first set of founding members, established CCCFA.

Supplier will deliver to CCCFA over the 30-year term of the transaction under a prepaid power agreement.

5. SVCE and CCCFA execute a power supply agreement. Under this agreement, SVCE pays CCCFA the initial contract price less a discount as CCCFA delivers to SVCE the energy and environmental credits it receives from the Energy Supplier.
6. CCCFA uses payments received from SVCE to pay interest and principal payments to the Bondholders.
7. The Energy Supplier and the funding recipient execute a funding agreement where the Funding Recipient receives upfront funds and makes monthly payments to the Energy Supplier, which they use to pay the PPA Counterparty.

Under the prepayment structure, SVCE receives the same energy and environmental credits from the PPA Counterparty (indirectly via Energy Supplier, Morgan Stanley, and then CCCFA) but for a lower price. The savings or lower price source is primarily the difference between taxable and tax-exempt debt interest rates. The Funding Recipient's capital needs are funded by a variety of means in taxable corporate markets, which have higher interest rates than tax-exempt debt. As a public agency, CCCFA can issue tax-exempt debt. When CCCFA provides the prepayment to Morgan Stanley for energy that Morgan Stanley will deliver over the term of the transaction, Morgan Stanley is effectively raising capital at a lower cost for the Funding Recipient. Based on the funding agreement with the Funding Recipient, Morgan Stanley flows the savings to SVCE by lowering the price SVCE pays for the energy and any environmental credits. By using this prepayment structure, SVCE can reduce the cost of energy purchases.

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

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

Attachment 15.

Estimated Cost Breakdown

Firm	Expected Cost (\$000)
Bond and Tax Counsel: Ballard Spahr	\$250
Credit Rating: [Moody's Investors Service/S&P Global Ratings]	321.5
Issuer's Counsel and Disclosure Counsel: Chapman & Cutler LLP	175
Municipal Advisor: PFM Financial Advisors LLC	230
Swap Advisor: PFM Swap Advisors LLC	25
Investment Advisor	50
Trustee: Bank of New York (BNY)	20.2
Trustee Counsel: BNY Counsel	35
CCCFA JPA Administrative Fee	20
Green Bond Second Party Opinion (Kestrel Verifiers)	22.6
Printing Cost	4
Contingency/Other	10
Total COI	1,163
Morgan Stanley Underwriting	4700
Underwriters Counsel	115
Miscellaneous	85
Total	6,063



Staff Report – Item 5

Item 5: Authorize the Chief Executive Officer to Execute a 10-Year Power Purchase Agreement with IP Darden III, LLC for Up to 93.01 MW of Solar Photovoltaic Energy and a 91.48 MW Co-located, Four-Hour Battery Energy Storage System

From: Monica Padilla, CEO

Prepared by: Kris Van Vactor, Director of Power Resources
Britta Bradshaw, Power Resource Manager

Date: 08/13/2025

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) delegate authority to the Chief Executive Officer (CEO) to finalize and execute a Power Purchase Agreement (PPA), and any non-substantive subsequent amendments and ancillary agreements, for co-located solar energy and battery energy storage system (BESS) with Intersect Power, LLC for IP Darden III, LLC ("Agreement"), with the following provisions:

- Up to 93.01 megawatt (MW) or approximately 250,000-270,000 megawatt hours (MWh) per year of renewable and clean energy;
- 91.48 MW or 365.92 MWh 4-hour lithium-ion BESS;
- 10-Year term PPA with expected commercial operation dates (COD) and term from June 1, 2028, through May 31, 2038; and
- Total amount not-to-exceed \$330,000,000.

Execution of the Agreement will help SVCE meet SVCE Board-directed clean energy targets, California's Renewable Portfolio Standard (RPS) requirements for Portfolio Category Content One ("PCC1") resources and clean procurement mandates, and Resource Adequacy (RA) requirements, including Mid-Term Reliability requirements for new clean capacity. The Agreement is provided in substantive form (Attachment 1). Any substantive future amendments to the recommended contract shall be subject to the not-to-exceed (NTE) limit and authority set forth in Resolution 2022-08 or any subsequent authority.

BACKGROUND

In August 2024, 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 (RPS) and carbon-free objectives, while also complying with California's RPS and clean mandates. The Darden Agreement was selected resulting from this RFO.

As a load serving entity (LSE), SVCE is subject to clean energy and RPS targets 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. Additionally, SVCE's Board set a 100% clean energy target on an annual basis and directed staff to achieve a 75% RPS in 2030-2034 (with a 10% margin of error) as approved by the Board in the [November 13, 2024 SVCE Board of Directors Meeting, Item 4.](#)

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Clean resources were also sought to meet obligations as ordered in the California Public Utilities Commission (CPUC) issuing Decisions (D.) 21-06-035 and (D.) 23-02-040—together, the Mid-term Reliability Procurement Orders (MTR Orders)—requiring CPUC-jurisdictional LSEs, such as SVCE, to procure and/or develop a collective 15,500 MW of new capacity by 2028. SVCE's total share of the MTR Order and Supplemental MTR Order is 317 MW, which was determined based on SVCE's load ratio share of the CPUC's jurisdictional load in the Pacific Gas and Electric transmission access area. While SVCE has made significant progress towards meeting the Supplemental MTR order, an open position still exists.

In support of SVCE's goals and mandates, SVCE has 24 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 45% of SVCE's retail sales in 2025 with the following RPS mix: Solar: 27%, Geothermal: 13%, Wind: 10%.

In 2030, when all resources are on-line, SVCE will have achieved a 78% RPS from long-term resources and 57% of its peak capacity will be met from clean resources including paired and stand-alone storage. Tables 1 and 2 summarize the PPAs executed to date to meet RPS, resource adequacy and/or MTR requirements.

Table 1: Board Authorized Clean Energy Contracts - Online

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Term (years)	SVCE Board Approval	Status
1	MN8	Slate	Solar + Storage	93	46.5	186	17	Oct-18	Online
2	Ormat	Casa Diablo	Geothermal	7			10	Feb-20	Online
3	Atlantica	Coso	Geothermal	43.8			15	Mar-20	Online
4	Leeward	Rabbitbrush	Solar + Storage	40	8	20	15	Apr-20	Online
5	NextEra	Yellow Pine	Solar + Storage	50	26	104	20	May-20	Online
6	AES	Mountain View	Wind	33.3			20	Apr-21	Online
7	Clearway	Victory Pass	Solar + Storage	100	25	100	15	May-21	Online
8	Terra-Gen	Cameron Crest	Wind	77.7			15	May-21	Online
9	AES	Baldy Mesa (RA-only)	Storage	0	75	300	10	Sep-22	Online

Table 2: Board Authorized Clean Energy Contracts - In Development

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Term (years)	SVCE Board Approval	Status
1	Avantus	Aratina	Solar + Storage	80	50	200	20	Jun-20	Construction
2	174 Power Global	Atlas	Solar	50			10	Jan-21	Pre-construction
3	SB Energy	Angela	Solar + Storage	20	10	40	15	Mar-21	Construction
4	Origis	San Luis West	Solar + Storage	62.5	15.625	62.5	15	Apr-21	Pre-construction
5	Rev Renewables	Tumbleweed	Long Duration Storage		15.9375	127.5	15	Feb-22	Construction
6	Ormat	Geothermal Portfolio	Geothermal	16.75			20	Jun-22	Pre-construction
7	OME	Fish Lake	Geothermal	1.82			20	Jun-22	Pre-construction
8	Middle River Power	Hanford	Thermal + BESS	99.4	131.4	131.4	12	Apr-23	Construction
9	NextEra	Grace	Solar	120			15	Aug-23	Pre-construction
10	NextEra	Yellow Pine III	Storage	0	24	96	15	Aug-23	Pre-construction
11	NextEra	Yellow Pine III	Long Duration Storage	0	9	72	15	Aug-23	Pre-construction
12	Pattern	SunZia	Wind	100			15	Nov-23	Construction
13	VCI Energy	Glossy Garlic	Solar + Storage	50	50	200	10	Oct-24	Pre-construction
14, 15	Pattern	SunZia Wind North & South	Wind	25			10	May-25	Construction

ANALYSIS & DISCUSSION

IP Darden is a 1,150 MW solar and 1,150 MW storage new-build resource in Fresno County. Intersect Power ("Intersect") is the parent company and developer of IP Darden.

SVCE will be among multiple off-takers of IP Darden, with a share of 91.48 MW of battery energy storage and up to 93.01 MW of solar energy, and approximately 250,000-270,000 MWh of PCC1 RPS energy and renewable energy certificates (RECs) annually, which will account for approximately 6% of SVCE's retail sales and count towards annual and long-term RPS requirements. Intersect Power is still finalizing the engineering design of the solar and battery systems, and has requested optionality for SVCE's share of the solar project to be flexible between 91.48-93.01 MW, with the final confirmed shortly after execution.

The resource is offered at a fixed price in dollars per MWh for solar generation and dollars per kilowatt-month (\$/kW-mo) for storage capacity, under a ten-year term with an expected COD of June 1, 2028. The project will have Full Capacity Deliverability Status (FCDS) from the CAISO and be able to provide resource adequacy attributes to help SVCE meet its annual compliance obligation.

Tables 3 is a summary of the key features of the Darden PPA.

Table 3: Summary of Darden Agreement

Counterparty	IP Darden III, LLC
Parent Company	Intersect Power, LLC
Product	New build solar PV PCC1 RPS Energy and lithium-ion 4-hour battery storage
Need and/or Compliance Obligation	SVCE's 100% Clean energy goal and RPS target SB100, SB350 and B1020 MTR Order and RA starting in 2028
Expected Delivery Term	10 years, June 1, 2028, through May 31, 2038.
Contract Capacity	93.01 MW solar, 91.48 MW, 4-hour storage (total capacity to be contracted to SVCE at point of interconnection is 93.01 MW)
Location	Fresno County, CA
Percentage of Retail Load Served/RPS	5-6%

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. The Darden Agreement provides an estimated average of 260,000 MWh of RPS eligible energy, bringing SVCE's expected RPS in 2029 to 87%.

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). Darden is expected to come online in 2028, helping meet long-term obligations in CP6 (2028-2030). With the inclusion of Darden, SVCE's **long-term RPS** is 79.4% in CP6, which is above California's mandated **long-term RPS** requirement of 37%. This represents SVCE's position assuming all contracts are operational based on the online dates specified in the PPAs and that the resources perform consistent with the generation profiles provided in the PPAs as well. Table 4 shows SVCE's progress towards meeting its RPS and clean goals.

Table 4: Impact to SVCE RPS and Clean Energy Targets

Calendar Year	SB 100 RPS Target	Board RPS Target	Expected SB 100 ¹ Position (without Darden)	SB 100 ¹ Position with Darden	Clean Position (expected, without Darden)	Clean Position with Darden
2028	55%	57%	80%	86%	90%	96%
2029	57%	59%	81%	87%	89%	95%
2030	60%	65-75%	78%	84%	81%	87%

Mid-term Reliability Procurement Order & Resource Adequacy Capacity

SVCE has made significant progress towards meeting its allocation in all tranches of procurement mandates per the MTR Order. SVCE is slightly deficient in meeting its generic 2026, 2027 and 2028 requirements, which orders the procurement of new clean energy capacity including standalone storage. The Darden Agreement will contribute approximately 70 MW of qualifying capacity, helping to meet SVCE's obligation in 2028, and, with the use of imports to serve as bridges for capacity delayed from 2026 and 2027, can help close SVCE's overall obligation.

SVCE has an obligation to procure sufficient capacity to meet grid reliability as prescribed by the CPUC's RA Program. Resources such as Darden, which pair solar and storage, provide a profile that is beneficial to SVCE's portfolio under the state's Slice of Day RA program.

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 energy. Strategically, resources that 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, whether paired at the same site or virtually co-located, helps achieve a more sustainable grid by pushing out solar generation into 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 helping 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 vast majority of SVCE's RA portfolio. In 2024, 69% of SVCE's requirements were from RA-only contracts. By including the Darden Agreement into the portfolio, Energy Source from Solar increases by up to 6% and peak capacity from clean sources increases by 4%. Table 5 is an illustration of SVCE's energy and capacity portfolio in 2028.

Table 5: Energy and RA Capacity Portfolio with Darden – Estimated for 2030

Estimated for 2030	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	412	10%	7%

¹ RPS figures provided in this table represent SB 100, which provides an overall RPS target. SB 350 targets are not included in the table; SB 350 applies a requirement that 65% of the SB 100 RPS target be met by long-term resources. With the inclusion of Darden, SVCE is projected to achieve an RPS position of 79.4% from long-term contracts.

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Solar with Darden	2218	51%	12%
Wind	713	16%	10%
Large Hydroelectric	915	21%	0%
Battery Storage with Darden	0	0%	4%
Natural Gas RA-only	0	0%	52%
Hanford - Natural Gas	70	2%	14%
Total	4,328	100%	100%

Given the complementary solar and storage generation profile, the PPA will help balance clean energy throughout the day. By charging the battery when solar energy is abundant, and discharging when there are fewer clean resources generating, co-located solar and storage facilities can provide clean energy in more hours, and help reduce solar curtailment in hours when solar energy is over-abundant. Tables 6 and 7 below show SVCE's hourly clean energy position without the Agreement (Table 6) and the impact of the proposed Agreement (Table 7).

Table 6: Expected SVCE Hourly Clean Energy Profile in 2029 without Darden Agreement

Hour Ending Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	25%	25%	26%	26%	26%	26%	26%	37%	64%	72%	61%	52%	46%	29%	55%	70%	54%	42%	42%	44%	50%	40%	39%	24%
2	23%	24%	24%	24%	24%	23%	27%	48%	78%	84%	70%	63%	40%	61%	70%	87%	61%	68%	51%	43%	52%	42%	25%	22%
3	31%	32%	33%	33%	32%	32%	68%	89%	109%	114%	120%	101%	92%	67%	88%	98%	104%	59%	42%	61%	55%	65%	40%	31%
4	37%	37%	37%	37%	36%	40%	84%	113%	125%	127%	130%	111%	114%	108%	113%	120%	114%	54%	65%	79%	78%	68%	35%	36%
5	40%	40%	39%	39%	38%	56%	113%	133%	136%	118%	135%	124%	97%	98%	114%	138%	136%	100%	57%	78%	90%	75%	52%	39%
6	41%	40%	37%	37%	37%	65%	109%	132%	134%	102%	103%	89%	64%	93%	124%	125%	119%	96%	63%	89%	92%	91%	67%	39%
7	35%	32%	30%	30%	29%	45%	82%	115%	93%	80%	67%	65%	89%	113%	112%	108%	102%	81%	63%	85%	72%	61%	51%	35%
8	30%	30%	30%	30%	30%	34%	71%	112%	94%	73%	56%	78%	86%	108%	107%	104%	96%	70%	80%	84%	73%	62%	32%	30%
9	32%	31%	31%	31%	31%	32%	60%	101%	105%	80%	73%	48%	67%	86%	102%	97%	84%	60%	82%	76%	56%	38%	34%	33%
10	37%	32%	32%	32%	33%	41%	48%	82%	107%	95%	72%	65%	46%	77%	95%	101%	70%	43%	87%	58%	46%	32%	41%	38%
11	31%	29%	31%	31%	37%	54%	51%	64%	83%	72%	57%	44%	34%	54%	79%	75%	67%	53%	42%	45%	51%	48%	48%	35%
12	26%	28%	27%	28%	28%	30%	30%	42%	66%	71%	48%	43%	37%	22%	53%	59%	60%	42%	53%	47%	48%	36%	43%	26%

Table 7: Net Change to Expected SVCE Hourly Clean Energy Profile in 2029 with Darden Agreement

Hour Ending Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	1%	1%	0%	0%	0%	0%	0%	0%	5%	6%	0%	-8%	-9%	-8%	-6%	8%	8%	12%	11%	6%	6%	12%	6%	0%
2	0%	0%	0%	0%	0%	1%	1%	2%	9%	11%	4%	-4%	-5%	-6%	-6%	13%	6%	14%	14%	12%	11%	7%	2%	0%
3	1%	0%	0%	0%	0%	2%	12%	12%	14%	16%	17%	11%	-2%	-3%	-6%	-8%	10%	2%	6%	15%	10%	15%	9%	1%
4	0%	0%	0%	0%	0%	0%	10%	17%	18%	18%	18%	19%	9%	-2%	-1%	-12%	-1%	21%	7%	18%	18%	18%	9%	0%
5	0%	0%	0%	0%	0%	1%	16%	20%	19%	20%	13%	0%	0%	-1%	-1%	18%	16%	9%	1%	19%	18%	19%	15%	0%
6	1%	0%	0%	0%	0%	5%	16%	19%	19%	10%	0%	0%	0%	0%	18%	18%	17%	12%	3%	17%	17%	17%	16%	0%
7	0%	0%	0%	0%	0%	2%	14%	21%	8%	0%	0%	0%	5%	18%	18%	17%	15%	12%	15%	16%	16%	16%	2%	0%
8	0%	0%	0%	0%	0%	1%	10%	19%	15%	-1%	-1%	-1%	0%	15%	17%	16%	15%	9%	15%	16%	16%	13%	2%	0%
9	1%	0%	0%	0%	0%	1%	9%	16%	18%	7%	-1%	-1%	-2%	1%	17%	16%	12%	13%	15%	16%	12%	1%	0%	3%
10	0%	0%	0%	0%	0%	0%	3%	11%	15%	15%	0%	-5%	-5%	-5%	5%	14%	5%	17%	17%	18%	13%	0%	0%	0%
11	1%	0%	0%	1%	3%	19%	6%	4%	11%	11%	-7%	-8%	-8%	-8%	6%	9%	8%	9%	2%	4%	1%	1%	14%	7%
12	0%	0%	0%	0%	0%	0%	1%	0%	5%	7%	1%	-10%	-9%	-10%	-8%	5%	11%	13%	10%	8%	6%	5%	10%	0%

PPA Project Selection Policy

On April 9, 2025, the Board adopted the PPA Project Selection Policy ("Policy") which set evaluation criteria for new PPAs. The Darden PPA was shortlisted prior to the Board-adopted policy; however, the Agreement meets many of the Policy requirements including payment of prevailing wages.

Project Development Status

IP Darden is a new-build project in its early stage. The project has completed all permitting under the California Energy Commission (CEC) "Opt-In Certification program," a new process offering streamlined permitting at the state-level for eligible new clean energy projects.

Impact of Federal Regulatory Uncertainty

While the solar and storage equipment will be manufactured within the U.S., the project may rely on foreign imports for project components, particularly for the battery. Potential federal tax changes, including potential tariffs on battery components, may impact the cost to Intersect Power to develop this resource. To account for this uncertainty, the contract includes a provision that allows the battery capacity price to adjust accordingly with changes to the tariffs from current levels. The maximum impact of this proposed rate adjustment is expected to fall within the total Not-To-Exceed threshold being requested herein.

Other federal tax incentives for renewable energy projects, such as the Investment Tax Credit (ITC), will also see changes under federal policy. However, Darden is expected to maintain its expected tax benefits due to its near-term construction timeline.

ALTERNATIVE

While the Darden Agreement is beneficial to meeting overall RPS goals, clean energy, and MTR goals, the Board may decide not to approve the resource and instead procure short-term clean resources and/or issue a new RFO for resources that can meet SVCE's MTR requirement. Staff held a recent long-term RFO seeking similar resources, and the terms of the Darden Agreement remain competitive against recent offers.

Staff does not recommend this alternative, as MTR-eligible and renewable resources are scarce. Failure to comply with this mandate may result in the assessment of penalties by the CPUC. The amount of penalties is unknown and dependent on SVCE's overall deficiency and cost of new resources.

STRATEGIC PLAN

Board approval to delegate authority to the CEO to execute the Darden Agreement will enable staff to meet the current board directed clean targets and California RPS requirement, consistent with goals and objective as outlines in SVCE's Strategic Plan, in particular, 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

Execution of the Agreement will result in cost to SVCE starting in Fiscal Year (FY) 2028, which will be included in the budget at that time. Staff's spending authority over the life of the PPA will be limited to the amount recommended of \$330,000,000 for IP Darden, LLC.

ATTACHMENTS

1. IP Darden Power Purchase Agreement – redacted version

CONFIDENTIAL
IP DRAFT
31 JULY 2025

RENEWABLE POWER PURCHASE AGREEMENT

COVER SHEET

Seller: [IP Darden III, LLC,] [IP Darden IV, LLC,] a Delaware limited liability company (“**Seller**”)

Buyer: [Silicon Valley Clean Energy Authority, a California joint powers authority][Central Coast Community Energy, a California joint powers authority] (“**Buyer**”)

Description of Facility: A 91.48 MW_{AC}¹ solar photovoltaic generating facility, along with a co-located 91.48 MW/365.92 MWh² battery energy storage facility, located in Fresno County, California, as further described in Exhibit A.

Milestones:

Milestone	Date for Completion
Obtain Site Control	
CEC Precertification Obtained	
Obtaining Federal and State Discretionary Permits	
Executed Interconnection Agreement	
Procure Major Equipment	
Expected Construction Start Date	
Initial Synchronization	
Network Upgrades completed	
Full Capacity Deliverability Status or Interim Deliverability Status	
Expected Commercial Operation Date	6/01/2028

Delivery Term: Ten (10) Contract Years.

Expected Energy:³

Contract Year	Expected Energy (as of the Effective Date) (MWh)	Expected Energy (corresponding to ¹ MW _{AC} if updated pursuant to Section 2.7) (MWh)
1		
2		
3		

¹ NTD: This amount is on a per-CCA basis.

² NTD: This amount is on a per-CCA basis.

³ NTD: This amount is on a per-CCA basis.

4					
5					
6					
7					
8					
9					
10					

Seller shall have the right, upon delivery of Notice to Buyer on or before August 31, 2025, to update (i) the Expected Energy by no more than three percent (3%) and (ii) Exhibit R (Metering Diagram) to reflect updated Facility designs. Upon delivery of such Notice to Buyer, this Agreement will be automatically amended (without any further action required by the Parties) to reflect the updated Expected Energy amounts and Exhibit R.

Guaranteed Capacity: 91.48 MW_{AC}

Storage Contract Capacity: 91.48 MW_{AC} / 365.92 MWh (4-hour) discharge

Storage Contract Output: 365.92 MWh

Guaranteed Efficiency Rate:

Contract Year	Guaranteed Efficiency Rate
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Contract Price

The Renewable Rate shall be:

Contract Year	Renewable Rate
1 – 10	

The Storage Rate shall be:

Contract Year	Storage Rate
1 – 10	

Product:

- ☒ Generating Facility Energy
- ☒ Green Attributes (Portfolio Content Category 1)
- ☒ Storage Capacity
- ☒ Capacity Attributes (select options below as applicable)
 - ☐ Energy Only Status
 - ☒ Full Capacity Deliverability Status or Interim Deliverability Status
- ☒ Ancillary Services

Scheduling Coordinator: Buyer/Buyer Third Party

Development Security and Performance Security:

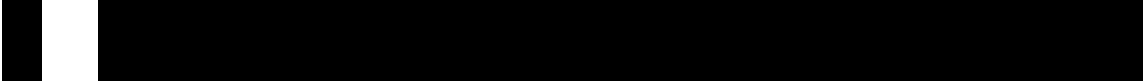
Development Security:

[REDACTED]

Performance Security:

[REDACTED]

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RENEWABLE POWER PURCHASE AGREEMENT

This Renewable Power Purchase Agreement (“**Agreement**”) is entered into as of the last dated signature on the signature page hereto (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, 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 DEFINITIONS⁴

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 Section 4.7.

“**Administrative NOC Reduction**” means a reduction in the maximum achievable Net Qualifying Capacity of Facility due to a reduction that has been generally applied to all resources materially similar to the Facility in terms of type, market and operational characteristics (including those characteristics specified in the CPUC Master Resource Database), including any methodology that incorporates fleet averages or other average outage rates, any CAISO outages not caused by Seller’s failure to comply with its obligations under the Agreement, or any changes with respect to storage duration requirements, or the elimination of Net Qualifying Capacity altogether.

“**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 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%)

⁴NTD: Agreement remains subject to all cross-references and definitions being checked.

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.

“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.

“Ambient Conditions” means the ambient temperature, relative humidity, solar irradiance, air mass and wind speed at the site. The Storage Facility performance tests under Ambient Conditions shall be adjusted to a temperature range of 0°C - 25°C and relative humidity less than 70%. The Generating Facility performance tests under Ambient Conditions shall be adjusted to calculate a P50 production estimate at PVUSA Test Conditions of 1,000 Watts per square meter solar irradiance, 20°C air temperature and wind speed of 1 meter per second at 10 meters above ground level.

“Ancillary Services” means those ancillary services, as defined in the CAISO Tariff, that the Facility is, at the relevant time, actually physically capable of providing consistent with the Interconnection Agreement, Operating Restrictions, Prudent Operating Practice, and the requirements and limitations set forth in this Agreement.

“Approved Forecast Vendor” means (a) the EIRP Forecast or (b) any other vendor reasonably acceptable to both Buyer and Seller for the purposes of providing or verifying the forecasts under Sections 4.3(c) and 4.3(d).

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

“Availability Adjustment” or **“AA”** 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.

“Average Expected Energy Report” means the annual report delivered by Seller pursuant to Section 4.3(a).

“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.

“Baseline RA Deficiency Amount Cap” has the meaning set forth in Section 3.8(b).

