



Larry Klein, Chair
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Terry Hines
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Bryan Mekechuk
City of Monte Sereno

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City of Morgan Hill

Pat Showalter
City of Mountain View

Chuck Page
City of Saratoga

Otto Lee
County of Santa Clara

svcleanenergy.org

298 S Sunnyvale Ave.
Sunnyvale, CA 94086

Silicon Valley Clean Energy Authority Board of Directors Meeting

Wednesday, August 12, 2026
7:00 p.m.

Sunnyvale Civic Center
456 W. Olive Avenue
Sunnyvale, CA

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

Community and Cultural Center
Diana Murphy Room
17000 Monterey Road
Morgan Hill, CA 95037

Teleconference Meeting
Webinar:

<https://svcleanenergy-org.zoom.us/j/86755050262>

Telephone (Audio Only):
US: +1 669-219-2599

Webinar ID: 867 5505 0262

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 - AMENDED

Call to Order

Roll Call

Ceremonial Items

- 1) Recognize Annual EmpowerSV Scholarship Competition Winners

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any matter not listed on the Agenda provided that it is within the subject matter jurisdiction of SVCE. Speakers are customarily limited to 3 minutes each, however, the Board Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

Consent Calendar (Action)

- 2a) Approve Minutes of the June 10, 2026, Board of Directors Meeting
- 2b) Receive June 2026 Treasurer Report
- 2c) Approve SVCE 2025 Annual Power Source Disclosure Report Attestation
- 2d) Receive June 2026 Decarbonization Strategy and Programs Quarterly Report
- 2e) Adopt Resolution Amending Silicon Valley Clean Energy Conflict of Interest Code to Add Associate Power Settlements Analyst; Finance, Risk & Data Analyst; Key Accounts Manager; and Senior Manager of Human Resources as Designated Positions for Filing Statements of Economic Interests
- 2f) Receive 2026 Silicon Valley Clean Energy and Electrification Awareness Residential Customer Survey Results
- 2g) Receive the 2026 Silicon Valley Clean Energy Integrated Resource Plan
- 2h) Authorize the Chief Executive Officer to Execute an Agreement with Boone Graphics for Mailing and Printing Services with a Not-to-Exceed Limit of \$450,000 Over a Three-Year Term



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2i) Adopt Resolution Authorizing the Chief Executive Officer to Finalize Negotiations and Execute Amended and Restated Master Power Purchase and Sale Agreements with Shell Energy North America (US), L.P., Constellation Energy Generation, LLC, and NRG Business Marketing LLC to Enable Execution of Energy Transactions

2j) Receive Executive Committee Report

2k) Receive 2026 Legislative Ad Hoc Committee Report

2l) Receive Additional Committees Report

2m) Receive California Community Power Report

2n) Receive California Community Choice Financing Authority Report

2o) Authorize the Chief Executive Officer to Amend the Agreement with SERA Design and Architecture Inc. for Planning, Architecture, & Design Services for Silicon Valley Clean Energy Headquarters and Increase the Not-to-Exceed Amount from \$660,000 to \$726,000

Regular Calendar

3) CEO Report (Informational)

4) Receive Silicon Valley Clean Energy Audit Committee Resignation from Director Bryan Mekechuk and Appoint Members to Serve on the 2026 Silicon Valley Clean Energy Audit Committee (Action)

5) Bay Area Air District Rule 9-6 (Zero NOx Water Heater Standard) Update (Discussion)

6) Silicon Valley Clean Energy Programs + Marketing: Mid-Year Highlights (Informational)

Board Member Announcements and Direction on Future Agenda Items

Adjourn

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298 S Sunnyvale Ave.
Sunnyvale, CA 94086

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 10, 2026

7:00 pm

Sunnyvale Civic Center
456 W. Olive Avenue
Sunnyvale, CA

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

DRAFT MEETING MINUTES

Call to Order:

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

Roll Call

Present:

Larry Klein (Chair), Sunnyvale
Sally Meadows (Vice Chair), Los Altos
Terry Hines, Campbell
R "Ray" Wang, Cupertino
Zach Hilton, Gilroy (participated remotely)
George Tyson, Los Altos Hills
Bryan Mekechuk, Monte Sereno
Yvonne Martinez Beltran, Morgan Hill (participated remotely)
Pat Showalter, Mountain View
Chuck Page, Saratoga
Otto Lee, Santa Clara County

Absent:

Rob Rennie, Los Gatos
Garry Barbadillo, Milpitas

Public Comment on Matters Not Listed on the Agenda

Gerard Manning commented on the climate impact of the Bay Area Air District's gas water heater standards, affordability, and encouraged the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) to look at further possibilities of financing options (in addition to on-bill financing) for heat pump water heaters similar to the programs being done by Westlight Energy (formerly Peninsula Clean Energy) and San Jose Clean Energy. Gerard encouraged acceleration in planning for rule implementation in 2027.

Adopt Resolution Commending Elliot Scozzola for His Dedicated Service to SVCE

Chair Klein introduced the item to commend former Director Elliot Scozzola for his service on the Silicon Valley Clean Energy Board of Directors.

Chair Klein opened Public Comment

No speakers.

Chair Klein closed Public Comment

MOTION: Director Hines moved and Director Wang seconded the motion to adopt Resolution 2026-12 commending Elliot Scozzola for his dedicated service to Silicon Valley Clean Energy.

The motion carried by verbal roll call vote:

Yes: Director Wang, Director Showalter, Director Hines, Director Tyson, Director Hilton, Director Martinez Beltran, Chair Klein, Vice Chair Meadows, Director Lee

No: None.

Abstain: Director Mekechuk, Director Page

Absent: Director Barbadillo, Director Rennie

Consent Calendar (Action)

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 15, 2026, Board of Directors Special Meeting

1b) Receive April 2026 Treasurer Report

1c) Authorize the Chief Executive Officer to Execute an Agreement with Ecology Action for an Electric Vehicle Charging Technical Assistance Program with a Not to Exceed Limit of \$900,000 Over a Three-Year Term

1d) Approve an Allocation of \$700,000 of Program Fund Dollars to Extend the Go Electric Advisor Program and Authorize the Chief Executive Officer to Execute the First Amendment to the Sacramento Municipal Utility District (SMUD) Agreement to Extend the Term through June 2028 and Set a New Not-to-Exceed Amount of \$1.542 Million

1e) Recommend the SVCE Board Approve Amendments to SVCE Policies

1f) Authorize the Chief Executive Officer to Enter a Short-term Agreement to Purchase Large Hydroelectric Carbon Free Energy from Brookfield Renewable Trading and Marketing, LP for Calendar Year 2028 and Amount Not to Exceed \$1,000,000

1g) Authorize the Chief Executive Officer Approval of CC Power's Annual Budget and Dues in an Amount Not to Exceed \$600,000 for CC Power's Fiscal Year 2026-2027 and Delegate Authority to the Chief Executive Officer to Enter Agreements Using Approved Funds

1h) Receive Executive Committee Report

1i) Receive Finance and Administration Committee Report

1j) Receive Additional Committees Report

1k) Receive California Community Power Report

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

The motion carried by verbal roll call vote:

Yes: Director Mekechuk, Director Tyson, Director Hilton, Director Showalter, Director Page, Vice Chair Meadows, Chair Klein, Director Martinez Beltran, Director Lee, Director Hines

No: None.

Abstain: Director Wang
Absent: Directors Barbadillo, Director Rennie

Regular Calendar

2) CEO Report (Informational)

Amrit Singh, Chief Financial Officer (CFO), presented the CEO report on behalf of CEO Monica Padilla. CFO Singh addressed the following in the CEO report:

- Introduction to SVCE's Senior Human Resources Manager, Chelsea Rawls, who provided brief welcome comments; and
- Bena Chang, Director of Government and Legislative Affairs, shared a legislative update and information on recent Bay Area Air District (BAAD) meetings on the zero NOx water heater rules.

Staff responded to an inquiry on the location for the August Board of Directors meeting.