“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. Pacific Prevailing Time for the Party sending a Notice, or payment, or performing a specified action.

“Buyer” has the meaning set forth on the Cover Sheet.

“Buyer Bid Curtailment” means any curtailment of the Generating Facility arising out of or resulting from the manner in which Buyer or Buyer’s SC bids, offers or schedules the Generating Facility, the Energy or any Products, or in which Buyer or Buyer’s SC fails to do so, including a situation where all of the following occurs:

(a) the CAISO provides notice, including through ADS, to a Party or the Scheduling Coordinator for the Generating Facility, requiring the Party or the Scheduling Coordinator to deliver less Generating Facility Energy from the Generating Facility than the full amount of energy forecasted to be produced from the Facility for a period of time; and

(b) for the same time period as referenced in (a), the notice referenced in (a) results from the manner in which Buyer or the SC schedules or bids the Generating Facility, Generating Facility Energy or Ancillary Services, including where the Buyer or the SC for the Facility:

(i) did not submit a Self-Schedule or an Energy Supply Bid for the MW subject to the reduction; or

(ii) submitted an Energy Supply Bid and the CAISO notice referenced in (a) is solely a result of CAISO implementing the Energy Supply Bid; or

(iii) submitted a Self-Schedule for less than the full amount of Generating Facility Energy forecasted to be generated by the Generating Facility.

If the Generating Facility is subject to a Planned Outage, Forced Facility Outage, Force Majeure Event, or a Curtailment Period, during the same time period as referenced in (a), then the calculation of Deemed Delivered Energy in respect of such period shall not include any Generating Facility 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 or Buyer’s SC to Seller to reduce Generating Facility Energy from the Facility by the amount, and for the period of time set forth in such instruction, which instruction shall be consistent with the Operating Restrictions, for reasons unrelated to a Planned Outage, Forced Facility Outage, Force Majeure Event affecting the Facility or Curtailment Order.

“Buyer Curtailment Period” means the period of time, as measured using current Settlement Intervals, during which Seller reduces Generating Facility Energy from the Generating Facility pursuant to or as a result of (a) Buyer Bid Curtailment, (b) a Buyer Curtailment Order, or (c) Buyer’s Default; provided, that 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’s 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 Charges Invoice” has the meaning set forth in Exhibit D.

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

“CAISO Operating Order” means “Operating Instruction” as defined in the CAISO Tariff.

“CAISO Tariff” means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by 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 Facility can generate, charge, discharge and deliver to the Delivery Point at a particular moment and that can be purchased, sold or conveyed under CAISO or CPUC market rules, or used for compliance purposes, 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 [REDACTED] days following the Commercial Operation Date, that the CEC has pre-certified, as such date may be extended pursuant to Section 3.9) that the Generating Facility is an Eligible Renewable Energy Resource for purposes of the California Renewables Portfolio Standard and that all Generating Facility 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 Generating Facility indicating that the planned operations of the Generating Facility would comply with applicable CEC requirements for CEC Certification and Verification.

“CEQA” means the California Environmental Quality Act.

“Change in Law” means the enactment, adoption, promulgation, modification, suspension, repeal, or judicial determination, after the Effective Date, by any Governmental Authority of any Law, including a change in interpretation or enforcement of any existing Law.

“Change of Control” means, except in connection with public market transactions of equity interests or capital stock of Seller’s Ultimate Parent, any circumstance in which Ultimate Parent ceases to own, directly or indirectly through one or more intermediate entities, at least fifty percent (50%) of the outstanding equity interests in Seller or otherwise ceases to retain the ability to control the decision making of 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 at least 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 cash equity or tax equity provider) or permitted assignee or transferee thereof shall be excluded from the total outstanding equity interests in Seller.

“Charging Energy” means all Grid Energy delivered to the Storage Facility, as measured at the Storage Facility Metering Points by the Storage Facility Meter.

“Charging Notice” means the operating instruction, and any subsequent updates, given by Buyer to Seller, instructing the Storage Facility to charge at a specific MW rate to a specified Stored Energy Level, including in connection with a Storage Capacity Test, provided that any such operating instruction shall be in accordance with the Operating Procedures and the CAISO Tariff. For the avoidance of doubt, (i) any instruction to charge the Storage Facility pursuant to a Buyer Dispatched Test shall be considered a Charging Notice, and (ii) any Charging Notice shall not constitute a Buyer Bid Curtailment, Buyer Curtailment Order or Curtailment Order.

“Claim” has the meaning set forth in Section 16.2(a).

“COD Certificate” has the meaning set forth in Exhibit B.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute, including the rules or regulations promulgated thereunder, in each case as in effect from time to time. References to sections of the Code shall be construed to also refer to any successor sections.

“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” means a daily amount equal to [REDACTED]

“Compliance Actions” has the meaning set forth in Section 3.11(b).

“Compliance Expenditure Cap” has the meaning set forth in Section 3.11(b).

“Confidential Information” has the meaning set forth in Section 18.1.

“Construction Delay Damages” means a daily amount equal to [REDACTED]

“Construction Start” has the meaning set forth in Exhibit B.

“Construction Start Date” has the meaning set forth in Exhibit B.

“Contract Capacity” means the sum of the Guaranteed Capacity and the Storage Contract Capacity.

“Contract Price” has the meaning set forth on the Cover Sheet and 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. The last Contract Year shall end at midnight at the end of the day prior to 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 Non-Defaulting Party either in terminating any arrangement pursuant to which it has hedged 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 this Agreement.

“Cover Sheet” means the cover sheet to this Agreement, which is incorporated into this Agreement.

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

“CPUC REC Compliance Penalty” means the then-applicable CPUC penalty per MWh of shortfall owed by Buyer for its failure to procure long-term RECs.

“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 any 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, Fitch or Moody's. If the ratings by Fitch, S&P or Moody's are not equivalent, the lowest rating shall apply.

"Cumulative Curtailment Cap" is the cumulative quantity of Generating Facility Energy curtailed during a Buyer Curtailment Period during the Delivery Term not to exceed five hundred (500) hours multiplied by the Guaranteed Capacity.

"Curtailment Cap" is the yearly quantity per Contract Year, in MWh, equal to [REDACTED]

"Curtailment Order" means any of the following:

(a) a Governmental Authority orders, directs, alerts, or provides notice to a Party, to curtail deliveries of Facility Energy or Discharging 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 electric system integrity or the integrity of other systems to which the Facility 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 or (iii) any public safety power shutoff or equivalent curtailment to address wildfire or related risks;

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

(d) a curtailment in accordance with Seller's obligations, or due to physical or operational limitations on the transfer of electric power, 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.

"Damage Payment" mean [REDACTED]

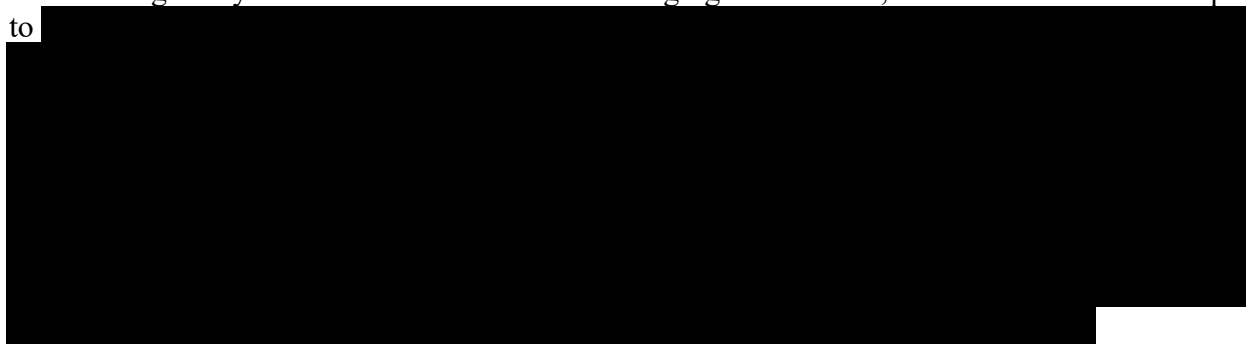
“Day-Ahead Forecast” has the meaning set forth in Section 4.3(c).

“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 Section 4.12.

“Deemed Delivered Energy” means the amount of Energy expressed in MWh that the Generating Facility would have generated and delivered to the Delivery Point as Generating Facility Energy, but that is not generated by the Generating Facility and delivered to the Delivery Point during a Buyer Curtailment Period or Discharging Curtailment, which amount shall be equal to



“Deemed Delivered RA” means, for the applicable Showing Month, the amount of Net Qualifying Capacity, expressed in MW, that the Facility would have been able to deliver as Resource Adequacy Benefits, but for (a) a Force Majeure Event or (b) Planned Outages permitted by the terms of this Agreement to the extent such Planned Outages reduce the maximum achievable Net Qualifying Capacity of the Facility.

“Delivered RA” means an amount, expressed in MW, calculated for the applicable Showing Month as the sum of (a) the amount of the Net Qualifying Capacity of the Facility for such Showing Month able to be shown on Buyer’s monthly or annual Resource Adequacy Plan to the CAISO and CPUC and able to be counted as system RAR and, if applicable, Local RAR, by both the CAISO and CPUC, (b) Deemed Delivered RA and (c) Replacement RA.

“Defaulting Party” has the meaning set forth in Section 11.1(a).

“Deficient Month” has the meaning set forth in Section 4.10(e).

“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 (i) cash or (ii) a Letter of Credit in the amounts set forth on the Cover Sheet.

“Discharging Curtailment” has the meaning set forth in Section 4.5(e).

“Discharging Energy” means all Energy delivered to the Delivery Point from the Storage Facility, as measured by the Storage Facility Meter.

“Discharging Notice” means the operating instruction, and any subsequent updates, given by Buyer to Seller, instructing 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 Procedures and the CAISO Tariff. For the avoidance of doubt, any Discharging Notice shall not constitute a Buyer Bid Curtailment, Buyer Curtailment Order or Curtailment Order. Any instruction to discharge the Storage Facility pursuant to a Buyer Dispatched Test shall be considered a Discharging Notice.

“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 by dividing Energy Out by Energy In.

“EIRP Forecast” means the current CAISO forecast for intermittent resources using relevant Generating Facility availability, weather, historical and other pertinent data for the applicable period of time.

“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, including, as applicable, all transmission or transformation losses between the Facility and the Delivery Point, including losses associated with (i) delivery of Generating Facility Energy to the Delivery Point, (ii) delivery of Charging Energy to the Storage Facility, (iii) for all purposes other than the calculation of Generating Facility Energy, conversion of Charging Energy into Discharging Energy, and (iv) delivery of Discharging Energy to the Delivery Point. If any amounts included within the definitions of “Electrical Losses” and “Station Use” hereunder are duplicative, then for all relevant calculations hereunder it is intended that such amounts shall not be double counted or otherwise duplicated.

“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” means electrical energy measured in MWh.

“Energy In” has the meaning set forth in Exhibit O.

“Energy Out” has the meaning set forth Exhibit O.

“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.

“Excused Event” has the meaning set forth in Exhibit P.

“Expected Commercial Operation Date” is the date set forth on the Cover Sheet by which Seller reasonably expects to achieve Commercial Operation.

“Expected Construction Start Date” is the date set forth on the Cover Sheet by which Seller reasonably expects to achieve Construction Start.

“Expected Energy” means the quantity of Expected Energy specified on the Cover Sheet that Seller expects to be able to deliver to Buyer as Generating Facility Energy during each Contract Year.

“Facility” means the Generating Facility and the Storage Facility.

“Facility Energy” means the sum of Generating Facility Energy and Discharging Energy from the Storage Facility during any Settlement Interval or Settlement Period, net of Electrical Losses and Station Use, as measured by the Facility meter, which will be adjusted in accordance with CAISO meter requirements to account for Electrical Losses and Station Use. If any adjustments for Electrical Losses and Station Use included within the definitions of “Generating Facility Energy” and “Facility Energy” hereunder are duplicative, then for all relevant calculations hereunder it is intended that such amounts shall not be double counted or otherwise duplicated.

“FERC” means the Federal Energy Regulatory Commission.

“Flexible Capacity” has the meaning set forth in the CAISO Tariff.

“Flexible Resource Adequacy Benefits” means the attributes, however defined, of a resource that can be used to satisfy the flexible resource adequacy obligations of a load serving entity, including Flexible Capacity.

“Force Majeure Event” has the meaning set forth in Section 10.1(a).

“Forced Facility Outage” means an unexpected failure of one or more components of the Facility or any outage on the Transmission System that prevents Seller from generating Energy, receiving Charging Energy, or making Facility Energy available at the Delivery Point and that is not the result of a Force Majeure Event.

“Forecasting Penalty” means



“Form of Average Expected Energy Report” has the meaning set forth in Section 4.3(a).

“Form of Monthly Delivery Forecast” has the meaning set forth in Section 4.3(b).

“Full Capacity Deliverability Status” has the meaning set forth in the CAISO Tariff.

“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 the Non-Defaulting 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, which economic benefit (if any) shall be deemed the gain (if any) to such Non-Defaulting Party represented by, (a) if Buyer is the Non-Defaulting Party, the positive difference between the present value of the payments required to be made during the remaining Contract Term of this Agreement and the present value of the payments that would be required to be made under any transaction(s) replacing this Agreement and (b) if Seller is the Non-Defaulting Party, the positive difference between the present value of the payments that would be required to be made under any transaction(s) replacing this Agreement and the present value of the payments required to be made during the remaining Contract Term of this Agreement. Factors used in determining the economic benefit to a Non-Defaulting 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., NP-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 Generating Facility Energy to the Delivery Point; provided, that the “Generating Facility” does not include the Storage Facility or the Shared Facilities.

“Generating Facility Energy” means, in any Settlement Interval or Settlement Period, the energy generated by the Generating Facility, net of Electrical Losses and Station Use, as measured by the Generating Facility Meter, which shall be adjusted to the extent necessary to account for Electrical Losses and Station Use, in accordance with the requirements of CAISO and Prudent Operating Practices, including WREGIS.

“Generating Facility Meter” means the CAISO-approved bi-directional revenue quality meter or meters (with a 0.3 accuracy class), 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 Generating Facility Energy generated by the Generating Facility for the purpose of invoicing in accordance with Section 8.1. For clarity, the 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.

“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 and CPUC; *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 of electricity from the Generating 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 (SO_x), nitrogen oxides (NO_x), 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; and (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 Facility Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Facility, (ii) Tax Benefits 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, or any Renewable Energy Incentives, (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 Attributes under the preceding definition are limited to Green Attributes that exist under applicable Law as of the Effective Date.

“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.

“Grid Energy” means the Energy from the CAISO Grid delivered to the Storage Facility Meter pursuant to a Charging Notice or in connection with a Storage Capacity Test.

“Guaranteed Capacity” means the amount of generating capacity of the Generating Facility, as measured in MW at the Delivery Point, in the amount set forth on the Cover Sheet, as may be adjusted pursuant to Exhibit B, Section 5.

“Guaranteed Commercial Operation Date” means the Expected Commercial Operation Date, subject to extensions on a day-for-day basis under the Development Cure Period.

“Guaranteed Construction Start Date” means the Expected Construction Start Date, 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” means an amount of Generating Facility Energy, as measured in MWh, equal to [REDACTED]

“Guaranteed RA Amount” means an amount equal to the Qualifying Capacity of an energy storage facility with an installed capacity equal to the Storage Contract Capacity based on four (4) hour discharge for each hour of the relevant day in the applicable Showing Month, less an amount equal to the Administrative NQC Reduction and any Deemed Delivered RA, if any, for the applicable Showing Month.

“Guaranteed Storage Availability” has the meaning set forth in Section 4.8(a).

“Guarantor” means, with respect to Seller, any Person that (a) Buyer does not already have any material credit exposure to under any other agreements, guarantees, or other arrangements at the time its Guaranty is issued, (b) is an Affiliate of Seller, or other third party reasonably acceptable to Buyer, (c) has a Credit Rating of BBB- or better from S&P or a Credit Rating of Baa3 or better from Moody’s or, has a tangible net worth of at least [REDACTED] (d) is incorporated or organized in a jurisdiction of the United States and is in good standing in such jurisdiction, and (e) executes and delivers a Guaranty for the benefit of Buyer.

“Guaranty” means a guaranty from a Guarantor provided for the benefit of Buyer substantially in the form attached as Exhibit L or in such other form as is reasonably agreed to by the Parties.

“Imbalance Energy” means the amount of Energy, in any given Settlement Period or Settlement Interval, by which the amount of Facility Energy deviates from the amount of Scheduled Energy.

“Indemnifiable Loss(es)” has the meaning set forth in Section 16.1.

“Indemnified Party” has the meaning set forth in Section 16.1.

“Indemnifying Party” has the meaning set forth in Section 16.1.

“Independent Evaluator” means an independent, professional engineer selected by Seller and reasonably acceptable to Buyer.

“Initial Synchronization” means the initial delivery of Generating Facility Energy or Discharging Energy, as applicable, to the Delivery Point.

“Installed Battery Capacity” means the maximum dependable operating capability of the Storage Facility to discharge electric energy, as measured in MW at the Storage Facility Meter, 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-2 hereto.

“Installed PV Capacity” means the actual generating capacity of the Generating Facility, as measured in MW 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-1 hereto.

“Interconnection Agreement” means the interconnection agreement entered into by Seller or an Affiliate of Seller pursuant to which the Facility will (a) be interconnected with the Transmission System and (b) will have capacity rights equal or greater than the amount of the Contract Capacity, and pursuant to which Seller’s Interconnection Facilities and any other Interconnection Facilities will be constructed, operated and maintained during the Contract Term.

“Interconnection Conditions” mean (a) the completion of the 500 kV Harlan switching station; (b) the installation of two (2) series capacitors at the Harlan switching station; and (c) the installation of a 500 kV shunt reactor at the Midway substation.

“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.

“Interim Deliverability Status” has the meaning set forth in the CAISO Tariff.

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

“Investment Grade Credit Rating” means a Credit Rating of BBB- or higher by S&P or Fitch or Baa3 or higher by Moody’s.

“ITC” means the investment tax credit established pursuant to Section 48 of the Code.

“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 [SVCE: March 31, 2016][3CE: February 21, 2017],⁵ 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, all the tariffs (including the CAISO Tariff), and the WREGIS Operating Rules.

“Lender” means, collectively, any Person (i) providing senior or subordinated development, construction, interim, letter of credit, back leverage or long-term debt, working capital, equity, cash equity or tax equity financing or refinancing of any of the foregoing or in connection with the development, construction, purchase, installation, operation, maintenance, repair, replacement or improvement of the Facility, whether that financing or refinancing takes the form of private debt (including back-leverage debt or portfolio financing), equity (including cash equity or tax equity), public debt or any other form (including financing or refinancing provided to a member or other direct or indirect owner of Seller), including any equity or tax equity investor directly or indirectly providing financing or refinancing for the Facility or purchasing equity ownership interests of Seller or its Affiliates, and any trustee or agent or similar representative acting on their behalf, (ii) providing interest rate or commodity protection under an agreement hedging or otherwise mitigating the cost of any of the foregoing obligations, (iii) participating in a lease financing (including a sale leaseback or leveraged leasing structure) with respect to the Facility, or (iv) acting as issuing bank for any Letter(s) of Credit issued pursuant hereto or letters of credit in connection with the Facility.

“Letter(s) of Credit” means one or more irrevocable, standby letters of credit issued by a U.S. commercial bank, or a foreign bank reasonably acceptable to Buyer with a U.S. branch, with such bank having a Credit Rating of at least A- with an outlook designation of “stable” from S&P or A3 with an outlook designation of “stable” from Moody’s, in a form substantially similar to the letter of credit set forth in Exhibit K, or as otherwise reasonably acceptable to Buyer.

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

“Local Capacity Area Resources” has the meaning set forth in the CAISO Tariff.

⁵ NTD: To be modified when form is split for each CCA.

“Local Capacity Area Resource Adequacy Benefits” means the attributes, however defined, of a Local Capacity Area Resource that can be used to satisfy the local resource adequacy obligations of a load serving entity, expressed in kW.

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

“Losses” means, with respect to the Non-Defaulting 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., NP-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.



“Meter Service Agreement” means “Meter Service Agreement for Scheduling Coordinators” as defined in the CAISO Tariff.

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

“Monthly Delivery Forecast” means the monthly forecast delivered by Seller pursuant to Section 4.3(b).

“Monthly Storage Availability” has the meaning set forth in Exhibit P.

“Moody’s” means Moody’s Investors Service, Inc.

“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 LMP in the Real-Time Market at the Facility’s PNode is less than Zero Dollars (\$0).

“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 email.

“Notice of Claim” has the meaning set forth in Section 16.2(a).

“NP-15” means the Existing Zone Generation Trading Hub for Existing Zone region NP15 as set forth in the CAISO Tariff.

“On-Peak Hour” means any hour from hour-ending 0700 to hour-ending 2200 (i.e., 6:00 AM to 9:59 PM) on Monday through Saturday, Pacific Prevailing Time, excluding North American Electric Reliability Council (NERC) holidays.

“Operating Procedures” or **“Operating Restrictions”** means those rules, requirements, and procedures set forth on Exhibit Q.

“Pacific Prevailing Time” means the prevailing standard time or daylight savings time, as applicable, in the Pacific time zone.

“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 [REDACTED]

“Performance Security” means (i) cash, (ii) a Letter of Credit, or (iii) a Guaranty, in the amount set forth on the Cover Sheet.

“Permitted Transferee” means [REDACTED]

[REDACTED]

[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**” has the meaning set forth in Section 4.6(a).

“**PNode**” has the meaning set forth in the CAISO Tariff.

“**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.

“**Product**” has the meaning set forth on the Cover Sheet.

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

“**Property Tax Exclusion**” means the exclusion from the definition of “newly constructed” as used in subdivision (a) of Section 2 of Article XIII A of the California Constitution for “active solar energy systems” codified under Section 73 of the California Revenue and Taxation Code, and set to expire on January 1, 2027, as in effect as of [the Effective Date], but not including any successor statute, other statute that is similar to such exclusion, or any changes to such Section 73 of the California Revenue and Taxation Code, except with respect to its sunset date set forth in Section 73(i) of the California Revenue and Taxation Code.

“**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 Code.

“Qualifying Capacity” has the meaning set forth in the CAISO Tariff.

“RA Deficiency Amount” means the liquidated damages payment that Seller shall pay to Buyer for an applicable RA Shortfall Month as calculated in accordance with Section 3.8(b).

“RA Guarantee Date” means [REDACTED]

“RA Shortfall” has the meaning set forth in Section 3.8(b).

“RA Shortfall Month” means the applicable calendar month following the RA Guarantee Date during which there is an RA Shortfall Amount.

“Real-Time Forecast” means any Notice of any change to the Available Generating Capacity, Storage Capacity, or hourly expected Generating Facility 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.

“Receiving Party” has the meaning set forth in Section 18.2.

“Recurring Certificate Transfers” has the meaning set forth in Section 4.10(a).

“Remedial Action Plan” has the meaning set forth in Section 2.4.

“Renewable Energy Credit” or **“REC”** 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 (including cash grants) associated with the construction, ownership, or production of electricity from the Facility (including credits under Sections 38, 45, 46 and 48 of the Code); (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 RA” means Resource Adequacy Benefits, if any, equivalent to those that would have been provided by the Storage Facility with respect to the applicable RA Shortfall Month, including, if applicable for such month, Flexible Resource Adequacy Benefits associated with the Storage Facility. In addition, if the CPUC requires Replacement RA to be provided by an incremental resource for purposes of CPUC Decision 21-06-035 in order for Buyer’s purchase of the Product to comply with the requirements of CPUC Decision 21-06-035, then the Replacement RA must also be provided by an incremental resource, including any sub-category attributes of D.21-06-035, to the extent required, if such sub-categories are contracted for under the Agreement.

“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 year of production as the Renewable Energy Credits that would have been generated by the Generating Facility.

“Resource Adequacy Benefits” means the rights and privileges attached to the Capacity Attributes available from the Storage Facility that satisfy any entity’s resource adequacy obligations, as those obligations are set forth in any Resource Adequacy Rulings (subject to the Operating Restrictions set forth in Exhibit Q), and shall include System Resource Adequacy Benefits, Flexible Resource Adequacy Benefits and Local Capacity Area Resource Adequacy Benefits associated with the Storage Facility.

“Resource Adequacy Requirements” or **“RAR”** means the resource adequacy requirements applicable to an entity 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, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-06-063, 16-06-045, 17-06-027, 18-06-030, 18-06-031, 19-02-022, 19-06-026, 19-10-021, 20-01-004, 20-03-016, 20-06-002, 20-06-028, 20-12-006 and any other existing or subsequent decisions, resolutions, or rulings related to resource adequacy, including, without limitation, the CPUC Filing Guide, in each case as may be amended from time to time by the CPUC, and any other existing or subsequent ruling or decision, or any other resource adequacy Law, however described, as such decisions, rulings, Laws, rules or regulations may be amended or modified from time-to-time throughout the Contract Term.

“Resource ID” has the meaning set forth in the CAISO Tariff.

“S&P” means the Standard & Poor’s Financial Services, LLC (a subsidiary of The McGraw-Hill Companies, Inc.).

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

“Scheduled Energy” means the Facility 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. Consistent with Exhibit D, Buyer or an agent of Buyer will be the Scheduling Coordinator for the Facility as set forth in the Cover Sheet.