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

3) Adopt 2026 Integrated Resource Plan and Delegate Authority to the Chief Executive Officer for Final Approval (Action)

Maren Wenzel, Director of Regulatory, Policy and Planning, presented a request for the Board to approve adoption of the proposed plans for submission in SVCE's 2026 Integrated Resource Plan (IRP). Director of Regulatory, Policy and Planning Wenzel reviewed the following in her presentation:

- California Public Utilities Commission IRP purpose and requirements;
- Summary of proposed SVCE 2026 IRP and development process;
- Proposed Preferred Conforming Plan draft results;
- Proposed Alternate Conforming Plan draft results;
- Summary of additional analysis; and
- Key narrative components.

Staff responded to board member questions on curtailment assumptions and adjustment of load, model results of the Preferred Conforming Plan, new energy sources coming online each year, the absence of nuclear and off-shore wind, availability of updated information on million metric tons (MMT) CO₂e emissions more recently than 2023, what makes up the increase in load growth, allocation by time of day and real-time pricing, which of the two submitted plans will get adopted by the California Public Utilities Commission (CPUC), if the plan is intended for accountability to the agency or more for planning purposes for the CPUC, energy sources and capacity values, clarification on the stand alone solar in the Preferred Conforming Plan, cost per kilowatt or average for each source, least cost best fit methodology and trade-offs in the assumptions, affordability concerns and actions SVCE is taking, and decentralized production.

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

MOTION: Director Mekechuk moved and Director Showalter seconded the motion to adopt the proposed Preferred Conforming and Alternate Conforming Plans ("Plans") for submission in Silicon Valley Clean Energy's 2026 Integrated Resource Plan (IRP) and, delegate authority to the Chief Executive Officer to finalize and submit for approval to the California Public Utilities Commission Silicon Valley Clean Energy's 2026 IRP by the due date of August 10, 2026.

The motion carried by unanimously by verbal roll call vote with Directors Barbadillo and Rennie absent.

4) Receive Results of Stress Test Analyses (Discussion)

Scott Wrigglesworth, Director of Risk Management and Analytics, presented findings of the annual stress test analyses and reviewed the following: the enterprise risk management (ERM) framework and key drivers, the five-year financial base case forecast update, an overview of the stress test construction, the updated base case comparison with the stress test scenario, and actions and next steps.

Staff responded to board member questions on the industry standard for days cash on hand, SVCE's credit ratings, potential geopolitical factors in energy prices, and timing of the next stress test.

Chair Klein opened Public Comment.

No comments.

Chair Klein closed Public Comment.

5) Approve Financial Levers Playbook (Action)

Justin Zagunis, Director of Customer Success, presented a request for the Board to approve the proposed Financial Levers Playbook. The presentation included a recap of levers and feedback from previous financial levers discussions, defining the playbook, how the playbook will work, and timeline for next steps following playbook approval.

Staff responded to questions and comments on product mix by customer segment, power charge indifference adjustment (PCIA) transparency legislation, incentives for premium product, the forecasted drop in days cash on hand to 2030, risk considerations for climate reporting rules and if it will affect commercial and industrial customers, messaging on rates, how the playbook exists within SVCE, the creation and implementation timing of a potential new premium rate tier for a higher cost, the potential for a member agency to opt-in its community to a higher rate tier with the option for customers in those communities to opt-out, cadence of staff review of the playbook, emphasis on greenhouse gas reductions, and comparisons with other organizations.

Chair Klein opened Public Comment.

Bruce Karney, Chair of Carbon Free Mountain View, distributed a historical look at carbon emissions of all CCAs and PG&E (Attachment 1), noting there was a time when SVCE was ranked the best and now ranks eighth out of 14. Mr. Karney noted it seemed likely to him that rates can go above PG&E and remain clean, and he would like to see an upside stress test scenario where SVCE charges 60% up to see what dollars would be available for programs. Mr. Karney commented at the Bay Area Air District Board meeting, a public question was asked if somebody provided a way to get water and heat from a device that didn't produce NOx, if people would pay extra to not have that in their homes. Mr. Karney commented it was an interesting argument and flips the script on the importance of getting rid of pollution.

Chair Klein closed Public Comment.

MOTION: Director Wang moved and Director Mekechuk seconded the motion to approve the Financial Levers Playbook to:

- **Enact operational cost savings and efficiencies**
- **Maintain current levels of clean, programs, and rate discount for 2026 and 2027 planning**
- **Introduce new split product offering to give customer choice, assess opt-out risk and interest (only if needed):**
 - **One cheaper than PG&E – e.g. less clean and no program participation**
 - **One same as current default but at premium**
 - **Scale up premiums for both products over time (only if needed)**

- **Incorporate a small reduction/pause in programs (only if needed)**

The motion carried unanimously by verbal roll call vote with Directors Barbadillo and Rennie absent.