“Scheduling Coordinator Metered Entity” or **“SCME”** has the meaning set forth in the CAISO Tariff.

“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 [REDACTED] 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.

“Settlement Quality Meter Data” or **“SQMD”** 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.

“Shared Facilities Agreements” has the meaning set forth in Section 6.3.

“Showing Month” means the calendar month of the Delivery Term that is the subject of the 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 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.

“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.

“SQMD Plan” has the meaning set forth in the CAISO Tariff.

“Station Use” means:

(a) the Energy produced or discharged by the Facility or consumed from the CAISO Grid that is used within the Facility to power the lights, motors, AC temperature control systems, control systems and other electrical loads, that are necessary for operation of the Facility; and

(b) the Energy produced or discharged by the Facility or consumed from the CAISO Grid that is consumed within the Facility's electric energy distribution system as losses;

except, in the case of (a) or (b) above, during periods in which the Storage Facility is charging or discharging pursuant to a Charging Notice or Discharging Notice.

"Storage Capacity" means the maximum dependable operating capability of the Storage Facility to discharge electric energy that can be sustained for four (4) consecutive hours (in MW).

"Storage Capacity Test" or **"SCT"** means any test or retest of the capacity of the Storage Facility 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 Storage Capacity (in MW) of the Storage Facility initially equal to the amount set forth on the Cover Sheet, as may be adjusted pursuant to (i) Exhibit B, Section 5 or (ii) Section 4.9 and Exhibit O to reflect the results of the most recently performed Storage Capacity Test.

"Storage Contract Output" means the product of the Storage Contract Capacity multiplied by four (4) hours, represented in MWh, initially equal to the amount set forth on the Cover Sheet.

"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 CAISO-approved bi-directional revenue quality meter (with a 0.3 accuracy class), 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 Charging Energy delivered to the Storage Facility Metering Point and the amount of Discharging Energy discharged from the Storage Facility at the Storage Facility Metering Point to the Delivery Point for the purpose of invoicing in accordance with Section 8.1. For clarity, the Facility may contain multiple measurement devices that will make up the Storage Facility Meter, 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 Point" means the location of the Storage Facility Meter at the Site, which is identified on Exhibit R.

“Storage Product” means (a) the Discharging Energy, (b) the 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 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.

“Supply Plan” has the meaning set forth in the CAISO Tariff.

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

“System Resource Adequacy Benefits” means the attributes, however defined, of a resource that can be used to satisfy the resource adequacy obligations of a load serving entity, other than Flexible Resource Adequacy Benefits and Local Capacity Area Resource Adequacy Benefits, expressed in kW.

“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.

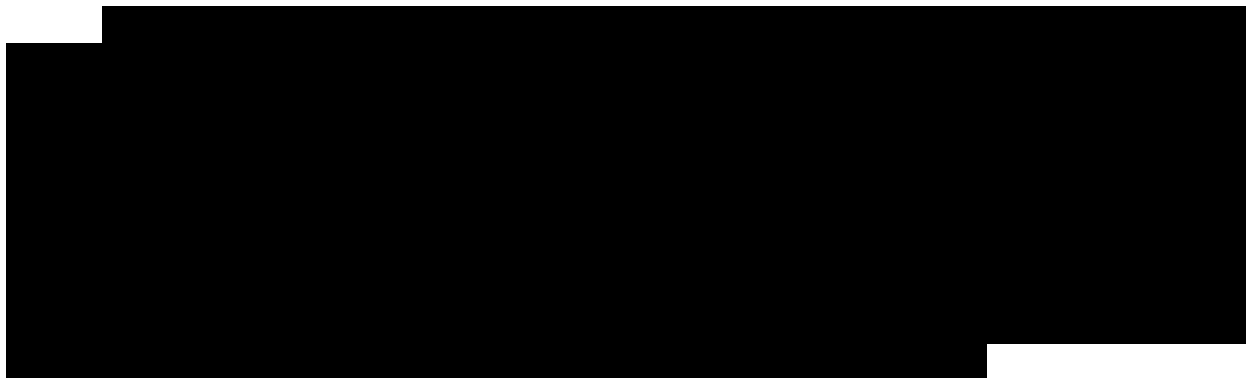
“Tax Benefits” means any state, local and/or federal tax benefit or incentive, including energy credits determined under Section 45 or 48 of the Internal Revenue Code of 1986, as amended, investment tax credits, production tax credits, depreciation, amortization, deduction, expense, exemption, preferential rate, and/or other tax benefit or incentive associated with the production of renewable energy and/or the operation of, construction, investments in or ownership of the Facility (including any cash payment or grant).

“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 the Generating Facility Energy delivered commencing on the first date that the PTO informs Seller in writing that Seller has conditional or temporary permission to parallel and ending upon the occurrence of the Commercial Operation Date.

“Test Energy Rate” has the meaning set forth in Section 3.6.



“Transmission Provider” means the CAISO, as applicable.

“Transmission System” means the transmission facilities operated by the CAISO, now or hereafter in existence, which provide energy transmission service downstream from the Delivery Point.

“Ultimate Parent” means Intersect Power, LLC, a Delaware limited liability company.

“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" (and its variants) 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 three (3) years following the termination of this Agreement.

(c) Buyer may provide notice (the "**Extension Notice**") to Seller no later than twelve (12) months prior to the expiration of the Delivery Term of its intent to extend the Delivery Term for an additional five (5) Contract Years (the "**Extended Delivery Term**"). Following Seller's receipt of the Extension Notice, Buyer and Seller shall enter into good faith negotiations on the price and other terms that will apply to any Extended Delivery Term; provided, that the Renewable Rate and the Storage Rate for the Extended Delivery Term shall in no event be less than the applicable then-current fair market values. If the Parties have not reached agreement on such price and other terms within [REDACTED] days of Seller's receipt of the Extension Notice, then neither Party shall have any further obligation to negotiate for an Extended Delivery Term.

2.2 **Conditions Precedent to Delivery Term.** 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, (ii) a certificate from a Licensed Professional Engineer substantially in the form of Exhibit I-1 setting forth the Installed PV Capacity on the Commercial Operation Date, and (iii) a certificate from a Licensed Professional Engineer substantially in the form of Exhibit I-2 setting forth the 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) An Interconnection Agreement between Seller and the PTO shall have been executed and delivered and be in full force and effect and a copy of the Interconnection Agreement delivered to Buyer;

(d) All applicable regulatory authorizations, approvals and permits for the commencement of operation of the Facility have been obtained (or if not obtained, applied for and reasonably expected to be received within [REDACTED] days) and all 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 Generating Facility (and reasonably expects to receive final CEC Certification and Verification for the Generating Facility in no more than [REDACTED] days from the Commercial Operation Date);

(f) Seller (with the reasonable participation of Buyer) shall have completed or caused to be completed (or, for items normally occurring after commercial operation of the Generating Facility, expects to timely complete) 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 Generating Facility, QRE service agreement applications, and other appropriate documentation required to effect Generating Facility registration with WREGIS and to enable Renewable Energy Credit transfers related to the Generating Facility within the WREGIS system;

(g) Seller has provided Buyer with a copy of written notice from the CAISO supporting Commercial Operation, in accordance with the CAISO Tariff;

(h) Seller has provided Buyer with a copy of written notice from the CAISO that the CAISO has approved the Scheduling Coordinator Metering Entity's SQMD Plan;

(i) the Storage Facility has achieved Full Capacity Deliverability Status or Interim Deliverability Status and Seller has provided Buyer with a copy of written notice from the CAISO that the Storage Facility has achieved Full Capacity Deliverability Status or Interim Deliverability Status;

(j) Seller has provided copies of the following documentation required to be provided as a condition precedent to commencement of the Delivery Term: proof of insurance required pursuant to this Agreement and proof of Seller's satisfaction of the prevailing wage and other workforce requirements set forth in Section 13.4 and in Exhibit T;

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

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

2.3 Development; Construction; Progress Reports. Within fifteen (15) days after the close of (i) each calendar quarter from the first calendar quarter following the Effective Date until the Expected Construction Start Date, and (ii) each calendar month from the first calendar month following the Expected Construction Start Date until the Commercial Operation Date, Seller shall provide to Buyer a Progress Report and shall be available to hold to regularly scheduled meetings between representatives of Buyer and Seller to review such reports and discuss Seller's construction progress. The form of the Progress Report is set forth in Exhibit E. Seller shall also provide Buyer with any reasonably requested documentation (subject to confidentiality restrictions such that Seller shall not be required to provide any confidential, proprietary or commercially sensitive information) 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 [REDACTED] days, Seller shall submit to Buyer, within ten (10) Business Days of either the Guaranteed Construction Start Date or third such missed Milestone, as applicable, or the end of the [REDACTED] day period for any single uncompleted Milestone if applicable, 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.

2.5 **CPUC Mid-Term Reliability Requirements.** The Parties acknowledge that Buyer intends to use this Agreement to comply with mandatory procurement obligations for incremental capacity pursuant to CPUC Decision 21-06-035, 23-02-040, and 24-02-040. Seller covenants that, subject to the terms of this Agreement:

(a) The Facility shall be incremental to the CPUC’s baseline generator list identified in CPUC Decision 21-06-035 as such list may be modified from time to time by the CPUC;

(b) The Product shall include the exclusive right to claim the Capacity Attributes of the Facility as an incremental resource, including for purposes of CPUC Decision 21-06-035;

(c) Seller has not and will not sell, assign or transfer the right to claim procurement of the Capacity Attributes of the Facility as an incremental resource, including for purposes of CPUC Decision 21-06-035, to any other person or entity; and

(d) Seller, upon reasonable request of Buyer, will provide additional information and documentation to Buyer to assist Buyer to meet compliance with regulatory agency requests and requirements that the Facility meets the procurement mandates, including as set forth in CPUC Decision 21-06-035. Seller hereby authorizes Buyer to submit this and similar documentation to any requesting regulatory agency as may be required in connection with satisfying Buyer’s compliance obligations for the Facility under the Agreement, provided that Buyer shall use reasonable efforts to obtain confidential treatment by the requesting regulatory agency for all information that qualifies as Confidential Information under the Agreement and is

eligible for confidential or protective treatment under the requesting regulatory agency's rules, orders, decisions on confidential or protected information.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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, Seller shall supply and deliver to Buyer the Product produced by or associated with the Facility, and Buyer will purchase the Product produced by or associated with the Facility at the Contract Price and in accordance with Exhibit C; provided, however, that prior to the occurrence of the Commercial Operation Date, Buyer shall pay Seller for Product at the Test Energy Rate. At its sole discretion, Buyer may during the Delivery Term re-sell all or a portion of the Product, after title and risk of loss thereto has been transferred to Buyer, provided that no such re-sale or use shall relieve Buyer of any obligations hereunder or modify any of Seller's obligations hereunder, and provided further that in no event shall Seller make, or be deemed to make, any retail sale under this Agreement. 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 in the market, and retain and receive any and all related revenues. Subject to Buyer's obligation to purchase the Product in accordance with this Section 3.1 and Exhibit C, Buyer has no obligation to purchase from Seller any Generating Facility Energy that 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 Delivery Term, Seller shall sell and deliver to Buyer, and Buyer shall purchase and receive from Seller, all Green Attributes attributable to the Generating Facility Energy generated and/or delivered by the Generating Facility.

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, subject to Exhibit D.

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 Sections 3.5(b) and 3.11, in such event, Buyer shall bear all costs 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, the operation of the Facility, or the Operating Restrictions, 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 or arising therefrom, if any, on terms reasonably acceptable to Seller.

(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 that such terms are not intended to alter the other material terms of this Agreement.

3.6 **Test Energy.** If and to the extent the Facility generates Test Energy, Seller shall sell and Buyer shall purchase from Seller all Test Energy and any associated Products of the Facility on an as-available basis. As compensation for such Test Energy and associated Product,

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.** The Storage Facility has obtained Full Capacity Deliverability Status or Interim Deliverability Status as of the Effective Date.

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

(b) Throughout the Delivery Term, Seller shall use commercially reasonable efforts to maintain eligibility for Full Capacity Deliverability Status or Interim Deliverability Status for the Storage Facility from the CAISO and shall perform all actions necessary to ensure that the Storage Facility qualifies to provide Resource Adequacy Benefits to Seller. Throughout the Delivery Term, and subject to Section 3.11, Seller hereby covenants and agrees to transfer all Resource Adequacy Benefits to Buyer from the Facility.

(c) For the duration of the Delivery Term and subject to Section 3.11, Seller shall take all commercially reasonable actions, including complying with all applicable registration and reporting requirements, and execute all documents or instruments necessary to enable Buyer to use all of the Capacity Attributes committed by Seller to Buyer pursuant to this Agreement.

3.8 **Resource Adequacy Failure.**

(a) **RA Deficiency Determination.** Subject to Section 3.8(b), for each RA Shortfall Month, Seller shall pay to Buyer the RA Deficiency Amount as liquidated damages or provide Replacement RA, in each case, as Buyer's sole remedy and Seller's sole liability for the Capacity Attributes Seller failed to convey to Buyer.

(b) **RA Deficiency Amount Calculation.** For each RA Shortfall Month occurring after the RA Guarantee Date, unless otherwise caused by or arising out of Force Majeure Event or RAR Change in Law, Seller shall pay to Buyer an amount (the "**RA Deficiency Amount**") equal to the product of the difference, expressed in kW, of (i) the Guaranteed RA Amount, minus (ii) the Delivered RA (such difference, the "**RA Shortfall**"), multiplied by the Replacement Price. "**Replacement Price**" means (a) the price at which Buyer, acting in a commercially reasonable manner, purchases a replacement for the Resource Adequacy Benefits in a quantity up to the amount of the RA Shortfall, plus actual costs directly incurred by Buyer in purchasing such replacement Resource Adequacy Benefits or (b) if Buyer does not purchase replacement Resource Adequacy Benefits, the market price for the Resource Adequacy Benefits not purchased by Buyer in a quantity up to the amount of the RA Shortfall, multiplied by the RA Shortfall

such amount, the "**Baseline RA Deficiency Amount Cap**");

Upon request from Seller, Buyer shall provide reasonable documentation demonstrating

that the Replacement Price amounts sought by Buyer from Seller were incurred or determined, as applicable, by Buyer in a commercially reasonable manner consistent with the components set forth in the immediately preceding sentence.

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 Generating 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 Opt-In Certification (AB 205) prior to Construction Start. Subject to Section 3.11, Seller shall obtain and maintain throughout the remainder of the Delivery Term the CEC Certification and Verification, which deadline will be extended on a day-for-day basis if there is a delay in CEC Certification and Verification and that delay is caused by any reason other than an act or omission of Seller. 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 Generating Facility.

3.10 **CPUC Non-Modifiable Standard Terms and Conditions (STC).**

(a) **Eligibility.** Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC 6].

(b) **Transfer of Renewable Energy Credits.** Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC REC-1].

(c) **Tracking of RECs in WREGIS.** Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. [STC-REC-2].

(d) With respect to the immediately preceding paragraphs, (i) the reference in Section 3.10(c) to "first delivery under the contract" has the same meaning as "first delivery of Facility Energy under this Agreement", (ii) the references in Section 3.10(a) to "Project" have the same meaning as "Generating Facility", (iii) the reference in Section 3.10(a)(ii) to "the Project's output" has the same meaning as "Generating Facility Energy", (iv) as used in Section 3.10(a),

“certified by the CEC” means the Generating Facility has received CEC Certification and Verification and (v) each reference in the last sentences of Section 3.10(a) and Section 3.10(b) to “commercially reasonable efforts” means efforts consistent with and subject to Section 3.11 below.

3.11 **Change in Law.**

(a) The Parties acknowledge that an essential purpose of this Agreement to provide renewable generation that meets the requirements of the California Renewables Portfolio Standard and Capacity Attributes to meet Resource Adequacy Requirements and mid-term reliability requirements, and that Governmental Authorities, including the CEC, CPUC, CAISO and WREGIS, may undertake actions to implement a Change in Law. Seller agrees to use commercially reasonable efforts subject to this Section 3.11 to cooperate with respect to any future requested changes, modifications, or amendments to this Agreement needed to satisfy requirements of Governmental Authorities associated with a Change in Law to maximize benefits to Buyer, including (i) the Product’s eligibility to qualify for or maintain Resource Adequacy Benefits; (ii) modification of the description of Green Attributes or Capacity Attributes as may be required, including updating the Agreement to reflect any mandatory contractual language required by Governmental Authorities; (iii) submission of any reports, data, or other information required by Governmental Authorities; or (iv) all other reasonable actions that may be required to assure that this Agreement or the Generating Facility is eligible as an Eligible Renewable Energy Resource under the California Renewables Portfolio Standard; provided that Seller shall have no obligation to modify this Agreement, or take other actions not required under this Agreement, if such modifications or actions would materially adversely affect, or could reasonably be expected to have or result in a material adverse effect on, any of Seller’s rights, benefits, risks and/or obligations under this Agreement.

(b) If a Change in Law occurring after the Effective Date has increased Seller’s known or reasonably expected costs and expenses to comply with Seller’s obligations under this Agreement with respect to (i) Seller’s obligations under Section 3.11(a), or (ii) obtaining, maintaining, conveying or effectuating Buyer’s use of (as applicable) any Product pursuant to provisions of this Agreement relating to Future Environmental Attributes, Capacity Attributes, CEC Certification and Verification, RPS, CAISO Tariff requirements, Seller Equipment Required for Curtailment Instruction Communications, or WREGIS, including costs, fees, taxes, or charges imposed in connection with the foregoing (any such action required to be taken by Seller to comply with such Change in Law, a “**Compliance Action**”), then the Parties agree that the maximum aggregate amount of costs and expenses Seller shall be required to bear during the Delivery Term to comply with all such Compliance Actions shall be capped at [REDACTED] per MW of Contract Capacity in aggregate over the Delivery Term; provided, that the maximum aggregate amount of costs and expenses Seller shall be required to bear for Compliance Actions (i) solely related to the Storage Facility, shall be capped at [REDACTED] per MW of Storage Contract Capacity and (ii) solely related to the Generating Facility, shall be capped at [REDACTED] per MW of Guaranteed Capacity (in each case, the “**Compliance Expenditure Cap**”). Seller’s (i) internal administrative costs (including but not limited to wages) associated with obtaining, maintaining, conveying or effectuating Buyer’s use of (as applicable) any Product, and (ii) property taxes of general commercial applicability (not directed primarily at electricity generation resources or battery storage facilities) or increases thereof, are excluded from the definition of Compliance Action. For clarity, Compliance Actions

shall not require Seller to install any additional MW or MWh of energy storage or generation capacity, or otherwise alter the physical design or configuration of the Facility in any material manner. Notwithstanding anything to the contrary hereunder, following a Change in Law and continuing for the period of time during which Seller is actively and diligently working to complete any Compliance Actions, to the extent such Change in Law and resulting work results in a reduction in capacity, efficiency and/or availability of the Storage Facility or production from the Generating Facility for a period of time, despite Seller's use of commercially reasonable efforts to avoid any such reduction in capacity, efficiency, availability and/or production, such reduced capacity, efficiency, availability and/or production shall be excluded and shall not be counted against Seller for purposes of calculating the Monthly Storage Availability, Efficiency Rate, Storage Capacity and/or Adjusted Energy Production. The Parties acknowledge and agree that Seller shall not be required to take any Compliance Actions or incur any costs or expenses in connection with any Administrative NQC Reduction and the Guaranteed RA Amount shall be reduced by any Administrative NQC Reduction regardless of whether Seller has taken any such actions or incurred any such costs or expenses.

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

(d) Buyer will have sixty (60) Days to evaluate such Notice (during which time period Seller shall not be obligated to take any Compliance Actions described in such Notice) and shall, within such time, either (1) agree to reimburse Seller for all of the costs and expenses to take the Compliance Action that exceed the Compliance Expenditure Cap (such costs and expenses (including lost production, if any), the "**Accepted Compliance Costs**"), or (2) waive Seller's obligation to take such Compliance Actions, *provided however* that if Buyer waives Seller's obligations to take such Compliance Actions, then Seller shall have the right to terminate this Agreement if such Compliance Actions or changes, modifications, payments, levies, assessments, or amendments are required to be made, paid, collected, or satisfied by Seller to satisfy requirements of Governmental Authorities associated with changes in Law. Any such termination shall be without further liability for either Party, other than payment of amounts due and/or owing, and except for any terms, covenants and conditions that by their own terms survive termination of this Agreement.

(e) If Buyer agrees to reimburse Seller for the Accepted Compliance Costs, Seller shall complete the Compliance Actions covered by such Accepted Compliance Costs as agreed upon by the Parties, provided that under no circumstances shall Seller be obligated to incur costs and expenses in excess of the Accepted Compliance Costs. Buyer shall pay Seller for the satisfactory completion of the Compliance Actions, not to exceed the Accepted Compliance Costs within thirty (30) days from the time that Buyer receives an invoice and documentation of such costs from Seller.

(f) If (x) Buyer fails to respond to such Notice within the time required by Section 3.11(d) or (y) does not pay, or refuses to pay, the Compliance Costs in excess of the Compliance Expenditure Cap, or (z) if it is not possible for Seller to achieve compliance with a Change in Law through the payment or incurrence of costs, then in each case (i) Seller shall be excused from the corresponding Compliance Actions under this Agreement and Seller shall not be

deemed in breach or default hereunder as a result of or arising out of such Compliance Actions, and (ii) Buyer shall continue to pay Seller under this Agreement for the remainder of the Contract Term without any damages or reduction in payments, as if any such Compliance Actions were taken.

3.12 **Bridge Capacity.** Notwithstanding any provision in this Agreement to the contrary, if the Commercial Operation Date has not occurred by June 1, 2028, Seller shall either, at Seller's option (a) use commercially reasonable efforts to provide Buyer with Bridge RA Capacity in the amount of the Storage Contract Quantity for each Showing Month until the first Showing Month of the Delivery Term or (b) reimburse Buyer for the Bridge RA Replacement Price of such Bridge RA Capacity, except that (i) the amount of Commercial Operation Delay Damages that would otherwise be owed by Seller during any such period of delivery of Bridge RA Capacity shall be reduced on a pro rata basis to reflect the quantity (in MW) of Bridge RA Capacity delivered to Buyer, and (ii) if the total cost of such Bridge RA Capacity for a Showing Month, including the costs and expenses incurred by Seller to (x) procure such Bridge RA Capacity or (y) reimburse Buyer for the Bridge RA Replacement Price of such Bridge RA Capacity, is greater than the amount of Commercial Operation Delay Damages that would have otherwise been paid by Seller during such time period, Buyer will credit or reimburse Seller for all reasonable and documented out of pocket costs in excess of such amount. To the extent that Seller exercises its option to provide the Bridge RA Capacity from an import resource, the Parties shall reasonably cooperate to ensure that there is sufficient maximum import capability (MIC) allocation for the associated Bridge RA Capacity and Seller shall deliver the Bridge RA Capacity in accordance with the delivery provisions to be set forth in the Agreement.

As used above:

"Bridge RA Capacity" means capacity that complies with the applicable requirements of D.21-06-035 and D.23-02-040, and any other relevant existing or subsequent decision, including compliance with the Resource Adequacy Requirements in effect as of the Effective Date.

"Bridge RA Replacement Price" means (a) the price at which Buyer, acting in a commercially reasonable manner, purchases a replacement for the Bridge RA Capacity in the amount of the Storage Contract Quantity not delivered by Seller, plus costs reasonably incurred by Buyer in purchasing such replacement Bridge RA Capacity, or at Buyer's option, (b) the market price for such replacement Bridge RA Capacity as determined by Buyer in a commercially reasonable manner; provided, however, Buyer shall not be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller's liability. Upon request from Seller, Buyer shall provide reasonable documentation demonstrating that the Bridge RA Replacement Price amounts sought by Buyer from Seller were incurred or determined, as applicable, by Buyer in a commercially reasonable manner consistent with the components set forth in the immediately preceding sentence.

ARTICLE 4 OBLIGATIONS AND DELIVERIES

4.1 **Delivery.**

(a) **Energy.** Subject to the provisions of this Agreement, commencing on the Commercial Operation Date 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. Except as otherwise provided herein, 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 without limitation, Station Use, Electrical Losses, and any operation and maintenance charges imposed by the Transmission Provider directly relating to the Facility's operations. Buyer shall be responsible for all costs, charges and penalties, if any, imposed in connection with the delivery of the Charging Energy to the Delivery Point and Facility Energy at and after the Delivery Point, including without limitation transmission costs and transmission line losses and imbalance charges. Notwithstanding any of the foregoing to the contrary, Buyer shall assume all liability and reimburse Seller for any and all CAISO charges and penalties incurred by Seller as a result of Buyer's actions or failures to comply with its obligations under this Agreement, including those resulting from a Buyer Curtailment Period. The Facility Energy will be scheduled to the CAISO by Buyer (or Buyer's designated Scheduling Coordinator) in accordance with Exhibit D and the Operating Restrictions.

(b) **Green Attributes.** All Green Attributes associated with the Generating Facility Energy during the Delivery 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 Generating Facility, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Generating Facility.

4.2 **Title and Risk of Loss.**

(a) **Energy.** Title to and risk of loss related to the Facility 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 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) 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

Generating Facility Energy, by hour, for the following calendar year in a form substantially similar to the table found in Exhibit F-1 (“**Form of Average Expected Energy Report**”), or as reasonably requested by Buyer.

(b) Monthly Forecast of Energy and Available Generating Capacity. No less than thirty (30) days before the Commercial Operation Date, 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 (“**Form of 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 or its Scheduling Coordinator with a non-binding forecast of the Available Generating Capacity, Storage Capacity and hourly Generating Facility Energy, in each case, for 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 hour, Seller’s best estimate of the Available Generating Capacity, Storage Capacity and hourly Generating Facility Energy. These Day-Ahead Forecasts shall be sent to the Scheduling Coordinator in the form of a CSV file or other mutually agreed file format. If Seller fails to provide Buyer or its Scheduling Coordinator 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 or Buyer’s best estimate based on information reasonably available to Buyer.

(d) Real-Time Forecasts. During the Delivery Term, Seller shall notify the Scheduling Coordinator of any changes from the Day-Ahead Forecast of one (1) MW or more in (i) Available Generating Capacity, (ii) Storage Capacity or (iii) hourly expected Generating Facility 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 Generating Facility Energy changes by at least one (1) MW 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 or its Scheduling Coordinator as soon as reasonably possible. Such Real-Time Forecasts of Generating Facility 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 Generating Facility 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. These Real-Time Forecasts shall be communicated in a method reasonably acceptable to Buyer or its Scheduling Coordinator; provided that Buyer or its Scheduling Coordinator specifies the method no later than five (5) Business Days prior to the effective date of such requirement. In the event Buyer or its Scheduling Coordinator 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 email to Buyer or its Scheduling Coordinator.

(e) Forced Facility Outages. Notwithstanding anything to the contrary herein, Seller shall use commercially reasonable efforts to notify the Scheduling Coordinator of such outage within ten (10) minutes of such Forced Facility Outage, but no later than the time periods required by the CAISO Tariff and the CAISO's outage management rules and Seller shall keep the Scheduling Coordinator 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. Subject to a Force Majeure Event, in the event Seller does not provide the notification required in Section 4.3(e) and Buyer incurs a loss or penalty resulting from its scheduling activities with respect to Facility Energy due to the failure of Seller to provide such notification, Seller shall be responsible for a Forecasting Penalty. Settlement of Forecasting Penalties shall occur as set forth in Article 8 of this Agreement.

(g) CAISO Tariff Requirements. Subject to the limitations expressly set forth in Section 3.11, 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 Facility Energy produced by the Facility and delivered to the Delivery Point, 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 it 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 Facility Energy through Buyer Curtailment Orders, provided that Buyer shall pay Seller for all Deemed Delivered Energy associated with a Buyer Curtailment Period at the Renewable Rate, in accordance with Exhibit C.

(c) Failure to Comply. Subject to Section 4.4(a), if Seller fails to comply with a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order, then, for each MWh of Facility Energy that is delivered by the 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 of Facility Energy that is delivered by the Facility to the Delivery Point in contradiction to the Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order 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 to Buyer 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. Subject to the last sentence of this Section 4.4(d), 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 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 (“**Seller Equipment Required for Curtailment Instruction Communications**”). 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 then-current methodologies. 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. If Seller is directed by Buyer to install or implement facilities, communications links or other equipment, protocols or practices pursuant to this Section 4.4(d) that are not otherwise required for the Facility pursuant to the CAISO Tariff, then the installation or implementation of such facilities, communications links or other equipment, protocols or practices will be deemed Compliance Actions subject to the Compliance Expenditure Cap as set forth in Section 3.11.

4.5 Charging Energy Management.

(a) Upon receipt of a valid Charging Notice, but subject to Section 4.5(b), Seller shall take any and all reasonable action necessary to deliver the Charging Energy from Grid Energy to the Storage Facility in order to deliver the Storage Product in accordance with the terms of this Agreement (including the Operating Restrictions). Except as expressly set forth in this Agreement, Buyer shall be responsible for paying all CAISO costs and charges associated with delivery of Charging Energy to the Storage Facility.

(b) During the Delivery Term, Buyer will have the right to instruct Seller 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, that Buyer’s right to issue Charging Notices is subject to 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 (it being understood that Seller may reject or adjust a Charging Notice in order to maintain compliance with the Operating Restrictions), 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 provided in Section 4.4(a). If, during the Delivery Term, Seller (i) charges the Storage Facility to a Stored Energy Level greater than the Stored Energy Level provided for in the Charging Notice or (ii) 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 specified in subsections (i) and (ii) in this sentence, (y) Buyer shall not be required to pay for the charging of such energy (i.e., Charging Energy), and (z) Buyer shall be entitled to instruct Seller 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 instruct Seller 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 Procedures. 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 Buyer, Buyer's SC, a Governmental Authority, 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 Procedures. If Seller is required to reduce deliveries of Generating Facility Energy as necessary to avoid exceeding the Dedicated Interconnection Capacity at the Delivery Point, all such reduced Generating Facility Energy deliveries shall constitute (and be treated as) Deemed Delivered Energy (a "**Discharging Curtailment**").

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.** Seller shall be entitled to maintain, repair, replace, and modify the Facility in accordance with Prudent Operating Practices. The Parties shall plan outage of Storage Capacity and Generating Capacity to mutually accommodate the reasonable requirements of Seller and Buyer. Unless otherwise agreed in writing, during the period of June 1st to September 30th, Seller shall not schedule non-emergency maintenance that reduces the Energy generation or storage capability of the Facility by more [REDACTED] 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 1st to September 30th, (iii) such outage is required in accordance with Prudent Operating Practices, or (iv) the Parties agree otherwise in writing (any of the scheduled maintenance permitted by this Section 4.6(a), a "**Planned Outage**"). Subject to providing Buyer thirty (30) days' prior Notice, Seller has the right to replace or augment existing batteries and other equipment for purposes associated with maintaining the Storage Contract Capacity or Storage Contract Output, provided that any replacement or augmentation shall not occur during the period of June 1st to September 30th unless (i) such replacement or augmentation activity will not cause Storage Capacity to be less than the Storage Contract Capacity, (ii) Seller can demonstrate to Buyer's reasonable

satisfaction that the replacement or augmentation will not materially affect ongoing operations, (iii) such replacement or augmentation is required or recommended pursuant to Prudent Operating Practices, or (iv) the Parties otherwise mutually agree.

(b) Forced Facility Outage. Seller shall be permitted to reduce deliveries of Product during any Forced Facility Outage. Seller shall provide the Scheduling Coordinator 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.

(f) Buyer Default. Seller shall be permitted to reduce deliveries of Product during any period in which there is Buyer Default.

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 (in addition to Generating Facility Energy) (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, Storage Capacity Tests, Buyer's Default, and Curtailment Periods ("Adjusted Energy Production"). 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.

4.8 Storage Availability.

(a) During the Delivery Term, the Storage Facility shall maintain a Monthly Storage Availability of [REDACTED] for the first Contract Year and [REDACTED] for all other Contract Years (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 Adjustment (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 tests of the Storage Capacity Test in accordance with Exhibit O.

(b) Buyer shall have the right to send one or more representative(s) to witness all Storage Capacity Tests. Such representative(s) shall not interfere with the 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. Other than as may be agreed pursuant to Section 3.11, the Party bearing the costs for Storage Capacity Tests shall be specified in Exhibit O.

(c) Following each Storage Capacity Test, Seller shall submit a testing report in accordance with Exhibit O. If the actual capacity or efficiency rate determined pursuant to a Storage Capacity Test, adjusted for Ambient Conditions, varies from the then current Storage Capacity and/or Efficiency Rate, as applicable, then the actual capacity and/or efficiency rate, as applicable, 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 Capacity and/or Efficiency Rate, effective as 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 Generating Facility 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, it being acknowledged that Seller may not be able under WREGIS rules to complete all WREGIS registration requirements prior to the Commercial Operation Date. 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. Seller shall be deemed to have satisfied the warranty in Section 3.10(c), provided that Seller fulfills its obligations under Sections 4.10(a) through (f) below. In addition:

(a) Prior to the Commercial Operation Date or as soon as reasonably possible thereafter, Seller shall register the Generating 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 "**Recurring 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 Generating 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. Buyer shall

be responsible for all expenses associated with establishing and maintaining Buyer's WREGIS Account.

(b) Seller shall cause Recurring 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 Generating Facility 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 Generating Facility Energy for such calendar month as evidenced by the Generating Facility's metered data.

(d) Due to the 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 notwithstanding that the WREGIS Certificates for such month may not have been 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 Generating Facility Energy for the same calendar month (taking into account the timing of WREGIS' issuance of WREGIS Certificates in the normal course and the carry forward of fractional MWh amounts) ("**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, and (A) remains uncured following the later of (i) thirty (30) days after Notice from Buyer thereof or (ii) [REDACTED] days after the Deficient Month and (B) Seller has not provided Replacement Green Attributes to Buyer in the amount of such deficit or shortfall within [REDACTED] days after the Deficient Month, then the amount of Generating Facility Energy in the Deficient Month shall be reduced by the amount of the WREGIS Certificate Deficit for purposes of calculating Buyer's payment next coming due to Seller under Article 8 and the Guaranteed Energy Production for the applicable Performance Measurement Period. If there is a shortfall of WREGIS Certificates 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 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 Generating Facility Energy in the same calendar month.

4.11 **Station Use**. Seller shall be responsible for providing all energy to serve Station Use (including paying the cost of any Energy procured to serve Station Use) and all Station Use will be provided in accordance with applicable Law, including in accordance with the applicable tariff of the local utility providing retail service to the Site. Buyer will not be responsible for any

costs associated with Station Use and Station Use will not be provided by the Generating Facility. Prior to Construction Start, the Parties shall mutually agree upon a protocol for monitoring, recording and reimbursing Buyer for any Station Use consumed from Grid Energy.

4.12 **Interconnection Capacity**. Seller shall ensure during the Test Energy period and throughout the Delivery Term that (a) the Facility will have and maintain interconnection capacity available or allocable to the Facility under the Interconnection Agreement that is no less than the Guaranteed Capacity; and (b) Seller shall have sufficient interconnection capacity and rights under the Interconnection Agreement to interconnect the Facility with the CAISO Grid and to fulfill Seller's obligations under this Agreement, including with respect to Resource Adequacy Benefits, and to allow Buyer to instruct the dispatch of the Facility in accordance with the CAISO Tariff and as contemplated under this Agreement, including the Operating Restrictions (collectively, and not to exceed the Guaranteed Capacity, the "**Dedicated Interconnection Capacity**"). Buyer shall be entitled to all rights and benefits associated with the Dedicated Interconnection Capacity, including any associated deliverability rights. Seller shall be responsible for all costs of interconnecting the Facility to the Transmission System. Seller shall hold Buyer harmless from any penalties, imbalance energy charges, or other costs from CAISO or under this Agreement resulting from Seller's inability to provide, or any third party use of, the Dedicated Interconnection Capacity.

4.13 **Excess Installed Battery Capacity**. It is acknowledged that Seller has the right and option in its discretion to install capacity in excess of the Storage Contract Capacity set forth on the Cover Sheet solely for the purpose of providing back-up capacity for the Installed Battery Capacity and Storage Capacity. For all purposes of this Agreement, the amount of Installed Battery Capacity or Storage Capacity shall never be deemed to exceed the Storage Contract Capacity set forth on the Cover Sheet, and (for the avoidance of doubt) Buyer shall have no rights to instruct Seller to (i) charge or discharge the Storage Facility at an instantaneous rate (in MW) in excess of the Storage Capacity or (ii) charge the Storage Facility to a level (in MWh) in excess of the Storage Capacity multiplied by four (4) hours.

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 time and place contemplated under the Agreement. 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 time and place contemplated under this Agreement (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 or promptly upon request by Seller 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 Energy delivered by Seller to Buyer hereunder shall be a sale made at wholesale, with Buyer reselling such Energy.

ARTICLE 6 MAINTENANCE OF THE FACILITY

6.1 **Maintenance of the Facility.** Seller shall comply with applicable 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 action to prevent such damage or injury. Such action may include, to the extent reasonably necessary, disconnecting and removing all or a portion of the Facility, or suspending the supply of Generating Facility Energy, Charging Energy, or Discharging Energy.

6.3 **Shared Facilities.** The Parties acknowledge and agree that certain of the Shared Facilities and Interconnection Facilities (including a transformer, substation and associated equipment and real property), and Seller's rights and obligations under the Interconnection Agreement, may be subject to certain shared facilities or co-tenancy agreements ("**Shared Facilities 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 Shared Facilities Agreements (i) shall permit Seller to perform or satisfy, and shall not purport to limit, its obligations hereunder, including providing the Dedicated Interconnection Capacity, (ii) continue to provide for separate metering and separate Resource IDs for each of the Generating Facility and the Storage Facility, and (iii) shall not allow any Affiliate of Seller or third party to use the Dedicated Interconnection Capacity. Seller shall hold Buyer harmless from any penalties, imbalance energy charges, or other costs or losses from CAISO or under the Agreement resulting from Seller's breach of this provision.

ARTICLE 7 METERING

7.1 **Metering.** Seller shall measure the amount of Facility Energy using the Facility Meter, which will be subject to adjustment in accordance with applicable CAISO meter requirements and Prudent Operating Practices, including to account for Grid Energy, Electrical Losses and Station Use. Seller shall measure the Charging Energy and the Discharging Energy using the Storage Facility Meter. All meters will be operated pursuant to applicable CAISO-approved calculation methodologies and maintained at Seller's cost. Subject to meeting any

applicable CAISO requirements, the meters shall be programmed to adjust for all losses from the Facility to the Delivery Point in a manner subject to Buyer's prior written approval, not to be unreasonably withheld. Metering shall be consistent with the requirements set forth in Exhibit R, an updated version of which shall be provided by Seller to Buyer at least thirty (30) days prior to Commercial Operation. Prior to Commercial Operation, Seller shall conduct a point-to-point test of the SCME metering configuration with Buyer (or its designee) present to observe such test. 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 outside of normal testing, 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. 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 Facility meter(s) at the Facility. Seller shall obtain and maintain a separate CAISO Resource ID dedicated exclusively to each of the Generating Facility and 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. In addition, upon the reasonable request of Buyer, Seller shall obtain one or more additional CAISO Resource IDs, provided that any out-of-pocket costs associated with obtaining such additional CAISO Resource IDs incurred by Seller shall be reimbursed by Buyer.

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 have a right to be present during such tests. If a meter is inaccurate it shall be promptly repaired or replaced.

7.3 **Scheduling Coordinator Metered Entity**. The Facility shall be configured as a Scheduling Coordinator Metered Entity. Buyer, as Scheduling Coordinator, shall therefore be responsible for (1) submitting the meter data to CAISO on behalf of the Facility and Seller, and (2) performing any other SCME functions that, per CAISO protocol, must be performed by the Scheduling Coordinator. In relation to the submission of meter data, Buyer may endorse a third party as an authorized user within the CAISO MRI-S system to submit such meter data on Buyer's behalf (assuming the third party is approved by the CAISO User Access Administrator). Buyer may also elect for this third party to be contracted and managed by the Seller, in which case the Seller is ultimately responsible for satisfactory performance of this function and all associated costs. If such third party service becomes commercially unavailable the Parties will discuss alternatives, provided that both Buyer and Seller acknowledge and agree that Seller will remain responsible for such third party service costs. Seller shall be responsible for performing, or causing to be performed by third parties, all other functions associated with the SCME arrangement (other than the submission of meter data to CAISO, which is subject to the foregoing terms of this Section 7.3), including any work to support CAISO auditing, testing, certification, and requirements of the SC. Prior to Seller's submission of the SQMD Plan to CAISO for review and approval, Seller shall provide a copy of the SQMD Plan to Buyer for Buyer's comment, review and approval, with such approval not to be unreasonably withheld, conditioned or delayed. The SCME shall provide for metering granularity of no more than five (5) minutes. Buyer shall use reasonable efforts to coordinate with Seller with respect to these obligations, provided that Seller shall be fully responsible for all associated costs, liabilities and schedule delays arising from such SCME arrangement, including the costs of hiring third parties and payment of any CAISO penalties for

non-compliance with SCME requirements. Buyer will be responsible for errors or penalties assessed by CAISO that are solely due to Buyer's acts or inactions.

ARTICLE 8 INVOICING AND PAYMENT; CREDIT

8.1 **Invoicing.** Within fifteen (15) Business Days after the end of each month of the Delivery Term, Seller shall send a detailed invoice to Buyer for the amount due for Product delivered during such month. 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 Generating Facility Energy produced by the Generating Facility as read by the Generating Facility Meter, the amount of Charging Energy as read by the Storage Facility Meter, the amount of Discharging Energy delivered from the Storage Facility as read by the Storage Facility Meter, the amount of Replacement RA delivered to Buyer (if any), the calculation of Facility Energy, Deemed Delivered Energy and Adjusted Energy Production, and the Contract Price applicable to such Product in accordance with Exhibit C; and (b) 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 set forth in Exhibit N, as may be updated from time to time by Seller by Notice to Buyer. Buyer shall pay undisputed invoice amounts within thirty (30) days from receipt of the invoice. If the 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 3-Month Secured Overnight Financing Rate (SOFR) rate (or a successor rate mutually agreed to by the Parties) 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, plus two percent (2%) (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 five (5) years or as otherwise required by Law. Upon five (5) Business Days' Notice to the other Party, either Party shall be granted 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 [REDACTED]

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. Unless otherwise agreed by the Parties, no adjustment of invoices shall be permitted after twenty-four (24) months from the date of invoice unless due to a correction of data by CAISO.

8.5 **Billing Disputes.** A Party may, in good faith, dispute the correctness of any invoice, any payment, or any adjustment to an invoice or payment rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, payment 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 or payment 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 ten (10) 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 and Deemed Delivered Energy during the monthly billing period under this Agreement or otherwise arising out of this Agreement, including any related damages calculated pursuant to Exhibits B, G and P, 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 the Development Security to Buyer within thirty (30) days of the Effective Date. Seller shall maintain the Development Security in full force and effect. Within ten (10) Business Days following any draw by Buyer on the Development Security [REDACTED], Seller shall replenish the amount drawn such that the Development Security is restored to the applicable amount. Upon the earlier of (i) Seller's delivery of the

Performance Security, or (ii) promptly, but no later than thirty (30) days after termination of this Agreement, Buyer shall return the Development Security to Seller, less the amounts drawn in accordance with this Agreement. Provided that no Event of Default has occurred and is continuing with respect to Seller, Seller may replace Development Security or change the form of Development Security to another form of Development Security from time to time upon reasonable prior Notice to Buyer.

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. Within ten (10) Business Days following any draw by Buyer on the Performance Security after the Commercial Operation Date, Seller shall replenish the amount drawn such that the Performance Security is restored to the applicable amount. Seller shall maintain the Performance Security in full force and effect 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 not allocated to invoiced but unpaid amounts pursuant to this Section 8.8. Provided that no Event of Default has occurred and is continuing with respect to Seller, Seller may replace Performance Security or change the form of Performance Security to another form of Performance Security from time to time upon reasonable prior Notice to Buyer.

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, to the extent provided in the form of cash, 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 continuance 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):

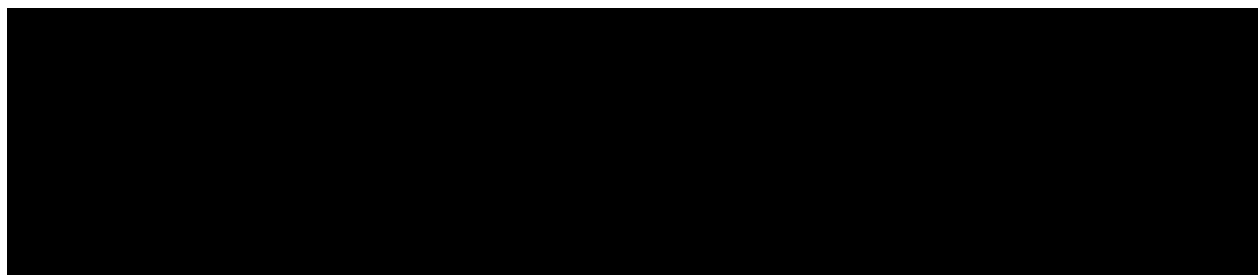
(a) Exercise any of its rights and remedies with respect to the Development Security and Performance Security, including any such rights and remedies under Law then in effect;

(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 **Seller's 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 generally accepted accounting principles in the United States, consistently applied.



ARTICLE 9 NOTICES

9.1 **Addresses for the Delivery of Notices.** 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 email or other electronic means), 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. In addition, for any Notice sent pursuant to (a), (b) or (d) above, the Party sending such Notice shall send a courtesy copy by email to the email address provided on Exhibit N on the same date as such Notice is being served, given or delivered.

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, except as set forth below, so long as an event otherwise satisfies the definition of a Force Majeure Event, a Force Majeure Event may include an act of God or the elements, including flooding, lightning, hurricanes, tornadoes, or ice storms; explosion; fire; a state of emergency declared by a relevant Governmental Authority; volcanic eruption; flood; pandemic or epidemic; landslide; mudslide; sabotage; terrorism; earthquake or other cataclysmic events; an act of public enemy; war; blockade; civil insurrection; riot; civil disturbance; insurrection; rebellion; violent demonstrations; or strikes, lock-outs, work stoppages or other labor difficulties caused or suffered by a Party or any third party except as set forth below.

(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 the Product, or any component thereof 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 to the extent such inability is caused by a Force Majeure Event; (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; (iv) a Curtailment Period except to the extent caused by a Force Majeure Event; (v) Seller’s inability to obtain sufficient labor, equipment, materials, or other resources to build or operate the Generating Facility or the Storage 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 Generating Facility or the Storage Facility; or (vii) any equipment failure except if such equipment failure is caused by a Force Majeure Event.

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 or delayed 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 promptly remove such inability or delay. 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 any provision in this Agreement to the contrary, 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) or (iv) and [REDACTED] receive a Damage Payment upon exercise of Buyer's remedies pursuant to Section 11.2.

10.3 **Notice.** Within five (5) Business Days after the claiming Party becomes aware of the impact of a Force Majeure Event, the claiming Party shall provide the other Party with oral notice of the Force Majeure Event, and within two (2) weeks of the claiming Party becoming aware of the impact of the Force Majeure Event, the claiming Party shall provide the other Party with Notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the claim of Force Majeure Event, including the nature, cause, estimated date of commencement thereof, and the anticipated extent of any delay or interruption in performance. Failure to provide timely Notice as described in the preceding sentence constitutes a waiver of a Force Majeure Event claim for all periods prior to the non-claiming Party's receipt of such Notice, and the Force Majeure Event will be deemed to have commenced as of the date of such notice. Upon written request from the non-claiming Party, the claiming Party shall provide documentation demonstrating to the non-claiming Party's reasonable satisfaction that each day of the claimed delay was the result of a Force Majeure Event and did not result from the claiming Party's actions or failure to exercise due diligence or take reasonable actions. 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 affected 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.

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. Upon any such termination, neither Party shall have any liability to the other Party, save and except for those obligations specified in Section 2.1(b), and Buyer shall promptly return to Seller any Performance Security then held by Buyer, less any amounts drawn in accordance with this Agreement [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) day 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 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) day 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) the failure by Seller to achieve Commercial Operation within [REDACTED];

(iii) [REDACTED]

[REDACTED]

(iv) the failure by Seller to achieve the Construction Start Date within

[REDACTED]

(v)

[REDACTED]

(vi)

[REDACTED]

(vii)

[REDACTED]

(viii)

[REDACTED]

(ix)

[REDACTED]

(x) failure by Seller to satisfy the collateral requirements pursuant to Sections 8.7 or 8.8 within five (5) Business Days after Notice from Buyer;

(xi) 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

(xii) 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, in each case, in the amount required hereunder within fifteen (15) 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 forty-five (45) 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 11.1(b)(iv)) subject to the limitations in Section 11.7 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;

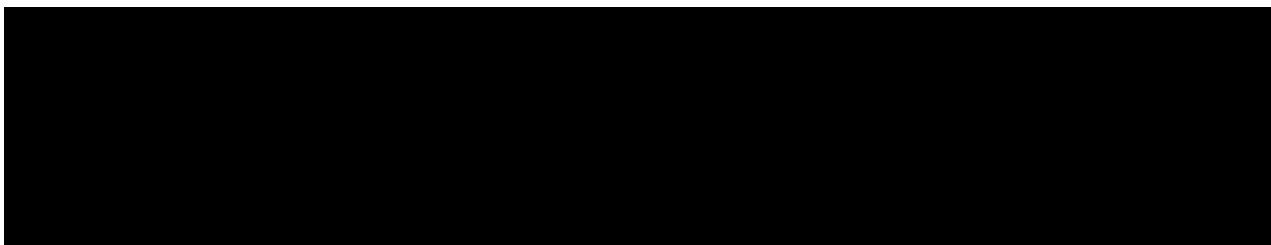
provided, that payment by the Defaulting Party of the Damage Payment or Termination Payment, as applicable, shall constitute liquidated damages and the Non-Defaulting Party’s sole and exclusive remedy for any Terminated Transaction and the Event of Default related thereto.

11.3 **Termination Payment.** The Termination Payment (“**Termination Payment**”) for a Terminated Transaction shall be the aggregate of all Settlement Amounts plus any or all other amounts due to the Non-Defaulting Party (as of the Early Termination Date) minus any and all other amounts due 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 a 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 a 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 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 whether, in the case of a Termination Payment, 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 Termination Payment shall be made to or from the Non-Defaulting Party, as applicable, within ten (10) Business Days after such Notice is effective.