Board Member Announcements and Future Agenda Items

Director Mekechuk announced his desire to resign from the SVCE Audit Committee and recommendation to have a six-member Audit Committee. Director Mekechuk requested the Board appoint a new member for the Audit Committee at the next Board of Directors meeting.

Director Showalter announced \$500,000 would be added to the existing rebate fund for 250 water heaters and heat pumps in Mountain View.

Director Tyson expressed his appreciation to SVCE staff for bringing the “Dream Home” all-electric home to the Los Altos Town picnic.

Director Hines announced the opening of the all-electric Campbell library, and the upcoming all-electric Campbell Police Department ribbon cutting ceremony.

Adjourn

Chair Klein adjourned the meeting at 9:02 p.m.

ATTEST:

Andrea Pizano, Board Secretary

Bruce Karney Public Comment

Emission Data for all CCAs in PG&E Territory									
Entity Name	Pounds of CO2e per MWh								
	2017	2018	2019	2020	2021	2022	2023	2024	
California Power Mix	n/a	n/a	n/a	466	456	422	373	359	
Pacific Gas & Electric	n/a	n/a	n/a	160	98	56	12	16	
Ava Community Energy	n/a	n/a	n/a	591	564	496	370	221	
Central Coast Community Energy	n/a	n/a	n/a	151	494	637	725	417	
CleanPowerSF	n/a	n/a	n/a	40	82	47	15	3	
King City Community Power	n/a	n/a	n/a	486	567	580	641	627	
MCE	n/a	n/a	n/a	77	75	44	4	1	
Peninsula Clean Energy Authority	n/a	n/a	n/a	13	5	9	6	0	
Pioneer Community Energy	n/a	n/a	n/a	603	542	343	346	573	
Redwood Coast Energy Authority	n/a	n/a	n/a	447	615	49	73	404	
Sonoma Clean Power Authority	n/a	n/a	n/a	80	130	112	138	91	
San Jose Clean Energy	n/a	n/a	n/a	190	162	116	50	152	
Silicon Valley Clean Energy	n/a	n/a	n/a	7	18	72	58	202	
Valley Clean Energy Alliance	n/a	n/a	n/a	190	722	709	449	32	



TREASURER REPORT

**Fiscal Year to Date
As of June 30, 2026**

(Preliminary & Unaudited)

Issue Date: August 12, 2026

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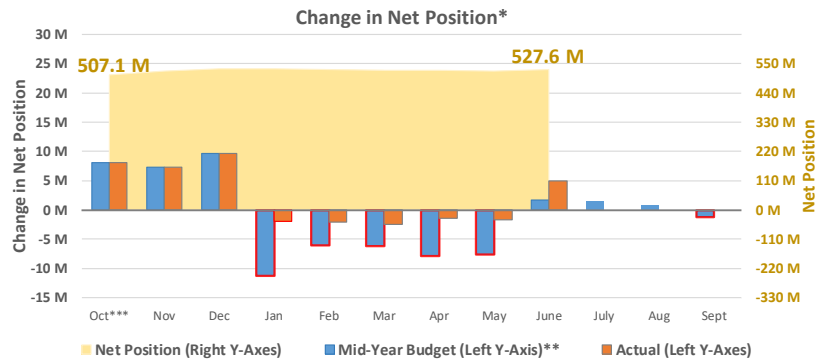
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SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights (\$ in millions)
June 30, 2026

Page 2

Balance Sheet Highlights:

- > SVCE operations resulted in an increase in net position of \$4.9 million for the month of June or an increase of \$20.4 million for the first nine months of the fiscal year 2025-2026 (FYTD).
- > Total Net Position increased to \$527.6 million from \$522.6 million.
- > SVCE is investing ~98.4% of available funds, recognizing interest/dividend income of \$14.8M FYTD.



*Does not yet recognize unspent program dollars

**For reconciliation purposes, budget numbers include actual program expenses and depreciation, excludes GASP 96 expenses.