11.5 **Disputes with Respect to Termination Payment.** If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, 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 Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute. Disputes regarding the Termination Payment 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. Any 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; provided, however, Buyer shall not be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller's liability.



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 PART OF AN ARTICLE 16 INDEMNITY CLAIM, OR INCLUDED IN A LIQUIDATED DAMAGES CALCULATION, OR ARISING FROM FRAUD OR INTENTIONAL MISREPRESENTATION, OR CONSTITUTING LOST OR FOREGONE TAX CREDITS OR RENEWABLE ENERGY INCENTIVES, 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.

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 limited liability company, 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 limited liability company 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.

13.2 **Seller's Covenants**. Seller covenants that commencing on the Effective Date and continuing through the Contract Term:

(a) The Facility will be located in the State of California.

(b) Seller shall maintain Site Control throughout the Contract Term and shall provide Buyer with prompt Notice of any material change in the status of Seller's Site Control.

(c) Seller will be responsible for obtaining any and all permits, approvals, including without limitation environmental clearance under the California Environmental Quality Act ("CEQA") or other environmental law, from the local jurisdiction where the Facility is or will be constructed. Seller agrees and acknowledges that Buyer is simply purchasing energy and storage services under the Agreement and does not intend to be the lead agency for the Facility.

(d) Seller covenants that it will not knowingly utilize equipment or resources 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**"). The Parties acknowledge that pursuant to the business advisory jointly 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.

13.3 **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 and affirmatively waives immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (1) suit, (2) jurisdiction of court (provided that such court is located within a venue permitted in Law and under this Agreement), (3) relief by way of injunction, order for specific performance or recovery of property, (4) attachment of assets, or (5) 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.

13.4 **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 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 applicable courts or administrative bodies or tribunals, including, without limitation employment discrimination laws and prevailing wage laws. 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 the 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**”). Buyer agrees that Seller’s obligations for the Prevailing Wage Requirement will be satisfied upon the execution of a project labor agreement related to construction of the Facility and delivery of a copy of such agreement to Buyer.

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 in this Article 14, any Change of Control of Seller or direct or indirect change of control of Buyer (whether voluntary or by operation of law) shall be deemed an assignment and will require the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; *provided*, that a Change of Control of Seller shall not require Buyer’s prior consent if (i) the assignee is an Affiliate of Seller, (ii) if such Change of Control is a result of a Lender exercising remedies as permitted pursuant to a Collateral Assignment Agreement under Section 14.2, or (iii) the assignee is a Permitted Transferee in accordance with Section 14.3. Any assignment made in violation of the conditions to assignment set out in this Article 14 shall be null and void. Buyer shall work with Seller in good faith to negotiate and enter into reasonable consents, estoppels, or other required documentation in connection with Seller’s financing for the Facility, so long as the terms and conditions of such agreements are reasonably acceptable to both Parties. Seller shall pay Buyer’s reasonable and documented third party expenses, including reasonable attorneys’ fees, incurred to provide consents, estoppels, or other required documentation in connection with Seller’s financing for the Facility.

14.2 **Collateral Assignment.** Subject to the provisions of this Section 14.2, Seller has the right to assign this Agreement or any part of its ownership interests in the Facility as collateral for any financing or refinancing of the Facility, and to assign this Agreement to an Affiliate under the direct or indirect control of the Ultimate Parent without the consent of Buyer. In connection with any financing or refinancing of the Facility by Seller, Buyer shall in good faith work with Seller and Lenders to agree upon a consent to collateral assignment of this Agreement (“**Collateral Assignment Agreement**”), and, if requested by Seller in connection with any financing or refinancing by a Lender, estoppel certificates or similar instruments with substantially similar provisions as reasonably requested by Seller or any such Lender. Each Collateral Assignment Agreement must be in form and substance agreed to by Buyer, Seller and the applicable Lender, such agreement not to be unreasonably withheld, conditioned, or delayed. Buyer will not be subject to obligations under more than one Collateral Assignment Agreement at any time. Each Collateral Assignment Agreement must include, among others, the following provisions (with such changes as may be reasonably requested by a Lender) unless otherwise agreed to by Buyer, Seller and the applicable 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 or suspend performance under 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) Lender will have the right to cure an Event of Default on behalf of Seller if Lender sends Notice to Buyer before the later of (i) the expiration of any cure period, and (ii) ten (10) 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 such 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 [REDACTED] days (or, in the event of a bankruptcy of Seller or any foreclosure or similar proceeding if required by Lender to cure any Event of Default, an additional reasonable period of time to complete such proceedings and effect such cure not to exceed [REDACTED] days without the written consent of Buyer, which consent shall not be unreasonably withheld, conditioned, or delayed), 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;

(c) 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 (b) above) 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;

(d) Lender will have the right to consent before any termination of or suspension by Buyer of its performance under this Agreement which does not arise out of an Event of Default and if pursuant to any Event of Default, is not cured in accordance with Section 14.2(c);

(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 this Agreement is transferred to Lender (or its assignee or transferee) pursuant to subsection (b) above, Lender (or its assignee or transferee) must assume all of Seller's obligations arising under this Agreement on and after the date of such assumption (subject to such limits on liability as are mutually agreed by Seller, Buyer and Lender 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 transfer date 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 are not reasonably capable of cure), or

(ii) Not assume this Agreement.

(g) If Lender or its assignee or transferee elects to sell or transfer this Agreement, then Lender must cause the transferee to assume all of Seller's obligations arising under this Agreement arising after the date of such assumption as a condition of the sale or transfer. Such sale or transfer may be made only to an entity that meets the definition of Permitted Transferee;

(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 or its designee shall have the right to elect within ninety (90) 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 after any such rejection or termination of this Agreement, promptly after Buyer's written request, 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), if such designee is not an entity that meets the definition of Permitted Transferee then such designee shall be subject to the prior written approval of Buyer, such approval not to be unreasonably withheld; and

(i) The Parties shall negotiate any Collateral Assignment Agreement in good faith, including variations to the provisions set forth in this Section 14.2, and to the extent the Collateral Assignment Agreement executed by Buyer and Lender varies from such provisions, the terms of such Collateral Assignment Agreement shall be controlling. In addition, Buyer shall cooperate with Seller or any Lender to execute or arrange for delivery of estoppels reasonably requested by Seller or Lender.

14.3 Permitted Assignment by Seller.

[REDACTED]

14.4 Buyer Limited Assignment.

[REDACTED]



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 Law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. [STC 17]. Subject to Section 15.2, 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 state courts of [Santa Clara County][Monterey County]⁷, or if appropriate, in the United States District Court, Northern District of California, San Francisco, California.

15.2 **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 authorized members of the Parties' senior management 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.

⁶ NTD: Exhibit S remains under Seller financing review.

⁷ NTD: To be modified when form is split for each CCA.

ARTICLE 16 INDEMNIFICATION

16.1 **Indemnification**. Each Party (the “**Indemnifying Party**”) agrees to indemnify, defend and hold harmless the other Party and its Affiliates, directors, officers, attorneys, employees, representatives and agents (collectively, the “**Indemnified Party**”) from and against all third-party claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys’ fees and expert witness fees), howsoever described, 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 negligence or willful misconduct of the Indemnifying Party, its Affiliates, directors, officers, employees, or agents, excepting only such claims, demands, losses, liabilities, penalties and expenses to the extent solely caused by the willful misconduct or negligence of a member of the Indemnified Party (collectively, “**Indemnifiable Losses**”).

16.2 **Claim Notice**.

(a) **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 provide Notice to 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 the Indemnified Party regarding the Indemnifiable Loss.

(b) **Failure to Provide Notice**. A failure to give timely Notice or to include any specified information in any Notice as provided in this Section 16.2 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, the Indemnifying Party is not obligated to indemnify the Indemnified Party 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.

16.3 **Defense of Claims**. If, within ten (10) Business Days after giving a Notice of Claim regarding a Claim to the Indemnifying Party pursuant to Section 16.2(a), the Indemnified Party receives Notice from such Indemnifying Party that the Indemnifying Party has elected to assume the defense of such Claim, the Indemnifying Party will not be liable for any legal expenses subsequently incurred by the Indemnified Party in connection with the defense thereof; provided, however, that if the Indemnifying Party fails to take reasonable steps necessary to defend diligently such Claim within ten (10) Business Days after receiving Notice from the Indemnified Party that the Indemnified Party believes the Indemnifying Party has failed to take such steps, or if the Indemnifying Party has not undertaken fully to indemnify the Indemnified Party in respect of all Indemnifiable Losses relating to the matter, the Indemnified Party may assume its own defense, and the 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 the Indemnified Party, the 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 the Indemnified Party for which the Indemnified Party is not entitled to indemnification hereunder; provided, however, that the Indemnifying Party may accept any settlement without the consent of the Indemnified Party if such settlement provides a full release to the Indemnified Party and no requirement that the 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 the Indemnified Party for which the Indemnified Party is not entitled to indemnification hereunder and the Indemnifying Party desires to accept and agrees to such offer, the Indemnifying Party will give Notice to the Indemnified Party to that effect. If the Indemnified Party fails to consent to such firm offer within ten (10) calendar days after its receipt of such Notice, the Indemnified Party may continue to contest or defend such Claim and, in such event, the maximum liability of the Indemnifying Party to such Claim will be the amount of such settlement offer, plus reasonable costs and expenses paid or incurred by the Indemnified Party up to the date of such Notice.

16.4 **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.

16.5 **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, including sudden and accidental pollution coverage, products and completed operations and personal injury insurance, with a minimum amount of [REDACTED] per occurrence, and an annual aggregate of not less than [REDACTED], endorsed to provide contractual liability in said amount, specifically covering Seller's obligations under this Agreement and including Buyer as an additional insured but only to the extent of the liabilities assumed hereunder by Seller; and (ii) an umbrella insurance policy in a minimum amount of liability of [REDACTED]. Defense costs shall be provided as an additional benefit and not included within the limits of liability. Such insurance shall contain standard cross-liability and severability of interest provisions. Required insurance limits may be satisfied through coverage provided by either a commercial general liability policy, an umbrella/excess liability policy or a combination thereof.

(b) Employer's Liability Insurance. Employers' Liability insurance shall be at least [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.

(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.

(d) Business Auto Insurance. Seller shall maintain at all times during the Contract Term business auto 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 this Agreement.

(e) Construction All-Risk Insurance. Seller shall maintain or cause to be maintained during the construction of the Facility prior to the Commercial Operation Date, construction all-risk form property insurance covering the Facility during such construction periods, and naming the Seller (and Lender if any) as the loss payee where its interest may appear.

(f) Contractor's Pollution Liability. Seller shall maintain or cause to be maintained during the Delivery Term, Pollution Legal Liability Insurance in the amount [REDACTED] per occurrence and in the aggregate, naming Seller (and Lender if any) as additional named insured. Insurance may be evidenced through primary and excess policies.

(g) Contractor Insurance. Seller shall require the contractor under its engineering, procurement, and construction contract for the Facility to carry (i) comprehensive general liability insurance with a combined single limit of coverage not less than [REDACTED]; (ii) workers' compensation insurance and employers' liability coverage in accordance with applicable requirements of Law; and (iii) business auto insurance for bodily injury and property damage with limits of [REDACTED] per occurrence. The contractor shall name Seller as an additional insured to insurance carried pursuant to clauses (g)(i) and (g)(iii). The contractor shall provide a primary endorsement and a waiver of subrogation to Seller for the required coverage pursuant to this Section 17.1(g).

(h) Evidence of Insurance. Within thirty (30) days after execution of the Agreement and upon annual renewal thereafter, Seller shall deliver to Buyer certificates of insurance evidencing such coverage. These certificates shall specify that Buyer shall be given at least ten (10) days prior Notice by Seller in the event of any material adverse modification, cancellation or termination 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.** “**Confidential Information**” means information, whether oral or written, that is delivered by Seller to Buyer or by Buyer to Seller, including (a) pricing and other commercially-sensitive or proprietary information provided to Buyer in connection with 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. Notwithstanding the foregoing, the Parties acknowledge and agree that Buyer intends to make publicly available a version of this Agreement with certain commercially sensitive provisions removed or redacted. The Parties agree to work in good faith to agree on the scope of such redactions and Buyer’s public disclosure of this Agreement, redacted as agreed between the Parties, shall be in accordance with the requirements of Law and this Article 18.

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, including to comply with any requirements of Law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding applicable to the disclosing Party or any of its Affiliates (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 request or 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. 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. The Parties acknowledge and agree that this Agreement, and information and documentation provided in connection with this Agreement, including Confidential Information, may be subject to the California Public Records Act (Government Code Section 7920 et seq.). The provisions of this Article 18 shall survive and shall continue to be binding upon the Parties for period of one (1) year following the date of termination of this Agreement.

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 herein. 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 Agreement or the continuation of any such breach, without the necessity of proving actual damages.

18.4 **Permitted Disclosure.** Notwithstanding anything to the contrary in this Article 18, each Party may disclose Confidential Information to such Party's Affiliates, actual or potential Lenders or investors or purchasers (including tax credit purchasers), actual or potential agents, consultants, contractors, trustees, members, employees or officers, and in the case of Buyer, to actual or potential Limited Assignees, so long as the Person (other than a Person that has an ethical duty to Buyer or Seller, as applicable) 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. In addition, Buyer may, in its reasonable discretion, disclose a redacted version (or an unredacted version, if required by Law or a Governmental Authority) of this Agreement, or any portion thereof, and any information, data, analyses, documents, and materials furnished or made available to Buyer in connection with this Agreement to the CAISO, the CPUC, and all divisions thereof, the CEC, the CARB, and any other Government Authority having jurisdiction over Buyer or this Agreement; provided that Buyer shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Government Authority to further disclose such information that qualifies as Confidential Information and is eligible for confidential or protective treatment under the respective regulatory agency's rules, orders, or decisions on confidential or protected information.

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. For the purposes of this section and to the extent the information is not prohibited by Law from disclosure, press release does not include records released by Buyer, including annual comprehensive financial reports; memorandums or reports to Buyer's Board of Directors; documentations submitted to regulatory agencies; disclosures related to public financings; and production of records required by subpoena, court order, or under the California Public Records Act (Government Code Section 7920 et seq.).

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, 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, or in any Collateral Assignment Agreement, 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” application of the “just and reasonable” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 (2008), and *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 527 (2010). 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; Service Contract.** The Parties intend 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. The Parties intend for this Agreement to be a service contract as described in Section 7701(e) of the Internal Revenue Code of 1986, as amended.

19.12 **Change in Electric Market Design.** If a change in the market structure or CAISO Tariff renders this Agreement or any provisions hereof incapable of being performed or administered, then any Party may request that Buyer and Seller enter into negotiations to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered, while attempting to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date. Upon delivery of such a request, Buyer and Seller shall engage in such negotiations in good faith. If Buyer and Seller are unable, within sixty (60) days after delivery of such request, to agree upon changes to this Agreement or to resolve issues relating to changes to this Agreement, then any Party may submit issues pertaining to changes to this Agreement to the dispute resolution process set forth in Article 15. Notwithstanding the foregoing, (i) a change in cost shall not in and of itself be deemed to render this Agreement or any of the provisions hereof incapable of being performed or administered, and (ii) all of the unaffected provisions of this Agreement shall remain in full force and effect during any period of such negotiation or dispute resolution.

19.13 **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.

[signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date.

**[IP Darden III, LLC],[IP Darden IV, LLC] [Silicon Valley Clean Energy Authority][Central
a Delaware limited liability company Coast Community Energy], a California joint
powers authority**

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Approved as to form:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

FACILITY DESCRIPTION

Site Name: Darden [III][IV] Project

Site includes all or some of the following APNs: See attached Schedule 1. This Agreement is specific to the Site and Seller may change the location of the Site only upon Buyer's prior written consent, which consent is in Buyer's sole discretion.

County: Fresno County, California

CEQA Lead Agency:

Type of Generating Facility: Solar photovoltaic electricity generating facility

Type of Storage Facility: A lithium-ion battery energy storage system which is capable of receiving Charging Energy in the form of Grid Energy.

Guaranteed Capacity: See definition in Section 1.1.

Storage Contract Capacity: See definition in Section 1.1.

Maximum Charging Capacity: [REDACTED] MW

Maximum Discharging Capacity: [REDACTED] MW

Maximum Storage Level: [REDACTED] MWh

Operating Restrictions of Storage Facility: See Exhibit Q

Interconnection Point: PG&E's Los Bano-Midway 500 kV transmission line

Delivery Point: Facility Pnode on the CAISO Controlled Grid.

PNode: [REDACTED]

Participating Transmission Owner: PG&E

Schedule 1

List of all APNs⁸

[Darden III]

[Darden IV]

⁸NTD: To be broken out for each CCA.

EXHIBIT B

FACILITY CONSTRUCTION AND COMMERCIAL OPERATION

1. **Construction of the Facility.**

- a. **“Construction Start”** will occur once Seller has executed an engineering, procurement, and construction contract or similar agreement and Seller or its designee has issued a full notice to proceed that authorizes the contractor to mobilize to 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 shall be the **“Construction Start Date.”** Seller shall use commercially reasonable efforts to cause Construction Start to occur no later than the Guaranteed Construction Start Date. The **“Guaranteed Construction Start Date”** means the Expected Construction Start Date, subject to extensions on a day-for-day basis for the Development Cure Period.
- b. If Construction Start is not achieved by the Guaranteed Construction Start Date, Seller shall pay Construction Delay Damages to Buyer for each day for which Construction Start has not begun after the Guaranteed Construction Start Date. Construction Delay Damages shall be payable to Buyer by Seller until Seller reaches Construction Start of the Facility. Buyer shall invoice Seller for Construction 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 Construction Delay Damages set forth in such invoice. If Seller fails to pay the Construction Delay Damages within ten (10) Business Days of receipt of Buyer’s invoice, Buyer shall be entitled to deduct such Construction Delay Damages from the Development Security. Construction Delay Damages shall be refundable to Seller pursuant to Section 2 b. of this Exhibit B. The Parties agree that Buyer’s receipt of Construction Delay Damages shall be Buyer’s sole and exclusive remedy and Seller’s sole and exclusive liability for Seller’s unexcused delay in achieving the Construction Start Date on 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) or 11.1(b)(iv) 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, and (iii) Buyer has acknowledged to Seller in writing that Buyer agrees that Commercial Operation has been achieved, which acknowledgement shall not be unreasonably withheld, conditioned or delayed; provided if Buyer fails to acknowledge or provide written notice disputing Commercial Operation

within five (5) Business Days following Seller's notice of Commercial Operation, Buyer's right to acknowledge Commercial Operation shall be waived and Commercial Operation shall be deemed to have occurred as of the last day of such five (5)-Business Day period. The "**Commercial Operation Date**" shall be the later of [REDACTED]

- a. Seller shall use commercially reasonable efforts to cause Commercial Operation for the Facility to occur by the Expected Commercial Operation Date (as such date may be extended by the Development Cure Period (defined below), the "**Guaranteed Commercial Operation Date**"). Seller shall notify Buyer that it intends to achieve Commercial Operation at least sixty (60) days before the anticipated Commercial Operation Date.
- b. If Seller achieves Commercial Operation for the Facility by the Guaranteed Commercial Operation Date, all Construction Delay Damages paid by Seller shall be refunded to Seller. Seller shall include a request for refund of such Construction 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 for each day after the Guaranteed Commercial Operation Date until the Commercial Operation Date [REDACTED]. Commercial Operation Delay Damages shall be paid to Buyer in advance on a monthly basis by the first day of the month in which such Commercial Operation Delay Damages begin accruing. If Seller fails to pay the Commercial Operation Delay Damages within ten (10) Business Days of receipt of Buyer's invoice, Buyer shall be entitled to deduct such Commercial Operation Delay Damages from the Development Security. If Commercial Operation is achieved during a month for which Commercial Operation Delay Damages have been paid in advance, Buyer shall return to Seller a prorated amount equal to the Commercial Operation Delay Damages paid for each day in such month from and after the Commercial Operation Date. The Parties agree that Buyer's receipt of Commercial Operation Delay Damages shall be Buyer's sole and exclusive remedy and Seller's sole and exclusive liability for delay in achieving the Commercial Operation Date on or before the date that is [REDACTED] days after 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 receive a Damage Payment upon exercise of Buyer's remedies pursuant to Section 11.2.

3. **Termination for Failure to Achieve Commercial Operation.** If the Facility has not achieved Commercial Operation within [REDACTED] Buyer may elect to terminate this Agreement in accordance with Sections 11.1(b)(ii) and 11.2.

4. **Extension of the Guaranteed Dates.** Both of the Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date shall, subject to notice and documentation requirements set forth below, be automatically extended on a day-for-day basis (the “**Development Cure Period**”) due to:

- a. a Force Majeure Event;

[REDACTED]

[REDACTED]

[REDACTED]

Notwithstanding anything in this Agreement to the contrary, (i) the cumulative extensions granted under the Development Cure Period shall not exceed [REDACTED] days for any reason, including a Force Majeure Event and (ii) the extensions granted pursuant to clause 4(c) under the Development Cure Period shall not exceed thirty (30) days. In addition, no extension under the Development Cure Period shall be given if (i) the delay was the result of Seller’s failure to take commercially reasonable actions to meet its requirements and deadlines, (ii) if Seller is asserting a claim of Force Majeure Event, and Seller does not satisfy the requirements of a Force Majeure Event, including the notice and documentation requirements under Section 10.3, or (iii) if Seller is asserting a claim for any delay provided for above and Seller fails to provide Notice to Buyer within thirty (30) days after Seller became aware of the impact of the actual delay affecting the Facility, except that in the case of a delay occurring within [REDACTED] days of the Expected Commercial Operation Date, or after such date, Seller must provide Notice within five (5) Business Days of Seller becoming aware of the impact 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 [REDACTED] days after the Commercial Operation Date to install additional capacity or Network Upgrades such that the Installed PV Capacity is at least equal to the Guaranteed Capacity, and Seller shall provide to Buyer a new certificate substantially in the form attached as Exhibit I-1 hereto specifying the new Installed PV Capacity. If Seller fails to construct the Guaranteed Capacity by such date, Seller shall pay, as Buyer’s sole and exclusive remedy and Seller’s sole

and exclusive liability for such shortfall, “**Capacity Damages**” to Buyer, in an amount equal to [REDACTED] for each MW (or portion thereof) that the Guaranteed Capacity exceeds the Installed PV Capacity, and the Guaranteed Capacity and other applicable portions of this 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 [REDACTED] days after the Commercial Operation Date to install additional capacity or Network Upgrades such that the Installed Battery Capacity is at least equal to 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-2 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, as Buyer’s sole and exclusive remedy and Seller’s sole and exclusive liability for such shortfall, in an amount equal to [REDACTED] for 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 this 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) Excess Contract Year Deliveries Over [REDACTED]

(c) Excess Settlement Interval Deliveries. If during any Settlement Interval, Seller delivers Product amounts, as measured by the amount of Generating Facility 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 [REDACTED] 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.

(d) Storage Rate. [REDACTED]

(e) Liquidated Damages for Failure to Achieve Guaranteed Efficiency Rate. [REDACTED]

(f) Test Energy. Test Energy is compensated in accordance with Section 3.6.

(g) Tax Benefits. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXHIBIT D

SCHEDULING COORDINATOR RESPONSIBILITIES

(a) Buyer as Scheduling Coordinator for the Facility. Upon Initial Synchronization of the Facility to the CAISO Grid, Buyer (or its designated qualified third party) shall be the Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with the CAISO for the Facility for both the delivery and the receipt of Test Energy and the Product at the Delivery Point. At least thirty (30) days prior to the Initial Synchronization of the Facility to the CAISO Grid, (i) Seller shall take all reasonable 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, expeditiously 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, that may develop after the Effective Date, as determined by Buyer consistent with the CAISO Tariff. 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. Buyer (or Buyer's SC) shall comply with all applicable CAISO Tariff requirements, procedures, protocols, rules and testing as applicable to Buyer as the Scheduling Coordinator for the Facility. Seller, as owner of the Facility, shall comply with all applicable CAISO Tariff requirements, procedures, protocols, rules and testing as applicable to Seller as owner of the Facility. Seller shall ensure that Buyer or Buyer's SC has all necessary data access or reporting, as applicable, to the extent necessary to satisfy any applicable CAISO requirements.

(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 (as the Facility's SC) 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, must offer waiver forms, inability to follow CAISO dispatches or directives, and any other notice or update required of a Generating Facility or a Non-Generator Resource. 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 (as the Facility's SC) and the CAISO (in order of preference) telephonically, 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, charges, and penalties (including penalties, Imbalance Energy and Charging Energy costs or revenues, and other charges) and shall be entitled to all CAISO revenues (including credits, Imbalance Energy or

Charging Energy revenues or costs, 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. Notwithstanding the foregoing, Seller shall be responsible for all CAISO penalties incurred by Buyer because of Seller's failure to perform its obligations in accordance with this Agreement, (ii) incurred by Buyer because of any outages for which notice has not been provided from Seller to Buyer as required by the CAISO Tariff or the outage notification requirements set forth in this Agreement, (iii) associated with RAIMM and other Non-Availability Charges (as defined by the CAISO), or (iv) to the extent arising as a result of Seller's failure to comply with a timely Buyer Curtailment Order if such failure results in incremental costs to Buyer. In addition, if during the Delivery Term, the CAISO implements or has implemented any sanction or penalty related to scheduling requirements imposed on Facility owners (but not in connection with obligations of Buyer hereunder), 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 any CAISO directive, including Curtailment Orders, or to perform in accordance with this Agreement, including with respect to the outage notification requirements set forth in this Agreement, the cost of the sanctions or penalties shall be 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 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. Seller agrees to pay Buyer's costs and expenses (including reasonable attorneys' fees) associated with its involvement with such CAISO disputes.

(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 or Buyer's designated SC as Scheduling Coordinator for the Facility as of 11:59 p.m. on such expiration date.

(g) Master 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 Master Resource Database and Master File. Seller shall provide the data to Buyer that is required for the CAISO's Master 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's 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 File and Resource Data Template (or successor data systems) and CPUC's 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 cooperate reasonably with Seller, or cause its designated SC to 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. This cooperation shall include the provision of information in Buyer's possession or its designated SC's possession, as applicable, that Buyer (as Scheduling Coordinator) or its designated SC, as applicable, has provided to the CAISO related to the Facility or actions taken by Buyer (as Scheduling Coordinator) or its designated SC, as applicable, related to Seller's compliance with applicable NERC reliability standards.

EXHIBIT E
PROGRESS REPORTING FORM

Each Progress Report must include the following items, as applicable:

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 or month, as applicable.
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 reasonably likely to 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. 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.
12. 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.
13. Any other documentation reasonably requested by Buyer.

EXHIBIT F-1

FORM OF AVERAGE EXPECTED ENERGY REPORT

Average Expected Energy (in MWh)

	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																								
FEB																								
MAR																								
APR																								
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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

FORM OF MONTHLY DELIVERY FORECAST

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.

Hourly Expected Energy

HE	Day																													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
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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
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Day 2																								
Day 3																								
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[insert additional rows for each day in the month]																								
Day 29																								
Day 30																								
Day 31																								

Storage 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
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Day 29																								
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Day 31																								

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:

$$[(A - B) * (C - D)]$$

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

“Adjusted Energy Production” has the meaning given in Section 4.7 of the Agreement.

No payment shall be due if the calculation of (A - B) or (C - D) yields a negative number. After each Performance Measurement Period, Buyer will send Seller Notice of the amount of damages owing, if any, which shall be payable to Buyer within thirty (30) days of Seller's receipt of such Notice.

[REDACTED]

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][Central Coast Community Energy, a California joint powers authority] ("**Buyer**") in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____ by and between [IP Darden III, LLC,] [IP Darden IV, LLC,] a Delaware limited liability company ("**Seller**") and Buyer ("**Agreement**"). 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. Seller has installed equipment for the Generating Facility with a nameplate capacity of no less than _____ of the Guaranteed Capacity.
2. Seller has installed equipment for the Storage Facility with a nameplate capacity of no less than _____ of the Storage Contract Capacity.
3. The Generating Facility's testing included a performance test demonstrating peak electrical output of no less than _____ of the Guaranteed Capacity for the Generating Facility at the Delivery Point, as adjusted for Ambient Conditions on the date of the Facility testing.
4. The Storage Facility is fully capable of charging, storing and discharging energy up to no less than _____ 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.
5. The Generating Facility is fully operational, reliable and interconnected, fully integrated and synchronized with the Transmission System.
6. Seller has demonstrated functionality of the Facility's communication systems and automatic generation control (AGC) interface to operate the Facility as necessary to respond and follow instructions, including an electronic signal conveying real time and intra-day instructions, directed by the Buyer in accordance with the Agreement and/or the CAISO;
7. Seller has commissioned all equipment substantially in accordance with its respective manufacturer's specifications.
8. Authorization to parallel the Facility was obtained by the Participating Transmission Owner, [Name of Participating Transmission Owner as appropriate] on [Date].
9. Seller has caused the Facility to be included in the Full Network Model and has the ability to offer Bids into the CAISO Day-Ahead and Real-Time markets in respect of the Facility.

10. The Transmission Provider has provided documentation supporting full unrestricted release for Commercial Operation by [Name of Participating Transmission Owner as appropriate] on [Date].

11. The CAISO has provided notification supporting Commercial Operation, in accordance with the CAISO Tariff on [Date].

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this [] day of [], 20[].

[LICENSED PROFESSIONAL ENGINEER]

By: _____

Printed Name: _____

Title: _____

EXHIBIT I-1

FORM OF INSTALLED PV CAPACITY CERTIFICATE

This certification (“**Certification**”) of Installed PV Capacity is delivered by [*LICENSED PROFESSIONAL ENGINEER*] (“**Engineer**”) to [Silicon Valley Clean Energy Authority, a California joint powers authority][Central Coast Community Energy, a California joint powers authority] (“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated [*DATE*] by and between [IP Darden III, LLC,] [IP Darden IV, LLC,] a Delaware limited liability company (“**Seller**”) and Buyer (“**Agreement**”). 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**”).

EXECUTED by [*LICENSED PROFESSIONAL ENGINEER*]

this _____ day of _____, 20____.

[*LICENSED PROFESSIONAL ENGINEER*]

By: _____

Printed Name: _____

Title: _____

EXHIBIT I-2

FORM OF INSTALLED BATTERY CAPACITY CERTIFICATE

This certification (“**Certification**”) of Installed Battery Capacity is delivered by [licensed professional engineer] (“**Engineer**”) to [Silicon Valley Clean Energy Authority, a California joint powers authority][Central Coast Community Energy, a California joint powers authority](“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated [DATE] by and between [IP Darden III, LLC,] [IP Darden IV, LLC,] a Delaware limited liability company (“**Seller**”) and Buyer (“**Agreement**”). 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 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**”).

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this [] day of [], 20 [].

[LICENSED PROFESSIONAL ENGINEER]

By: _____

Printed Name: _____

Title: _____

EXHIBIT J

FORM OF CONSTRUCTION START DATE CERTIFICATE

This certification of Construction Start Date (“**Certification**”) is delivered by [IP Darden III, LLC,] [IP Darden IV, LLC,] a Delaware limited liability company (“**Seller**”) to [Silicon Valley Clean Energy Authority, a California joint powers authority][Central Coast Community Energy, a California joint powers authority] (“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____ by and between Seller and Buyer (“**Agreement**”). 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 precise Site on which the Facility is located is, which must include some or all 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 this _____ day of _____, 20____.

[IP DARDEN III, LLC][IP DARDEN IV, LLC]
a Delaware limited liability company

By: _____

Printed Name: _____

Title: _____

EXHIBIT K
FORM OF LETTER OF CREDIT

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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EXHIBIT L

FORM OF GUARANTY⁹

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][Central Coast Community Energy, a California joint powers authority] (together with its successors and permitted assigns, “**Buyer**”).

Recitals

- A. Buyer and [IP Darden III, LLC,] [IP Darden IV, LLC,] a Delaware limited liability company (“**Seller**”), entered into that certain Renewable Power Purchase Agreement (as amended, restated or otherwise modified from time to time, the “**PPA**”) dated as of [_____] 20____.
- B. Guarantor is entering into this Guaranty as Performance Security to secure Seller’s obligations under the PPA, as required by Section 8.8 of the PPA.
- C. It is in the best interest of Guarantor to execute this Guaranty in as much 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, Guarantor does hereby unconditionally, absolutely and irrevocably guarantee, as primary obligor and not as a surety, to Buyer the full, complete and 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 performance, 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

⁹ NTD: Form to be broken out for each CCA.

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), or (y) replacement Performance Security is provided in an amount and form required by the terms of the PPA. 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, statute 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, defenses based on statute of frauds and accord and satisfaction;

provided that, subject to Guarantor's payment of a Guaranteed Amount in accordance with Paragraph 2, Guarantor reserves the right to assert for itself in a subsequent proceeding any defenses, setoffs or counterclaims that Seller is or may be entitled to assert against Buyer (except for such defenses, setoffs or counterclaims that may be asserted by Seller with respect to the PPA, but that are expressly waived under any provision of this Guaranty).

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, 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: [____]
Email: [____]

If delivered to Guarantor, to it at

[____]
Attn: [____]
Email: [____]

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 state courts of the County of [Santa Clara][Monterey], or if appropriate, in the United States District Court, Northern District of California located in San Francisco.

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 Guarantor has caused an authorized representative to execute and deliver this Guaranty.

GUARANTOR:

[_____]

By: _____

Printed Name: _____

Title: _____

EXHIBIT M**FORM OF REPLACEMENT RA NOTICE**

This Replacement RA Notice (this “**Notice**”) is delivered by [IP Darden III, LLC,] [IP Darden IV, LLC,] a Delaware limited liability company (“**Seller**”) to [Silicon Valley Clean Energy Authority, a California joint powers authority][Central Coast Community Energy, a California joint powers authority] (“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____ by and between Seller and Buyer (“**Agreement**”). 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 Information¹

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.

[IP DARDEN III, LLC] [IP DARDEN IV, LLC]
a Delaware limited liability company

By: _____

Printed Name: _____

Title: _____

EXHIBIT N

NOTICES

[IP Darden III, LLC] [IP Darden IV, LLC]	Silicon Valley Clean Energy Authority ¹⁰
[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED]

¹⁰ To be updated for 3CE

[IP Darden III, LLC] [IP Darden IV, LLC]	Silicon Valley Clean Energy Authority ¹⁰
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[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 hereunder based on the actual capacity of the Storage Facility determined by such Storage Capacity Test.

B. Subsequent Storage Capacity Tests. Following the Commercial Operation Date, once each Contract Year, Seller will perform a Storage Capacity Test and will give Buyer ten (10) Business Days prior Notice of such test. Subject to Section (L) herein, Buyer shall have the right (1) once per Contract Year to require Seller to schedule and complete a Storage Capacity Test and (2) to require a retest of the Storage Capacity Test at any time upon no less than ten (10) Business Days prior written Notice to Seller if Buyer provides data with such Notice reasonably indicating that the Storage Capacity has varied materially from the results of the most recent Storage Capacity Test. Seller shall have the right to run a retest of any Storage Capacity Test upon ten (10) Business Days' prior written Notice to Buyer (or any shorter period reasonably acceptable to Buyer consistent with Prudent Operating Practice). Any testing of the Storage Facility requested by Buyer following the Commercial Operation Date and all required tests pursuant to this Exhibit O shall be deemed Buyer-instructed dispatches of the Facility (each, a "**Buyer Dispatched Test**"). Any test of the Storage Facility that is not a Buyer Dispatched Test (including all tests conducted prior to Commercial Operation) and other Seller-requested discretionary tests that Seller deems necessary or recommended for purposes of reliably operating or maintaining the Storage Facility or for re-performing a required test within a reasonable number of days of the initial required test (considering the circumstances that led to the need for a retest) shall be deemed a "**Seller Initiated Test**". For all Buyer Dispatched Tests, Buyer shall bear the costs of any Charging Energy to be used to charge the Storage Facility and Buyer shall be entitled to all CAISO revenues associated with a Storage Facility dispatch during a Buyer Dispatched Test. For all Seller Initiated Tests, Seller shall reimburse Buyer the amount of Buyer's payment of the Charging Energy for such Seller Initiated Test, and Seller shall be entitled to all CAISO revenues associated with the discharge of such Energy. Buyer shall pay to Seller, in the month following Buyer's receipt of such CAISO revenues and otherwise in accordance with Article 8, all applicable CAISO revenues received by Buyer and associated with the discharge Energy associated with such Seller Initiated Test.

C. Test Results and Re-Setting of Storage Contract Capacity and Efficiency Rate.

In accordance with Section 4.9(c) of the Agreement, Part II.J, and Part II.K. below, the actual storage capacity and efficiency rate determined pursuant to the most recent Storage Capacity Test (up to, but not in excess of, the Storage Contract Capacity) shall become the new Storage Capacity and Efficiency Rate, effective as of the day following the completion of the test, for calculating the monthly payment for the Storage Product and all other purposes under this Agreement.

Storage Capacity Test Procedures

PART I. GENERAL.

Each Storage Capacity Test (including the initial Storage Capacity Test and all re-performances thereof) shall be conducted in accordance with Prudent Operating Practices, manufacturer guidelines, 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 AND EFFICIENCY TESTS.

A. Purpose of Test. Each SCT shall:

- (1) Determine an updated Storage 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. Test Elements. Each SCT shall include the following test elements:

- Electrical output at Maximum Discharging Capacity (as defined in Exhibit A) at the Storage Facility Meter and concurrently at the Facility Meter (MW);
- Electrical input at Maximum Charging Capacity (as defined in Exhibit A) at the Storage Facility Meter (MW);
- Amount of time between the Storage Facility’s electrical output going from 0 to Maximum Discharging Capacity;
- Amount of time between the Storage Facility’s electrical input going from 0 to Maximum Charging Capacity; and
- Amount of energy required to go from 0% Stored Energy Level to the Maximum Storage Level charging at a rate equal to the Maximum Charging Capacity.

C. Parameters. During each SCT, the following parameters shall be measured and recorded simultaneously for the Storage Facility, at minimum ten (10) minute intervals:

- (1) Time;
 - (2) Net electrical energy output to the Storage Facility Meters (kWh) (i.e., to each measurement device making up the Storage Facility Meter);
 - (3) Net electrical energy input from the Storage Facility Meters (kWh) (i.e., from each measurement device making up the Storage Facility Meter); and
 - (4) Stored Energy Level (MWh).
- D. 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).
- E. Test Showing. Each SCT must demonstrate that the Storage Facility:
- (1) successfully started;
 - (2) operated for at least four (4) consecutive hours at Maximum Discharging Capacity (as defined in Exhibit A);
 - (3) operated for at least four (4) consecutive hours at Maximum Charging Capacity (as defined in Exhibit A);
 - (4) has a Storage Capacity of an amount that is, at least, equal to the Maximum Storage Level (as defined in Exhibit A); and
 - (5) is able to deliver Discharging Energy as measured by the Storage Facility Meter for four (4) consecutive hours at a rate equal to the Maximum Discharging Capacity.
- F. Test Conditions.
- (i) 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 at Maximum Discharging Capacity and Maximum Charging Capacity (as each is defined in Exhibit A).
 - (ii) Abnormal Conditions. If abnormal operating conditions that prevent the recordation of any required parameter occur during a SCT, Seller may postpone or reschedule all or part of such SCT in accordance with Part II.G below.

- (iii) 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.
- G. 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.
- H. 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.B through D, including copies of the raw data taken during the test;
 - (3) the level of Storage Capacity, Energy In, Energy Out, Efficiency Rate, Maximum Charging Capacity, the current charge and discharge ramp rate, and Stored Energy Level 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 rejects the results of any SCT, such SCT shall be repeated in accordance with Part II.G.

- I. 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) an updated 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.

- J. Adjustment to Storage Capacity. The total amount of Discharging Energy delivered to the Storage Facility Meter (expressed in MWh AC) during each of the first four (4) 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) four (4)) shall be divided by four (4) hours to determine the Storage Capacity, which shall be expressed in MW AC, and shall be the new Storage Capacity in accordance with Section 4.9(c) of the Agreement.
- K. Adjustment to Efficiency Rate. The total amount of Energy Out divided by the total amount of Energy In, measured at the Storage Facility Meter location, exclusive of Electrical Losses to the Delivery Point and separately metered Station Use associated with battery cooling and other thermal management equipment, and expressed as a percentage, shall be the new Efficiency Rate in accordance with Section 4.9(c) of the Agreement.
- L. Following the initial Storage Capacity Test conducted prior to the Commercial Operation Date, upon request of Seller, Buyer shall consider in good faith an alternate methodology for conducting a Storage Capacity Test by reference to the operational data reflecting the net output of the Storage Facility from the point of interconnection. Upon Seller's request, Seller and Buyer shall work in good faith to establish a mutually acceptable methodology for demonstrating the Storage Capacity and Efficiency Rate through such operational data. If Buyer and Seller mutually agree in writing on an alternate methodology, such alternate methodology shall become the Storage Capacity Test used to establish the Storage Capacity and Efficiency Rate for all purposes of this Agreement, including compensation under Exhibit C.

PART III - INITIAL SUPPLEMENTARY STORAGE CAPACITY TEST PROTOCOL

A. **Initial Supplementary Storage Capacity Test Protocol**

The initial Supplementary Storage Capacity Test Protocol outlined below shall not be binding on the Parties until delivery of the Supplementary Storage Capacity Test Protocol in accordance with Part II.I above and is included for the convenience of the Parties.

- 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 AC energy charged to the Storage Facility as measured at the Storage Facility Meter at the Storage Facility Metering Point associated with Charging Energy (“**Energy In**”). All separately metered Storage Facility Station Use shall be excluded from the measurement of Energy In.
 - (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 AC Energy discharged (in MWh) as measured at the Storage Facility Meter. Such data point shall be used for purposes of calculation the Storage Capacity.
 - (7) Record and store the AC Energy discharged (in MWh) as measured at the Storage Facility Metering Point associated with Charging Energy. 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 AC Energy discharged (in MWh) as measured at the Storage Facility Metering Points. “**Energy Out**” means that total AC Energy discharged (in MWh) as measured at the Storage Facility Metering Point associated with Charging Energy from the commencement of discharging pursuant to Part III.A.5 until the Storage Facility has reached the Minimum Storage Level pursuant to either Part III.A.5 or Part III.A.8, as applicable. All separately metered Storage Facility Station Use shall be excluded from the measurement of Energy Out.
- Test Results
 - (1) The resulting Efficiency Rate is calculated as Energy Out/Energy In.
 - (2) The resulting Storage Capacity measurement is the sum of the total Discharging Energy at the Storage Facility Meter divided by four (4) hours.

EXHIBIT P

STORAGE 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**”): (i) a Force Majeure Event, (ii) Buyer Bid Curtailment, (iii) Buyer Curtailment Orders, (iv) Curtailment Orders, (v) System Emergencies, (vi) Buyer Default, (vii) main power transformer failure, (viii) any NERC, CAISO, or PTO related outage, (ix) limitations contained in the Operating Restrictions set forth in Exhibit Q, (x) Buyer Dispatched Tests, (xi) unavailability due to (A) Buyer instruction to operate the Facility outside of the Operating Restrictions of the Storage Facility or (B) Compliance Actions, or (xii) [REDACTED]

[REDACTED] To be clear, hours of unavailability caused by any Excused Event will not be included in UNAVAILHRS_m for such month. 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 Adjustment**” or “**AA**” is calculated as follows:

- (i) If the Monthly Storage Availability is greater than or equal to the Guaranteed Storage Availability, then:

$$AA = 100\%$$

- (ii) If the Monthly Storage Availability is less than the Guaranteed Storage Availability, but greater than or equal to [REDACTED] then:

[REDACTED]

- (iii) If the Monthly Storage Availability is less than [REDACTED] then:

[REDACTED]

EXHIBIT Q

OPERATING RESTRICTIONS

Maximum Storage Level:	[REDACTED] MWh
Minimum Storage Level:	0 MWh
Maximum Charging Capacity:	[REDACTED] MW
Minimum Charging Capacity:	0.01 MW
Maximum Discharging Capacity:	[REDACTED] MW
Minimum Discharging Capacity:	0.00 MW
Maximum State of Charge (SOC) during Charging:	100%
Minimum State of Charge (SOC) during Discharging:	0%
State of Charge:	0% to 100%
Ramp Rate:	[REDACTED] MW/minute
Charge Rate:	[REDACTED]
Discharge Rate:	[REDACTED]
Storage Maximum Daily Throughput:	[REDACTED] MWh per Day.
Storage Maximum Annual Throughput:	[REDACTED] MWh per Contract Year.
Ancillary Services:	The Storage Facility is capable of providing Regulation Up, Regulation Down, and Spin Ancillary Services.
Grid Charging of Storage Facility:	[REDACTED]
Maximum Time at Minimum Storage Level:	None
Other Operating Limits:	None

Seller and Buyer agree that Charging Notices and Discharging Notices may be modified by Seller to the extent necessary to comply with the Operating Restrictions.

EXHIBIT R
METERING

EXHIBIT S
FORM OF LIMITED ASSIGNMENT AGREEMENT¹¹

¹¹ NTD: Buyer forms under Seller financing review.

EXHIBIT T
OTHER SELLER COMMITMENTS

Seller to check as applicable:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Staff Report – Item 6

Item 6: Provide Feedback on the Fiscal Year 2025-26 Proposed Operating Budget, and the Proposal to Maintain the Current Financial Reserves Targets and Policy

From: Monica Padilla, CEO

Prepared by: Amrit Singh, CFO
 Scott Wrigglesworth, Director of Risk and Analytics
 Karen Chang, Manager of Finance

Date: 8/13/2025

RECOMMENDATION

In preparation for adopting the budget in September 2025, Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") provide feedback on the fiscal year (FY 26) 2025-26¹ Proposed Operating Budget ("Proposed Budget", Attachment 1), which includes, at a high level, the following:

1. Withdraws \$40.1 million from the reserves
2. Maintains an average of four percent (4%) customer discount to comparable PG&E rates through December 2025 and reduces it to one percent (1%) in January 2026
3. Continues to provide additional monthly dollar bill credit to California Alternate Rates for Energy² (CARE) and Family Electric Rate Assistance (FERA)³ customers, which in the aggregate is equivalent to a one percent (1%) discount for all customers
4. Proposes no changes to the current financial reserves targets and policy (Attachment 2)

FINANCE AND ADMINISTRATION COMMITTEE AND BOARD REVIEW

At the June 2, 2025, Finance and Administration Committee ("Committee") meeting, staff presented the methodology, framework, and key assumptions for developing the Proposed Budget. At the same Committee meeting and the June 11, 2025 Board meeting, staff also provided and discussed the stress test analysis (materials can be found here: [SVCE Board of Directors Meeting June 11, 2025 – Item 4](#)) that provided an assessment of the agency's risks, which staff uses in developing the budget, managing the reserve levels, and proposing any changes to the financial reserves targets and policy.

Staff discussed the high volatility in the energy market prices, Resource Adequacy (RA) prices, and Renewable Portfolio Standard (RPS) prices, which added additional uncertainty to financial projections. Staff also

¹ The fiscal year 2025-26 starts on October 1, 2025, and ends on September 30, 2026.

² Eligible low-income customers who are enrolled in the CARE program receive a 30-35% discount (not including additional SVCE discount and bill credits) on their total electric bills and a 20% discount on their natural gas bills. Eligible customers are those whose total household income is at or below certain income limits that vary depending on household size. For example, the income limit for households of 4 is \$64,300.

³ The FERA program offers an 18% discount (not including additional SVCE discount and bill credits) on customers' total electricity bills if the household income slightly exceeds the CARE allowances. For example, the income limit for households of 4 is \$80,375.

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discussed that the prices that the California Public Utilities Commission (CPUC) will set for Market Price Benchmarks (MPBs), issued in the fall, and used to set PCIA⁴ Rates, will substantially impact the budget.

In addition to assessing SVCE's financial performance if the extreme but plausible stress scenario occurs, staff also discussed and reviewed key financial risk factors and uncertainties that influence the financial projections, which are based on the best available data and information when the projections are made. These uncertainties and risks affect this proposed budget and the 5-year financial outlook (Attachment 3).

Staff presented the Proposed Budget to the Finance and Administration Committee on August 4, 2025. After reviewing and discussing the proposed budget, reserve levels, and the current reserve policy with staff, the Committee voted unanimously to recommend that the Board of Directors approve the staff's Proposed Budget and maintain the current reserve policy.

BACKGROUND

As discussed with the Committee and the Board when staff presented the stress test analysis, at the time the financial projections are made, staff takes a 'snapshot' of market prices and other data, including the outcome of CPUC proceedings such as the pending PCIA Order Instituting Rulemaking (OIR), in preparing the financial analysis. This data and information, especially market prices, change daily or even more frequently. Since the June discussion of the two-track PCIA OIR, CPUC issued a track one decision, which staff, with the help of the NewGen Strategies consultants and model, have attempted to incorporate, including using the best available information to develop projections for the fall MPBs that the CPUC will establish.

Due to the daily movement of prices and changes to other information, the financial projections in this report are not identical to those presented at the June meeting. However, from the perspective of managing SVCE's financial projections over the 5 years, the results are largely consistent with those presented at the June meeting. As a result, staff's recommendations for managing SVCE's reserves are consistent with those presented at the June Board meeting.

ANALYSIS & DISCUSSION

The FY 26 Proposed Operating Budget, shown in Attachment 1, is balanced and presents SVCE in a stable financial condition.

The projected withdrawal of \$40.1 million from reserves represents a decrease of \$138.1 million from the \$98.1 million contribution to reserves shown in the March 2025 Midyear adjusted FY 24-25 Budget. The main reason for the negative reserve contribution is a significant drop of \$165.1 million in projected revenues. Lower revenues are due to an anticipated large increase in PCIA charges and reduced PG&E generation rates, which substantially reduce the margin or headroom for SVCE to keep customer rates competitively discounted to comparable PG&E rates. These projected increases in PCIA rates and lower PG&E generation rates are mainly caused by sharp declines in RA and RPS prices, as discussed at the June meeting. As shown in the table below, all other changes are relatively minor and include:

Description	Budget Variance MY FY 24-25 vs. Annual FY 25-26		
	Contribution to Reserves	Reduction in Reserves/Increase in Cost	Changes to Reserve Contribution
Revenues		-\$165.1M	
Investment Income	\$1.7M		
<u>Total Revenues Variances</u>			<u>-\$163.5M</u>

⁴ [Public Utility Code Sections 366.1](#) and [366.2](#) require the CPUC to make sure that customers leaving PG&E do not burden remaining PG&E customers with costs that were incurred to serve them. To ensure customer indifference, CCAs and Direct Access or departing load customers are required to pay a power charge indifference adjustment (PCIA).