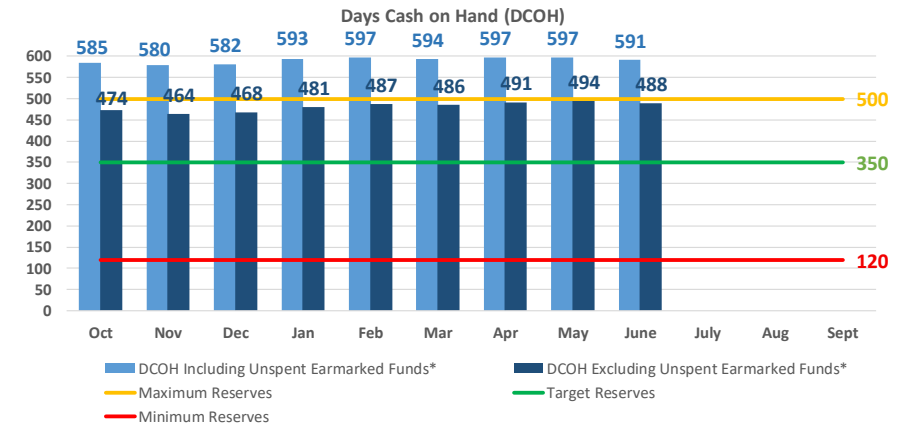
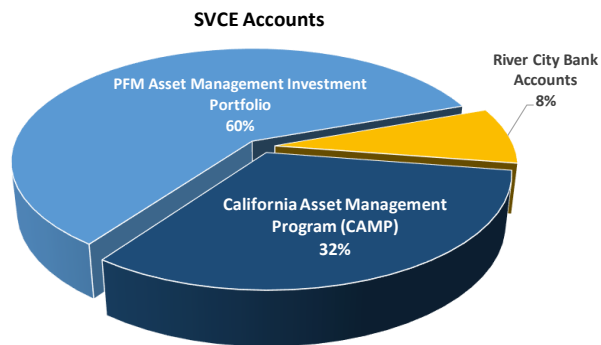
*** Displays the starting fiscal year net position on Oct. 1, 2025, of \$507M.

SVCE Yield-bearing Accounts:

Combined Ending Balance*	599.6 M
Total Interest/Div. Earned FYTD	14.8 M
Average Yield to Maturity**	4.06%

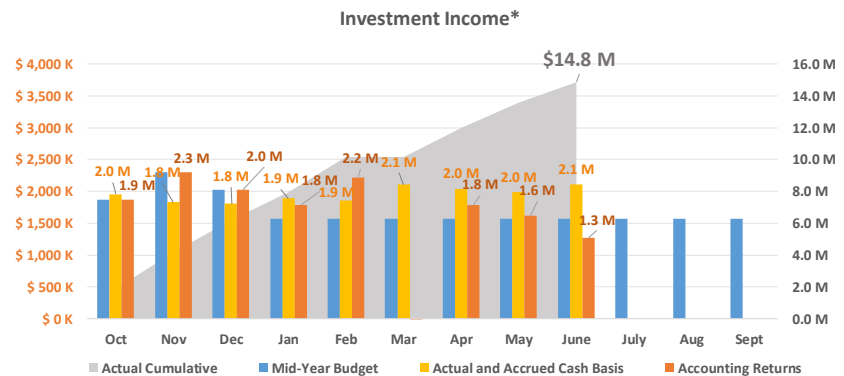
* Includes River Bank accounts - Money Market, Collateral and ICS; CAMP; PFMAM Portfolio

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



* Earmarked funds are unspent SVCE program and building funds. DCOH includes rate stabilization funds. January 2026 reflects sizable collection of receivables and \$780K of unsettled trades.

DCOH is computed as cash and cash equivalents plus investments divided by daily budgeted expenditures. A decrease in June DCOH reflects a larger account receivables and accrued revenue balances.



* 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, 2026

Page 3

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

- > Operating margin of \$40.7 million (or 17%) was significantly above the Mid-Year Budget expectations of \$15.5M (or 6%) operating margin for the fiscal year to date.
- > Fiscal Year to Date (FYTD) Power Supply costs are -11% below Mid-Year Budget.
- > Retail GWh sales landed -2.5% below Mid-Year Budget expectations for the month of June and -1.5% lower for the FYTD.