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Power Supply Cost		-\$19.4M	
Other Operating Expenses		-\$3.9M	
Non-Operating Expenses		\$0.0M	
<u>Total Expense Variances</u>			<u>-\$23.3M</u>
Capital Transfers		-\$0.5M	
Program Fund	\$3.3M		
Other Transfers	\$45.9M		
<u>Total Transfer Variances</u>			<u>\$48.7M</u>
<u>Changes to Reserve Balance</u>			<u>-\$138.1M</u>

- Investment income is expected to increase by about \$1.7 million, primarily due to a larger starting reserve balance.
- Power supply cost increase of \$19.4 million, mainly resulting from portfolio position changes, cost increases in meeting regulatory requirements, and increases in energy costs relative to the last fiscal year.
- Other operating expenses increase by \$3.9 million from updated vendor fees, anticipated legal expenses, and other minor changes in marketing and general administrative costs.
- The capital transfer cost increase of \$0.5 million is from the anticipated additional office-related expenditures from the move to the new SVCE office
- The program fund transfer decrease of \$3.3 million results from lower revenues. Program fund transfers are made per the Board-approved direction of transferring 2% of the revenues.
- The reduction in other transfers of \$45.9 million results from the following:
 - Expiration of savings resulting from accepting SVCE's share of nuclear allocations from PG&E, which were transferred to customer programs, as approved by the BOD in Nov 2021 (\$3.7 million in FY24-25)
 - The monthly bill credits provided to CARE and FERA customers are now modeled as a reduction in revenues to align with how these funds are accounted for in our financial statements⁵ (\$5.4 million for FY 2026)
 - For Fiscal Year 2024-2025, the Board, in adopting the mid-year adjusted budget, provided a one-time customer bill credit (\$35 million).
 - Fiscal Year 2024-2025 budget includes a one-time transfer of \$1.8 million to the Hanford Emissions Mitigation Fund

Energy Revenues

The Proposed budget shows a decrease in revenues of \$165.1 million compared to the FY 2024-25 adjusted mid-year budget. The decline is mainly caused by a forecasted average increase in 2026 PCIA of about 106 percent (from 1.02⁶ cents/kWh to 2.11 cents/kWh) and a drop in the 2025 PG&E generation rate of about 31 percent on average (from 15.17 cents/kWh average 2025 rate to 10.50 cents/kWh). These rate changes are forecasted mainly because of large declines in RA and RPS prices for 2025 and 2026, as well as expected final 2025 energy prices averaging below last year's CPUC forecast used to set 2025 rates. The final 2025 RA MPB and the forecast 2026 RA MPB used to compute 2026 rates are down 65% and 64%, respectively, compared to the 2025 forecast RA MPB used to set 2025 rates. Similarly, the final 2025 RPS MPB and the forecast 2026 RPS MPB used to compute 2026 rates are down 10% and 38%, respectively, compared to the 2025 forecast RA MPB used to set 2025 rates. The significant increase in PCIA, combined with a drop in PG&E generation rates, reduces SVCE margins by 40 percent on average for 2026.

Staff used CalCCA's NewGen Strategies & Solutions Model to forecast PCIA and PG&E generation rates with updated market prices and estimations of CPUC's MPBs, including the PCIA OIR track one decision issued on

⁵ The \$5.4 million amount is included in this comparison to account for the total changes in this category compared to the last fiscal year's budget. These bill credits for the FY 26 are \$4.1 million, which is now included as reduction revenues.

⁶ The rates shown in this report are SVCE load-weighted average rates.

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June 26, 2025, that revised the methodology for computing RA MPB, extending the RA MPB transactional survey time frame to 3 and 4 years from 12 and 21 months for forecast and final RA MPBs, respectively. RPS prices and RA costs are highly volatile compared to the past, creating an additional layer of uncertainty in forecasting PCIA and PG&E generation rates.

PG&E's forecast of 2026 rates in the ERRA filing made in May 2025 shows a higher PG&E Generation Rate of ~12.79 cents/kWh and a lower PCIA of 1.19 cents/kWh compared to the staff estimates used for forecasting revenues. PG&E's filing, however, is based on results using market prices in late March 2025 and 2025 forecast RA and RPS MPBs set in November 2024. Forward market prices for RA and RPS have since decreased significantly. Based on the ERRA filing schedule, PG&E will update its rate forecast in early fall, and the CPUC is expected to approve new rates in late December.

Given the uncertainty on MPBs that CPUC will establish in the fall and PG&E's update of its generation rates and PCIA using the MPBs, staff recommends that SVCE update the revenue projections in December 2025 when there's more certainty on the 2026 PCIA and PG&E generation rates. Between now and when the rates are finalized, market prices will change, which can create less or more favorable results.

The Proposed Budget maintains the current 4 percent overall discount relative to comparable PG&E generation rates for all customers through the end of December 2025, or three months of the FY 26 (October 2025 to December 2025), and reduces it to one percent starting January 2026. It provides an additional monthly dollar bill credit to CARE and FERA customers (~26,000) that, in the aggregate, is equivalent to providing a 1 percent discount for all customers for calendar year 2026.

SVCE customer rate changes usually coincide with PG&E's generation rate changes. Usually, this happens in January, with some exceptions, such as in 2024, when PG&E also changed its generation rates in July. SVCE's fiscal year includes three months of the current calendar year, from October 2025 to December 2025, and nine months of the next calendar year, from January 2026 to September 2026. As a result, the budget includes the delivery of the 2025 monthly bill credit of \$17.50 for three months and the delivery of the 2026 monthly bill credit of ~\$12.00 for nine months, which amounts to a total revenue reduction of ~\$4.1 million. Staff will update the 2026 monthly bill credit amount when seeking Board approval of 2026 rates at the December 2025 meeting, along with amending the budget for updates to the revenue and power supply cost projections. Because last fiscal year's budget included a transfer of funds from the operating budget, any remaining funds for these bill credits will be transferred to the reserves at the beginning of FY 2026.

The GreenPrime rate, SVCE's 100% renewable energy option, will reflect the default GreenStart rates plus the premium of \$0.017 per kWh, as per the methodology adopted by the Board at the November 2024 Board meeting. This rate will continue to apply to the three months of 2025, from October to December, of the new fiscal year. The GreenPrime premium for 2026 will be updated when the Board approves all rate updates for 2026, which is expected to occur at the December 2025 meeting. The GreenPrime premium revenue estimates for FY 2026 are computed at the current GreenPrime premium of \$0.017 per kWh.

The Proposed Budget continues to reduce revenues to account for potential write-offs from unpaid bills that may occur. SVCE's estimated revenues include a 0.75% write-off rate, or about \$2.7 million.

Power Supply Expenses

Relative to the Mid-Year Budget's Fiscal Year 2025, Staff projects that Fiscal Year 2026's new budget power supply expenses will increase by approximately \$19.4 million. The year-over-year projected increase primarily results from 11% higher energy market prices, changes to portfolio position, and complying with CPUC's Mid-Term Reliability requirements.

Reserves Target Levels and Policy Update

Per SVCE's Board-approved reserves policy, the staff annually reviews the reserve target levels and the policy (Attachment 2) to ensure reserves are managed prudently relative to the risks the agency faces. As part of

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this process, staff presented the stress test analyses to the Board at the June 11, 2025, meeting. A big part of the staff's assessment of reviewing the targets and the policy is to ensure that SVCE can manage risks modeled in the stress test analysis. In particular, the targets are reviewed to assess if the modeled stress scenario were to occur, the target reserves do not fall below 120 days of cash on hand (DCOH) for the next two fiscal years, and the maximum target (upper target) does not fall below 90 DCOH over the next five fiscal years.

Based on the stress test analysis, staff does not recommend any changes to the targets or the policy. Changing the targets has no practical implication, given that the 5-year financial outlook (Attachment 3) does not support contributing to reserves. The current targets also support the recent guidance from the credit rating agencies.

The current Financial Reserves Policy, approved by the Board on September 11, 2024, targets:

- (a) **Minimum Operating Reserve (baseline)** shall be the minimum maintained to cover 120 days of operations of the annual operating budget;
- (b) **An Operating Reserve** goal of covering 350 days of operations of the annual operating budget;
- (c) **Maximum Operating Reserve** to cover 500 days of operations of the annual operating budget.

Operating Expenses

Operating expenses have increased by about \$3.9 million from the March 2025 Board-approved Midyear FY 2024-2025 adjusted budget, including an overall 5 percent contingency, which amounts to about \$2.1 million embedded in all operating expense category increases. The increase in projected operating expenses is mainly comprised of costs associated with legal and energy scheduling coordination expenses.

1. Data Management

The budget accounts for an annual calendar-year escalation percentage as indicated in the current vendor contract. The proposed budget accounts for the escalation for the nine months in 2026.

2. PG&E Fees

Staff is expecting a modest increase due to inflation starting in 2026. The proposed budget reflects the slight increase in monthly fees for the nine months in 2026.

3. Personnel Expenses

Personnel expenses are increasing slightly by \$66 thousand. The proposed budget includes a 3.0% cost-of-living adjustment to salaries, based on the latest trailing six-month average for the Bay Area CPI, updated as of May 13, 2025, for data up to April 2025, which adds \$564 thousand. There is also a re-categorization of consultant support, which results in a decrease of \$400 thousand from Personnel expenses. This expense is reallocated to the Professional Expenses category. On staffing, the budget proposes no increase in headcount. The overall slight increase in personnel budget results from the net effect of the abovementioned changes, as well as some staff moving to positions at different pay levels, promotions, and vacancies. There are still vacant positions that SVCE continues to work to fill and anticipates full staffing by the end of the calendar year. The proposed budget continues to utilize a 5% long-term vacancy rate in the personnel budget. The current focus is to fill the remaining vacancies and comprehensively assess overall organizational staffing needs. This report includes the proposed salary table (Attachment 4) and organization charts (Attachment 5).

4. Professional Expenses

Overall, professional expenses are increasing by about \$3.1 million. The main increase is due to anticipated increases in legal fees on contracting and negotiation support for SVCE's growing power portfolio, roughly about \$1.7 million. In addition, an increase of \$875 thousand is due to the transition of scheduling coordinator functions to a new vendor, and incremental costs associated with new PPAs expected to come online in the next fiscal year. The costs are consistent with the vendor agreements approved by SVCE's Board of Directors. Further, per the Board-approved investment manager

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agreement, there is a \$120 thousand increase in investment manager service fees due to the higher reserves accumulated over the past few years. As mentioned in the personnel expenses section, \$400 thousand in consultant fees is allocated from personnel expenses to professional expenses, to align with accounting cost categories.

5. Marketing and General Administrative

Overall expenses are increasing by about \$462 thousand. This increase of \$250 thousand will support increasing engagement with non-residential customers and plans to offer bespoke support to key accounts for which external vendor support will be required. An additional \$212 thousand is included for new capacity being brought on to support increased projects and new initiatives. This includes the ongoing work to support the outreach and education for affordability and rates, with added communications tools such as animated videos and an online rate tool. Staff is also planning to bring on a communications and marketing consulting firm to support the breadth of programs and initiatives. These contracts are expected to be brought to the board for approval in September.

6. General & Administrative

Overall, there is a slight increase of approximately \$9,000. Some decreases are due to subscription cancellations, renewal of existing software with updated rates, and reduced office rental expenses because of a shorter expected rental period. Some increases are also due to ongoing operating costs for the new office building; staff anticipate moving to the new office in Q3 2026.

Employee Benefits

During the CEO Report update at the December 11, 2024, Board of Directors meeting, staff informed the Board that SVCE was able to secure rate improvements for life insurance, short-term and long-term disability plans, as well as dental and vision coverage. The savings from these rate improvements will be passed on to employees to cover the out-of-pocket premiums for dental and vision. As a result, dental and vision are now 100% covered starting January 2025, allowing employees to select better medical insurance plans with the \$1500 per employee per month employer premium contribution. The proposed budget continues to include dental and vision coverage moving forward. Staff recommends no changes to the current benefits, which will remain in effect for FY 26 (Attachment 6).

Programs Budget

SVCE will continue incorporating projected Decarbonization Programs spending over the 5-year forecast into the reserve balance projections. For the current fiscal year, Program spending is projected to be \$27 million, with an additional spend of \$964 thousand from the Customer Relief and Community Resilience Program (CRCR)⁷ Fund, and \$500 thousand in the E-Elec (all-electric) Fund, the all-electric rate discounts.

⁷ CRCR, the ~\$10 million Customer Relief and Community Resilience Program, was established in 2020 to provide COVID credit payments to income-qualified customers as bill assistance, support local workforce training, and fund resiliency planning and capital expenditures at SVCE member cities.

⁹ The Board approved the office building fund of \$20M in March 2024 when adopting the FY23-24 Midyear adjusted budget.

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Non-Operating Revenues

Investment income is projected to increase by \$1.7 million, reflecting the increase in interest earned on the prior accumulated reserve balance.

Non-Operating Expenses

The proposed budget expects non-operating expenses to increase by about \$16 thousand from the FY2024-25 adjusted mid-year budget. The increase reflects the newly CPUC-adopted method for Provider of Last Resort (POLR) collateral calculations and the bank fees associated with its respective Financial Security Requirement (FSR) posting amount.

Capital Projects

The office building purchase was completed in February 2025. Staff plans to utilize the remaining Office Building Fund⁹ balance for renovation and upgrades needed. Other ongoing facility operating costs and capital purchases, such as office furniture, have been separately included in this proposed budget as Operating Expenses and Capital Outlay. Staff will continue to evaluate the timeline and seek further approval for the renovation-related budget as needed. The latest projection is to move to the new office building around Q3 of 2026. A complete list of capital projects is provided in Attachment 7.

STRATEGIC PLAN

The recommendation supports all of the Board's adopted strategic plan goals. Specifically, this budget update supports SVCE Strategic Plan Goal 6 – “Maintain healthy financial position; avoid failures in the management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks.”

ALTERNATIVE

Staff is open to feedback and suggestions from the Board. At a strategic level, the Board can change the discount to PG&E, reduce the power supply portfolio's carbon-free and/or renewable percentages, and cut the expenditure on the Decarbonization Programs.

Staff does not recommend any specific reductions given a sufficient projected reserve balance that maintains SVCE's stable financial condition.

FISCAL IMPACT

The FY25-26 Operating Budget includes \$358.4 million in revenues and \$398.5 million in expenses, non-operating revenues, and transfers, reducing reserves by \$40.1 million.

ATTACHMENT

1. FY 2025-26 Proposed Operating Budget
2. Financial Reserves Policy
3. Proposed 5-year Financial Forecast
4. FY 2025-2026 Proposed Salary Table
5. FY 2025-2026 Proposed Organization Chart
6. FY 2025-2026 Benefits Table
7. Capital Projects Report

SILICON VALLEY CLEAN ENERGY
FY25-26 OPERATING BUDGET
(\$ in thousands)

DESCRIPTION	FY 2024-25 MID-YEAR ADJUSTED BUDGET	FY25-26 ANNUAL BUDGET	Change	
			\$	%
ENERGY REVENUES				
Energy Sales	521,650	360,057	(161,593)	-31.0%
Green Prime	1,884	2,469	585	31.1%
Customer Bill Relief (Existing CARE/FERA)	0	(4,110)	(4,110)	0.0%
Other Income	0	0	0	0.0%
TOTAL ENERGY REVENUES	<u>523,534</u>	<u>358,416</u>	<u>(165,118)</u>	<u>-31.5%</u>
ENERGY EXPENSES				
Power Supply	349,478	368,896	19,418	5.6%
OPERATING MARGIN	<u>174,056</u>	<u>(10,480)</u>	<u>(184,536)</u>	<u>-106.0%</u>
OPERATING EXPENSES				
Data Management	3,549	3,764	215	6.0%
PG&E Fees	1,516	1,569	52	3.4%
Salaries and Retirement	18,805	18,870	66	0.3%
Professional Services	7,797	10,902	3,105	39.8%
Marketing & Promotions	1,885	2,347	462	24.5%
General & Administrative	5,733	5,742	9	0.2%
TOTAL OPERATING EXPENSES	<u>39,284</u>	<u>43,193</u>	<u>3,909</u>	<u>9.9%</u>
OPERATING INCOME (LOSS)	<u>134,771</u>	<u>(53,673)</u>	<u>(188,445)</u>	<u>-139.8%</u>
NON-OPERATING REVENUES				
Interest Income	19,756	21,413	1,657	8.4%
TOTAL NON-OPERATING REVENUES	<u>19,756</u>	<u>21,413</u>	<u>1,657</u>	<u>8.4%</u>
NON-OPERATING EXPENSES				
Financing	12	29	16	129.4%
TOTAL NON-OPERATING EXPENSES	<u>12</u>	<u>29</u>	<u>16</u>	<u>129.4%</u>
TOTAL NON-OPERATING INCOME (EXPENSES)	<u>19,743</u>	<u>21,384</u>	<u>1,641</u>	<u>8.3%</u>
CHANGE IN NET POSITION	<u>154,515</u>	<u>(32,289)</u>	<u>(186,803)</u>	<u>-120.9%</u>
CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER				
Capital Outlay	50	512	462	924.0%
Program Fund	10,530	7,251	(3,279)	-31.1%
Nuclear Allocation	3,708	0	(3,708)	-100.0%
Customer Bill Relief (Existing CARE/FERA)	5,370	0	(5,370)	-100.0%
Additional One-Time Bill Credit for All Customers	35,000	0	(35,000)	-100.0%
Hanford Emissions Mitigation Fund	1,800	0	(1,800)	-100.0%
Other	0	0	0	0.0%
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	<u>56,458</u>	<u>7,763</u>	<u>(48,695)</u>	<u>-86.2%</u>
BALANCE AVAILABLE FOR RESERVES	<u>98,057</u>	<u>(40,052)</u>	<u>(138,109)</u>	<u>-140.8%</u>



Finance Policy 9: Financial Reserves

I. Purpose

This Reserve Policy outlines the appropriate types and levels (minimum, goal, and maximum) of financial reserves as prescribed in the following policy. The primary reason for a reserve policy is to be prepared for contingencies, but other reasons also exist. Seven important purposes of a reserve policy are as follow:

- Plan for contingencies. To maintain sufficient reserves to minimize rate increase due to market volatility (power supply shocks or maintain rate competitiveness), weather impacts on demands, economic downturns, emergencies (such as natural disasters), and regulatory changes.
- Maintain good standing with rating agencies. By maintaining sufficient reserves, SVCE can preserve good credit ratings, allowing it to secure power at lower costs, that is, without posting credit enhancements, in the energy markets.
- Avoid interest expense. To avoid interest expense to cover short-term cash shortfalls by having sufficient reserves to use for this purpose, rather than debt.
- Ensure cash availability when revenue is unavailable. To bridge times of the year that normally see temporary low levels of cash.
- Plan for anticipated future rate increases by gradually raising those rates, using reserves to cushion the full impact on customers over an extended time period. For example, if it is expected that rates are highly likely to increase in 3 to 5 years, higher reserves on hand can cushion those rate increases over a more gradual timeframe by drawing down on the accumulated funds that may be in excess of the reserves' goal.
- Manage the risks identified in the Energy Risk Management Policy, which are:
 - Market price risk,
 - Net revenue risk,
 - Counterparty credit and performance risk,
 - Load and generation volumetric risk,
 - Operational risk,



- Liquidity risk, and
 - Regulatory/legislative risk.
- Establish clear expectations between the Board of Directors and staff. A formal reserve policy creates a shared understanding of the proper level and use of reserves.

II. Policy

A. Financial reserves shall be set aside as follows:

The Reserve targets cover the operations of SVCE over a number of days in the event of emergencies or other significant unforeseen events. Three levels are defined, with the first being baseline. Given the purposes stated above, the Reserve shall be maintained at no less than the minimum described below. The operating reserve level described below is recommended as the goal. The Maximum reserve level described below would provide solid reserves for significant fluctuations in revenue or unforeseen circumstances. The Board shall review its reserve levels annually in context of SVCE's overall financial condition of the agency, as well as due to changes to the industry and/or risk factors as described in periodic review of targets below.

- **Minimum Operating Reserve (baseline)** shall be the minimum maintained to cover 120 days of operations of the annual operating budget;
- **An Operating Reserve** goal of covering 350 days of operations of the annual operating budget;
- **Maximum Operating Reserve** to cover 500 days of operations of the annual operating budget.



B. Conditions for Use of Reserves

- For purposes of this policy, use of reserves is defined as a projected or estimated¹ reduction in reserves by fiscal year-end. A temporary reduction in cash consistent with the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected during the fiscal year, and do not constitute a use of reserves.
- The reserves may be drawn down upon by the CEO during the year, up to the lesser of 10% of the year's budgeted cost of power supply, or \$30 million, to:
 - Cover increases in power supply expenses due to spikes in costs and/or due to higher customer demand;
 - Provide necessary funds to make up for unanticipated revenue shortfalls;
 - Meet any margin or collateral posting requirements under energy supply contracts; and,
 - Provide resources to meet emergency expenditures.
- If further use of reserves are needed to manage the operations of the organization, or if the use of reserves would bring the balance below the Minimum Operating Reserve baseline, the CEO must present recommendations to the Board and the Board must authorize any such use.

C. Replenishment of Reserves

- Should SVCE drawdown reserves below the Minimum Operating Reserve level, SVCE will consider plans to return reserves to their minimum targets within two (2) fiscal years. Such plans will be provided in subsequent budget and rate discussions with the Board.

¹ It is not practical to wait the formal fiscal year end closing of the accounting records to determine if the reserves have been "used". Therefore, it is appropriate for staff to estimate reserve levels, with the important amount being what is estimated for fiscal year end.



D. Excess Reserves

- If reserve funds are projected to exceed the maximum level, the CEO shall present options for consideration by the Board of Directors for proper disposition of those reserves during the next budget cycle. In computing excess reserves, the reserve balance will be reduced for earmarked funds or allocated but unspent funds.

E. Reserves between Minimum and Maximum

- To the extent that reserves are above target and below the maximum, no other action by SVCE would be required.

F. Periodic Review of Reserve Goals

- Reserve goals shall be periodically reviewed for consistency with industry standards. If significant risk factors are eliminated or significant new risks emerge as a result of changes in the industry, legislation, or economic conditions, the basis of the reserve policy shall be reviewed, and the funding level shall be adjusted accordingly. Unless the Reserves are approaching minimum levels, formal Reserve funding discussions with the Board may await the next budget process.

G. Reporting

- Reserve levels will be monitored during the fiscal year and reported in the quarterly financial reports. Reserve target levels (minimum and maximum) will be analyzed annually, and over/under reserve determination shall be made in conjunction with year-end financial results. These results will be reported to the Board of Directors as part of the year-end financial report presentation.