Variance Explanation:

October-December - Equalized to actuals during the Mid-Year budget recalibration.

January - higher revenues from improvement in SVCE margins and lower power supply cost.

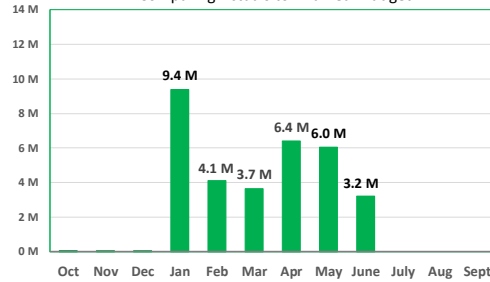
February - lower customer load combined with reduced energy prices minimized anticipated net loss by \$4M.

March - higher customer load combined with extended decline in energy prices, offset by a negative unrealized mtm adjustment of SVCE Investment Portfolio

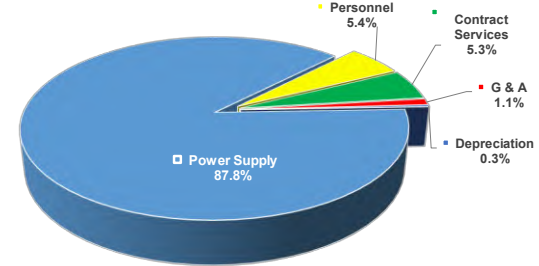
April - lower energy consumption under negative margins, combined with reduced energy prices...

May-June - Higher revenues due to potential favorable changes in load profile, combined with lower energy prices contributed to better than budgeted results.

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

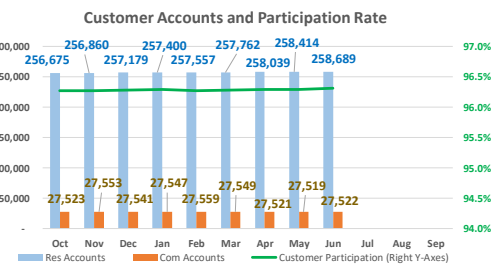
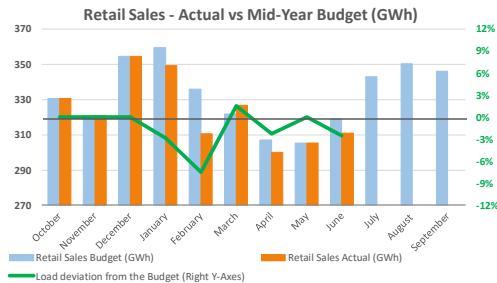


YTD Operating Expenses



\$ in millions	June			Fiscal YTD			Main Drivers:
	Actual	MY Budget	% Diff	Actual	MY Budget	% Diff	
Revenue	30.0 M	29.2 M	3%	241.0 M	239.9 M	0%	- Higher revenue in May and June reflects potential changes in customer load profiles. - Lower costs are mostly due to decline in energy/attribute prices and the timing of invoicing.
Power Supply Cost	22.7 M	24.2 M	-6%	200.3 M	224.4 M	-11%	
Operating Margin	7.3 M	5.0 M	46%	40.7 M	15.5 M	163%	- Contingencies in the budget, underrunning professional services, and lower marketing expenses. - Reflects budgetary transfers to program and building funds offset by investment income. - Reflects budgetary transfers to program and building funds offset by investment income.
Operating Expenses (ex Power)	2.7 M	3.9 M	-30%	23.0 M	31.0 M	-26%	
Other Non-Op. Expen. (Income)	-1.2 M	-1.5 M	-17%	-2.0 M	-2.3 M	-10%	
Net Increase in Available Fund Balance	5.8 M	2.6 M	125%	19.7 M	-13.2 M	-249%	

Customer Load Statistics:



Total Accounts	286,211
Opt-Out Accounts (Month)	9
Opt-Out Accounts (FYTD)	138
Opt-Up Accounts (Month)	(4)
Opt-Up Accounts (FYTD)	13

Program Funds:

	Beginning Balance	End Balance	YTD Contributions	YTD Expenditures
General Program Fund	\$ 76,714,107	\$ 72,831,951	\$ 7,251,000	\$ 11,133,156
CRCR Fund*	\$ 4,911,889	\$ 4,262,473	\$ -	\$ 649,416
Electrification Discount Fund	\$ 8,740,312	\$ 8,740,312	\$ -	\$ -
Nuclear Program Funds	\$ 5,891,455	\$ 5,891,455	\$ -	\$ -
Hanford Program Funds	\$ 1,800,000	\$ 1,652,071	\$ -	\$ 147,929
Building Fund	\$ 8,214,310	\$ 10,030,102	\$ 5,500,000	\$ 3,684,208

* Customer Relief and Community Resilience Fund

** The financial results in this report are preliminary and subject to change pending the closing of the books for the fiscal year.

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of June 30, 2026

ASSETS

Current Assets

Cash & Cash Equivalents*	\$ 219,338,997
Accounts Receivable, net of allowance	21,403,889
Accrued Revenue	18,727,066
Other Receivables	13,628,339
Prepaid Expenses	3,355,030
Deposits	2,381,361
Investments	90,507,528
Cash equivalents - restricted	1,263,127
Total Current Assets	370,605,337

Noncurrent assets

Investments**	294,720,409
Capital assets, net of depreciation	17,355,322
Total Noncurrent Assets	312,075,731

Total Assets	682,681,068

LIABILITIES

Current Liabilities

Accrued Cost of Electricity	39,505,548
Accounts Payable	2,717,029
Other accrued liabilities	2,339,379
User Taxes and Energy Surcharges due to other gov'ts	907,388
Information technology subscription liability	619,801
Supplier security deposits	33,000
Total Current Liabilities	46,122,145

Noncurrent Liabilities

Information technology subscription liability	526,297
Supplier security deposits	8,478,125
Total noncurrent liabilities	9,004,422
Total Liabilities	55,126,567

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	100,000,000

NET POSITION

Net investment in capital assets	17,355,322
Restricted for security collateral	1,263,127
Unrestricted (deficit)	508,936,052
Total Net Position	\$ 527,554,501

* 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, 2025 through June 30, 2026

OPERATING REVENUES

Electricity Sales, Net	\$ 237,786,533
GreenPrime electricity premium	1,329,908
Liquidated damages	<u>1,859,346</u>

TOTAL OPERATING REVENUES **240,975,787**

OPERATING EXPENSES

Cost of Electricity	200,287,941
Contract services	12,151,073
Staff compensation and benefits	12,390,930
Program incentives	7,335,581
Other operating expenses	2,419,704
Depreciation and amortization	<u>747,657</u>

TOTAL OPERATING EXPENSES **235,332,886**

OPERATING INCOME(LOSS) **5,642,901**

NONOPERATING REVENUES (EXPENSES)

Investment Income	14,844,720
Financing costs	<u>(66,524)</u>

TOTAL NONOPERATING REVENUES (EXPENSES) **14,778,196**

CHANGE IN NET POSITION

	20,421,097
Net Position at beginning of period	<u>507,133,404</u>
Net Position at end of period	<u>\$ 527,554,501</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS October 1, 2025 through June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 257,879,091
Receipts of liquidated damages	1,765,596
Receipts of wholesale sales	36,150,832
Receipts of deposits and collateral	35,976
Payments to suppliers for electricity	(253,344,326)
Payments of security deposits	(1,463,782)
Payments for other goods and services	(15,248,643)
Payments for program incentives	(7,629,706)
Payments for staff compensation and benefits	(12,521,279)
Tax and surcharge payments to other governments	(5,490,522)
Net cash provided (used) by operating activities	<u>133,237</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments of subscription liability and related interest	(642,578)
Acquisition of capital assets	<u>(3,254,592)</u>
Net cash provided (used) by capital and related financing activities	<u>(3,897,170)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	16,394,154
Proceeds from investment sales	134,596,396
Purchase of investments	<u>(242,361,539)</u>
Net cash provided (used) by investing activities	<u>(91,370,989)</u>