(\$ in Thousands)					
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Operating Revenue	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)
Electricity Sales, Net ¹	\$360,057	\$344,870	\$373,562	\$385,869	\$399,386
GreenPrime Electricity Premium	\$2,469	\$2,510	\$2,336	\$2,309	\$2,361
Reduction in Revenue	\$(4,110)	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0	\$0
Total Operating Revenues	\$358,416	\$347,380	\$375,898	\$388,178	\$401,747
Operating Expense					
Power Supply	\$368,896	\$377,056	\$390,399	\$389,754	\$409,179
Operating Margin	\$(10,480)	\$(29,676)	\$(14,501)	\$(1,576)	\$(7,432)
Data Management	\$3,764	\$3,952	\$4,149	\$4,357	\$4,575
PG&E Service Fees	\$1,569	\$1,647	\$1,729	\$1,816	\$1,907
Salaries and Retirement	\$18,870	\$19,814	\$20,805	\$21,845	\$22,937
Professional Services	\$10,902	\$11,447	\$12,019	\$12,620	\$13,251
Marketing & Promotions	\$2,347	\$2,464	\$2,587	\$2,717	\$2,852
General and Administration	\$5,742	\$5,526	\$5,803	\$6,093	\$6,397
Transfers to Programs Fund	\$7,251	\$6,948	\$7,518	\$7,764	\$8,035
Total Operating Expenses	\$419,340	\$428,854	\$445,009	\$446,965	\$469,134
Operating Income	\$(60,924)	\$(81,475)	\$(69,111)	\$(58,787)	\$(67,387)
Nonoperating Revenue					
Investment Income	\$21,413	\$16,236	\$11,990	\$10,449	\$8,184
Grant Income	\$0	\$0	\$0	\$0	\$0
Total Non-Operating Revenues	\$21,413	\$16,236	\$11,990	\$10,449	\$8,184
Nonoperating Expense					
Financing Cost	\$29	\$29	\$29	\$29	\$29
Capital Outlay	\$512	\$50	\$50	\$50	\$50
Total Non-Operating Expense	\$541	\$79	\$79	\$79	\$79
Non-Operating Income	\$20,872	\$16,157	\$11,911	\$10,371	\$8,106
Change in Net Position/Available for Reserves					
Begin, Net Financial Position	\$593,981	\$523,874	\$434,778	\$360,355	\$296,351
Adjustment for Program Expenditure and Building Fund ²	\$(30,055)	\$(23,779)	\$(17,224)	\$(15,588)	\$(16,196)
End, Net Financial Position	\$523,874	\$434,778	\$360,355	\$296,351	\$220,873
1. Assumptions: 4% overall discount relative to comparable PG&E rates for calendar year 2025. FY 25-26 includes additional bill credit to low income customers totaling \$4.1 million. 1% discount for 2026-2030. 2. Each year the Board transfers funds from the Operating Budget to the Decarbonization Programs Fund as shown in the above forecast under line item Transfers to Programs Fund. The line item Adjustment for Program Expenditure accounts for the difference between forecasted spend for programs versus the amount transferred to the fund. This adjustment is needed because program spending to date has been less than the amount transferred to the programs fund. The \$20 million in building Fund is assumed to be spent between FY24-25 and FY25-26.					
Days Cash On Hand (DCOH) at Year End	\$494,189	\$405,094	\$330,670	\$266,666	\$191,188
Days of cash on hand	430	345	271	218	149

FY25-26 Salary Chart		
Title	Minimum Salary (Annual \$)	Maximum Salary (Annual \$)
Administrative Analyst	\$ 108,355	\$ 185,595
Administrative Assistant	\$ 72,236	\$ 114,648
Associate Data Analyst	\$ 108,355	\$ 170,171
Associate Data Scientist	\$ 129,103	\$ 185,811
Associate Financial Analyst	\$ 94,405	\$ 143,419
Associate Legislative Analyst	\$ 90,294	\$ 146,622
Associate Manager of Decarbonization Programs and Policy	\$ 144,471	\$ 208,108
Associate Power Analyst	\$ 101,898	\$ 158,986
Associate Power Resources Planner	\$ 144,471	\$ 219,593
CFO	\$ 228,746	\$ 381,448
Communication Specialist	\$ 94,405	\$ 143,419
Communications Manager	\$ 144,471	\$ 215,886
Community Outreach Specialist	\$ 78,255	\$ 127,891
Data Analyst	\$ 129,103	\$ 190,592
Data Engineer	\$ 136,296	\$ 198,649
Data Scientist	\$ 144,471	\$ 208,108
Deputy Board Clerk/Administrative Assistant	\$ 108,355	\$ 185,595
Deputy Director of Marketing and Communications Deputy	\$ 185,809	\$ 291,983
Director of Power Resources	\$ 204,202	\$ 320,864
Director of Customer Success	\$ 192,644	\$ 302,702
Director of Decarbonization Policy and Community Strategies	\$ 192,644	\$ 302,702
Director of Energy Services & Community Relations	\$ 192,644	\$ 302,702
Director of Government and Legislative Affairs	\$ 192,644	\$ 302,702
Director of Human Resources	\$ 192,644	\$ 302,702
Director of Operations	\$ 192,644	\$ 302,702
Director of Power Resources	\$ 218,360	\$ 327,540
Director of Regulatory, Policy and Planning	\$ 192,644	\$ 302,702
Director of Risk Management and Analytics	\$ 192,644	\$ 302,702
Director of Strategic Development	\$ 192,644	\$ 302,702
Energy Services Lead	\$ 144,471	\$ 220,555
Energy Services Manager	\$ 181,225	\$ 275,458
Energy Services Principal	\$ 161,808	\$ 245,944
Energy Services Specialist	\$ 94,405	\$ 143,420
Energy Trading Manager	\$ 179,204	\$ 264,330
Energy Trading Planner	\$ 156,511	\$ 245,944
Financial Analyst	\$ 108,355	\$ 185,595
General Counsel	\$ 192,644	\$ 302,702
Human Resources Analyst	\$ 108,355	\$ 185,595
Human Resources Generalist	\$ 132,432	\$ 208,108
Human Resources Manager	\$ 180,590	\$ 245,944
IT Analyst	\$ 132,432	\$ 208,108
IT Support Specialist	\$ 94,405	\$ 143,419
Management Analyst/Admin	\$ 132,432	\$ 208,108

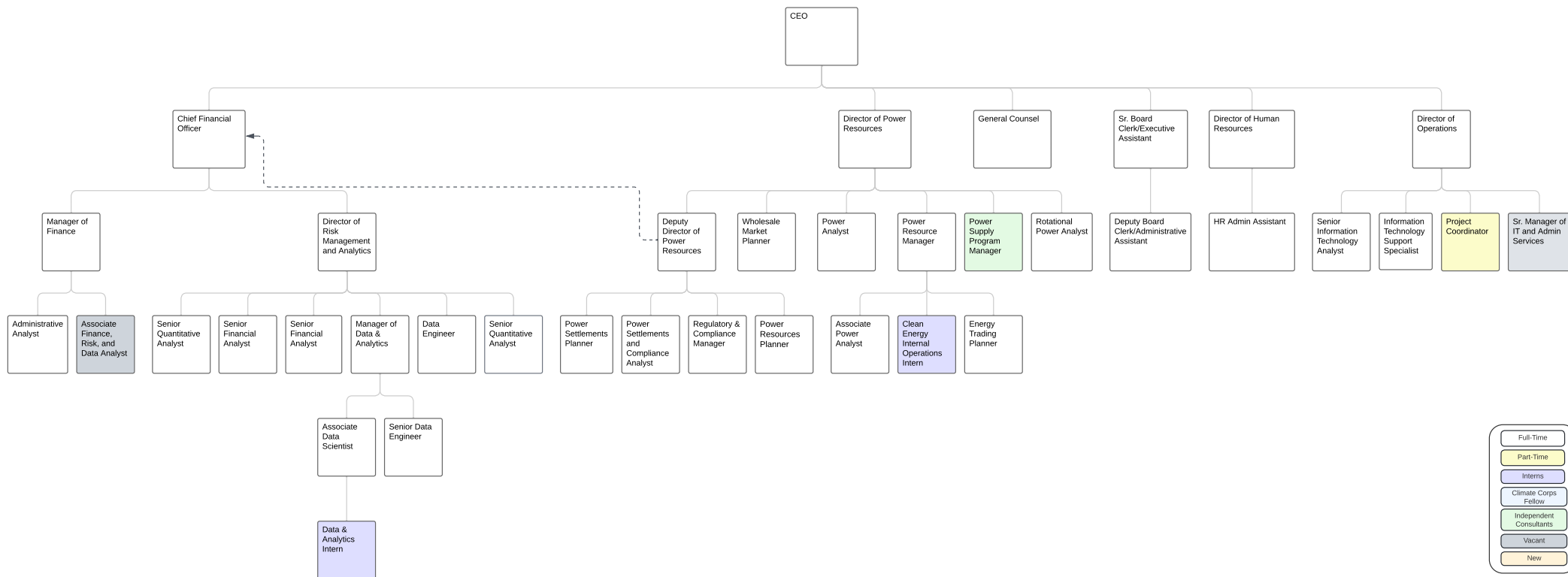
FY25-26 Salary Chart		
Title	Minimum Salary (Annual \$)	Maximum Salary (Annual \$)
Manager of Data and Analytics	\$ 185,227	\$ 275,457
Manager of Decarbonization Programs	\$ 156,511	\$ 245,944
Manager of Finance	\$ 164,337	\$ 249,730
Manager of Technology and Admin Services	\$ 164,337	\$ 249,730
Marketing Lead	\$ 144,471	\$ 220,555
Marketing Specialist	\$ 78,255	\$ 127,891
Policy Analyst	\$ 108,355	\$ 185,595
Power Analyst	\$ 114,125	\$ 178,064
Power Contracts & Settlements Manager	\$ 180,590	\$ 283,783
Power Resources Manager	\$ 180,590	\$ 283,783
Power Resources Planner	\$ 156,511	\$ 245,944
Power Settlements and Compliance Analyst	\$ 132,432	\$ 208,108
Power Settlements Manager	\$ 179,204	\$ 264,330
Power Settlements Planner	\$ 156,511	\$ 245,944
Principal Data Engineer	\$ 156,511	\$ 249,185
Principal Data Scientist	\$ 175,292	\$ 261,051
Principal Policy Analyst	\$ 156,511	\$ 232,810
Principal Power Analyst	\$ 143,158	\$ 223,363
Program Marketing Manager	\$ 144,471	\$ 215,886
Programs Lead	\$ 144,471	\$ 220,555
Programs Specialist	\$ 90,294	\$ 146,622
Rates Manager	\$ 164,337	\$ 245,944
Regulatory & Compliance Manager	\$ 156,511	\$ 245,944
Regulatory Analyst	\$ 126,413	\$ 185,595
Senior Board Clerk/Executive Assistant	\$ 132,432	\$ 220,555
Senior Communications Specialist	\$ 94,405	\$ 160,629
Senior Data Analyst	\$ 144,471	\$ 213,463
Senior Data Engineer	\$ 152,651	\$ 222,486
Senior Data Scientist	\$ 156,511	\$ 233,081
Senior Energy Services Specialist	\$ 108,355	\$ 160,630
Senior Financial Analyst	\$ 144,471	\$ 208,108
Senior Government Affairs Manager	\$ 192,644	\$ 264,330
Senior IT Analyst	\$ 145,675	\$ 228,919
Senior Management Analyst	\$ 144,471	\$ 228,919
Senior Manager of Communications	\$ 165,901	\$ 260,700
Senior Manager of Decarbonization Programs and Policy	\$ 165,901	\$ 260,700
Senior Manager of Power Resources	\$ 192,644	\$ 302,702
Senior Manager of Technology and Administrative Services	\$ 184,057	\$ 278,802
Senior Marketing Specialist	\$ 94,405	\$ 143,419
Senior Policy Analyst	\$ 126,413	\$ 207,866
Senior Power Analyst	\$ 127,820	\$ 199,432
Senior Power Resources Planner	\$ 192,644	\$ 275,458
Senior Programs Specialist	\$ 108,355	\$ 164,217

FY25-26 Salary Chart		
Title	Minimum Salary (Annual \$)	Maximum Salary (Annual \$)
Senior Programs Specialist	\$ 109,558	\$ 179,905
Senior Public Sector Services Manager	\$ 165,901	\$ 260,700
Senior Quantitative Analyst	\$ 144,471	\$ 213,463
Senior Rates Analyst	\$ 144,471	\$ 208,108
Senior Regulatory Advisor	\$ 132,432	\$ 208,108
Senior Regulatory Analyst	\$ 132,432	\$ 208,108
Senior Regulatory Analyst & Associate General Counsel	\$ 144,471	\$ 220,555
Wholesale Energy Markets Manager	\$ 179,204	\$ 264,330
Wholesale Energy Markets Planner	\$ 156,511	\$ 245,944

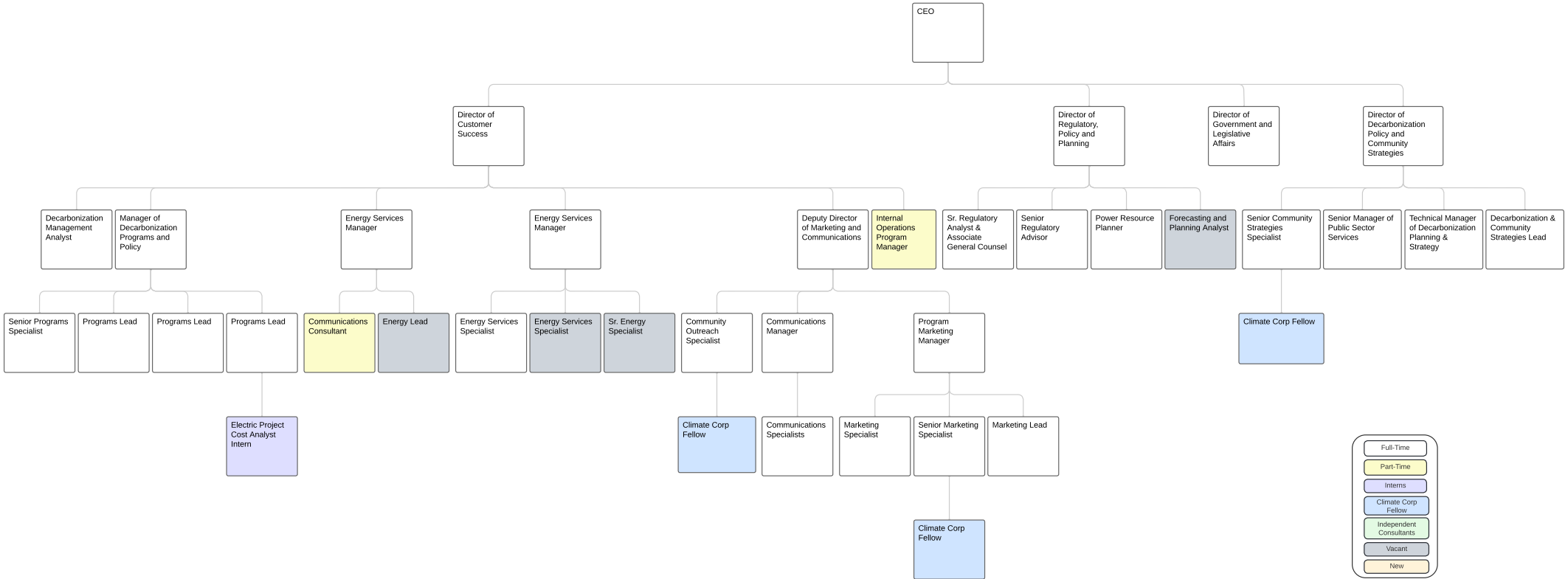
FY25-26 Proposed Budget Organization Chart (Exec, Finance, PRO, Operations)

FY25-26 Proposed Budget Organization Chart (Exec, Finance, PRO, Operations)

Item 6
Attachment 5



FY25-26 Proposed Budget Organization Chart (Exec, CS, RPPL)





2025 Benefits Summary

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Benefit	Details
Health Insurance	
Employer Premium Contribution	SVCE provides up to \$1,500 per month to cover the employee and dependent medical insurance premiums.
Medical	Coverage is provided through the CalChoice marketplace, and currently includes the following options: Kaiser – HMO plans Sutter Health – HMO plans Anthem Blue Cross – PPO plans Cigna –EPO G
Dental	Delta Dental PPO – 100% Employer Paid
Vision	Vision PPO Plan – 100% Employer Paid
Retirement	
401 (a) Plan	Mandatory 10% employee contribution matched by 10% employer contribution in lieu of Social Security. Fully vested from date of hire.
457 (b) Deferred Compensation	Voluntary pre-tax employee contributions up to annual IRS limits.
HRA -or- HSA	
Health Reimbursement Account	SVCE contributes \$500 / month towards a Health Reimbursement Account that the employee can use for qualified health care expenses. Unused balances can be carried over to the next year.
Health Savings Account (only with eligible High Deductible Health Plans)	SVCE contributes up to \$400 / month towards a Health Savings Account that the employee can use for qualified health care expenses. Balance can be invested and stays with employee after separation.
FSA – Health / Dependent Care / Transportation / Parking	
Employer Contribution	SVCE contributes \$200 / month towards flexible spending accounts that can be used for qualified expenses in the categories below. Employee can contribute additional funds up to the IRS limits.
Health Spending Account	Employee can annually contribute up to \$3,200 pre-tax to their Health FSA. A maximum of \$660 rolls over for 2025.
Dependent (Child / Elder) Care Assistance	Employee can annually contribute up to \$5,000 pre-tax to their Dependent Care account. Funds do not roll over.
Transit / Parking Plan	Non-taxable reimbursement of up to \$315 per month for qualified transit and parking expenses, all funds roll over as long as you remain eligible
Health / Wellness	
Fitness Reimbursement Program	SVCE will reimburse up to \$600 / year for qualified fitness expenses (class / program / equipment) per year. This reimbursement will accrue annually up to \$3000.
Professional Development	
Tuition Reimbursement Program	SVCE will reimburse up to \$5,000 / year for qualified educational advancement that supports the organization's mission.
Employee Rebate Reimbursement	
SVCE Employees are eligible to receive the same rebate benefits as its customers	SVCE rebates are available for single-family homes, accessory dwelling units (ADUs), and multi-family homes (4 dwelling units or fewer) swapping out existing equipment, not for completely new building construction. Each dwelling unit is eligible for one rebate per appliance type.



2025 Benefits Summary

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Miscellaneous	
Short Term Disability Insurance	STD provided at 60% of weekly earnings subject to terms of STD insurance carrier and cap based on salary.
Long Term Disability Insurance	LTD provided at 60% of monthly earnings subject to terms of LTD insurance carrier and cap based on salary.
Term Life Insurance	100% Employer-paid for 1X base salary with minimum guarantee at \$200,000 life and AD&D coverage.
Employee Assistance Program (EAP)	100% Employer-paid confidential counseling for you and your immediate family member and work/life services assistance.
Hybrid Work Set up	One time \$500 reimbursable for home office set up.
Technology Stipend	\$50 monthly stipend for phone and \$70 internet connection costs
Voluntary Term Life and AD&D Rates	
Voluntary term life monthly rate	Voluntary term life rates do not include the AD&D rate. The spouse is charged based upon his/her individual age. Child(ren) monthly rate: \$10,000 of coverage for \$2.00 per family
Voluntary Accidental Death and Dismemberment (AD&D) monthly rate	Employee and spouse \$.039
Leave	
Vacation Leave	SVCE offers 160 hours of Paid Time Off (PTO) that is accrued bi-weekly for the first year. PTO includes vacation, sick, etc. After the first-year anniversary date, an additional 8 hours will be granted per year up to the tenth year of employment. All unused PTO at the end of the year can be carried over to a maximum of twice the annual accrual. Exempt employees receive an additional 40 hours of Management Leave at the beginning of each calendar year, which does not carry over to the next year.
Holidays	13 days (104 hours) per year. New Year's Day Martin Luther King Jr.'s Birthday Presidents' Day Cesar Chavez Day Memorial Day Juneteenth Independence Day Labor Day Veteran's Day Thanksgiving (2 days) Christmas Day Floating Holiday (does not accrue, use annually)
Administrative Shut-Down Leave	Christmas Day though New Year's Day
Bereavement Leave	Up to 5 days paid bereavement leave in the event of a death in your immediate family.
Parental Leave	240 hours of paid parental leave, eligibility at the CEO's discretion

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Capital Projects Report											
Description	Account	Date	Cost	Life (months)	Depreciation	Operating Cost/Revenue Impact	Effect on Operations/Reliability	Consequence of not funding the Capital Project	Source of Funding	On-going Impact to Operational Budget	
January 2025 - Stage 1 Initial Roof Inspection - Building finalized in February 2025	Construction in Progress	01/31/2025	\$ 3,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast	
January 2025 - deposit for stage 1 initial roof inspection -Building finalized in February 2025	Construction in Progress	01/31/2025	\$ 1,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast	
Office Building on 298 South Sunnyvale Avenue, Sunnyvale CA 94086	Building	02/20/2025	\$ 7,000,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast	
LAND Office Building on 298 South Sunnyvale Avenue, Sunnyvale CA 94086	Land	02/20/2025	\$ 4,500,000	N/A Land	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast	
May 2025 - Sunnyvale HQ - Construction Project Management Services	Construction in Progress	05/31/2025	\$ 20,000	480	not in service yet	None (allocated towards Office Building Fund)	N/A	Need to fulfill staff office space needs	Office Building Fund	Reduction in 5-Year Reserves forecast	
New Office Space Expenditures for 298 S Sunnyvale	Fixture	09/01/2026	\$ 462,000	84	not in service yet	Listed in FY25-26 Proposed Budget Capital Expenditure	N/A	Need to fulfill staff office space needs	FY25-26 Proposed Operating Budget	One-time Capital cost in FY25-26 budget	

*Furniture depreciates at 84 months
 *Software / electronics depreciate at 36 month



Staff Report – Item 7

Item 7: Introduction to Fiscal Year 2025-26 Strategic Focus Areas and Strategic Plan

From: Monica Padilla, CEO

Prepared by: Andrea Pizano, Sr. Executive Assistant and Board Clerk

Date: 8/13/2025

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") provide feedback on the proposed Strategic Focus Areas (SFAs) and Strategic Plan Goals ("Strategic Plan") and consider changing the review and updating of the Strategic Plan to biennial starting in fiscal year 2025-26 (FY 25-26). Staff will bring the updated Strategic Plan to the Board in September 2025 for approval.

EXECUTIVE COMMITTEE REVIEW

During initial review of the SFAs with the Executive Committee in May 2025, staff reviewed preliminary thoughts on the progress made to date, challenges, and opportunities of each of the current five focus areas:

- SFA1: Expand Affordability Efforts
- SFA2: Expand Clean and Reliable Grid Actions
- SFA3: Expand Offerings to C/I Customers
- SFA4: Prepare Region for Electrification at Scale
- SFA5: Attract & Retain Employees

Though many SFAs are in good position, there was consensus that the existing SFAs are still relevant and there is additional work to be done.

Given these focus areas and goals remain relevant, it was suggested to staff during the Executive Committee meeting that the Strategic Planning process move to every two years as opposed to annually. The SFAs and Strategic Plan goals would remain the same, but the associated measures and workplans could change internally to adapt to the needs of the fiscal year.

BACKGROUND

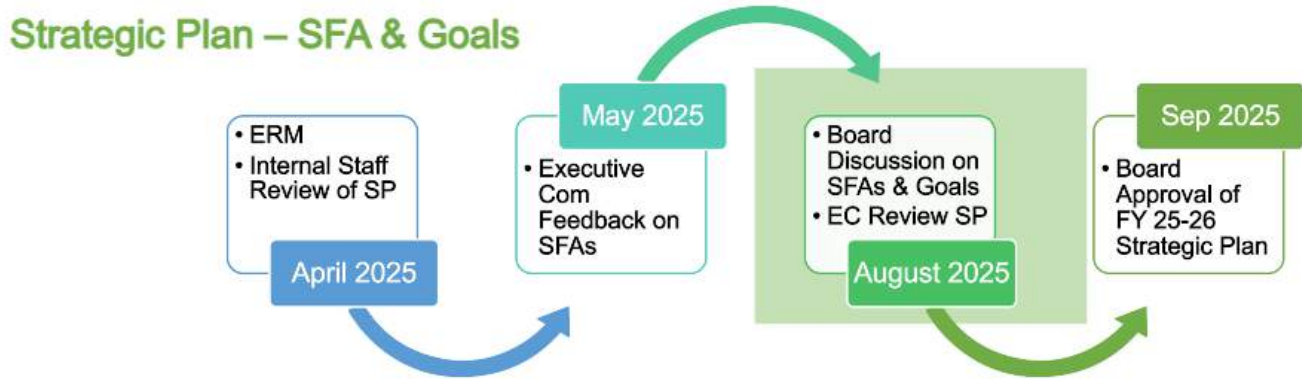
Annually, coinciding with the development of the operating budget, staff goes through a process of reviewing external changes in the landscape, threats, opportunities, new directives and priorities. Through this effort a review of the current Board-approved Strategic Plan (including the agency's mission), is conducted to ensure that priorities, goals and resources are properly aligned. At its September 2024 meeting, the Board adopted the Fiscal Year 2024-25 Strategic Plan ([September 11, 2024 Board of Directors Meeting – Item 4](#)).

In April 2025 staff kicked-off the process for reviewing the current Strategic Plan and concluded that while much progress has been made in implementing the Strategic Plan, much work is still needed in many areas and therefore the current Strategic Plan remain valid.

ANALYSIS & DISCUSSION

Given the feedback received from the Executive Committee in May 2025, along with staff's own assessment of the existing Strategic Plan, only minor changes are being proposed to the Strategic Plan. Further, staff believes the Strategic Plan is durable for two years, through fiscal year 2026-27 and therefore concurs with the Executive Committee's recommendation to move to a biennial cycle. Staff will present the changes for Board feedback at the August 13, 2025 Board meeting and incorporate such feedback for adoption at the September 2025 Board meeting.

Figure 1 is a summary of the process.

**STRATEGIC PLAN**

The strategic planning process is relevant to the overall Strategic Plan, specifically Goal 9 to "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)".

ALTERNATIVE

Staff is open to suggestions from the Board regarding frequency of review and the overall planning process.

FISCAL IMPACT

N/A



Staff Report – Item 8

Item 8: Local Agency Action Planning Update

From: Monica Padilla, CEO

Prepared by: Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies

Date: 8/13/2025

RECOMMENDATION

Staff requests that the Silicon Valley Clean Energy (SVCE) Board of Directors (“Board”) receive an update on the Local Agency Action Planning initiative that supports member agency efforts to electrify existing buildings and modernize permitting.

BACKGROUND

In late 2023, SVCE launched two complementary programs to help member agencies sensibly expand the decarbonization of local buildings and prepare for upcoming rules that will limit the sale of gas appliances. The two programs, Permit Modernization and Policy Experimentation provide \$4M in technical resources and support to help member agencies adopt local policies and improve permit practices that enable the adoption of local policies that support the transition to fossil-free buildings.

Staff is supporting member agencies with core technical assistance and developing customized plans that meet each jurisdiction's unique needs and goals. These efforts will be discussed in more detail at the Board meeting.

ANALYSIS & DISCUSSION

SVCE staff will address the analysis as a presentation to the Board.

STRATEGIC PLAN

The proposal supports SVCE’s Strategic Plan Goal 7, “Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions.”

FISCAL IMPACT

N/A

ATTACHMENT

The presentation for this item is posted to the SVCE website.