Net change in cash and cash equivalents	(95,134,922)
Cash and cash equivalents at beginning of year	<u>315,737,046</u>
Cash and cash equivalents at end of period	<u>\$ 220,602,124</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted	219,338,997
Cash equivalents - restricted	<u>1,263,127</u>
Total cash and cash equivalents	<u>\$ 220,602,124</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)

October 1, 2025 through June 30, 2026

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

Operating Income (loss)	\$ 5,642,901
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	747,657
(Increase) decrease in accounts receivable	1,690,131
(Increase) decrease in accrued revenue	12,370,008
(Increase) decrease in other receivables	12,627,985
(Increase) decrease in prepaid expenses	(2,509,023)
(Increase) decrease in current deposits	(1,491,056)
Increase (decrease) in accrued cost of electricity	(27,442,192)
Increase (decrease) in accounts payable	(106,683)
Increase (decrease) in accrued liabilities	(641,476)
Increase (decrease) in taxes and surcharges due to other governments	(788,015)
Increase (decrease) in supplier security deposits	33,000
Net cash provided (used) by operating activities	\$ 133,237

NONCASH INVESTING ACTIVITIES

Change in fair value of investments	\$ (1,831,785)
Change in interest receivable	\$ 282,351

SILICON VALLEY CLEAN ENERGY AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through June 30, 2026

	FYTD	FYTD	Variance		FY 2025-26	FY 2025-26
	Actual	Mid-Year Budget	\$	%	Mid-Year Budget	Remaining Budget
OPERATING REVENUES						
Energy Sales	\$241,195,885	\$239,956,562	\$ 1,239,323	1%	\$335,858,000	\$94,662,115
Green Prime Premium	1,329,908	\$1,799,746	(469,838)	-26%	\$2,439,000	1,109,092
Customer bill relief (existing CARE/FERA)	(3,409,352)	(3,235,304)	(174,048)	5%	(4,163,000)	-
Other Income	1,859,346	1,344,000	515,346	n/a	1,344,000	(515,346)
TOTAL OPERATING REVENUES	240,975,787	239,865,004	1,110,783	0%	335,478,000	95,255,861
ENERGY EXPENSES						
Power Supply	200,287,941	224,384,441	(24,096,500)	-11%	311,996,000	111,708,059
Operating Margin	40,687,846	15,480,563	25,207,283	163%	23,482,000	(16,452,198)
OPERATING EXPENSES						
Data Management	2,765,999	2,809,546	(43,547)	-2%	3,764,000	998,001
PG&E Fees	910,414	1,146,147	(235,733)	-21%	1,569,000	658,586
Salaries & Benefits	12,390,930	13,904,402	(1,513,472)	-11%	18,870,000	6,479,070
Professional Services	3,317,048	7,420,009	(4,102,961)	-55%	10,645,000	7,327,952
Marketing & Promotions	788,794	1,599,363	(810,569)	-51%	2,189,000	1,400,206
General & Administrative	2,817,691	4,079,932	(1,262,241)	-31%	5,647,000	2,829,309
TOTAL OPERATING EXPENSES	22,990,876	30,959,399	(7,968,523)	-26%	42,684,000	19,693,124
OPERATING INCOME/(LOSS)	17,696,970	(15,478,836)	33,175,806	-214%	(19,202,000)	(36,898,970)
NON-OPERATING REVENUES						
Investment Income	14,844,720	15,577,134	(732,414)	-5%	20,272,000	5,427,280
TOTAL NON-OPERATING REVENUES	14,844,720	15,577,134	(732,414)	-5%	20,272,000	5,427,280
NON-OPERATING EXPENSES						
Financing	18,489	116,896	(98,407)	-84%	166,000	147,511
CAPITAL EXPENDITURES, TRANSFERS, & OTHER						
Capital Outlay	45,865	458,250	(412,385)	-90%	611,000	565,135
Building Fund	5,500,000	5,500,000		0%	5,500,000	-
Transfer to Programs Fund	7,251,000	7,251,000	-	0%	7,251,000	-
TOTAL OTHER USES	12,796,865	13,209,250	(412,385)	-3%	13,362,000	565,135
NET INCREASE(DECREASE) IN AVAILABLE FUND BALANCE	\$ 19,726,336	\$ (13,227,848)	\$ 32,954,184	-249%	-\$12,458,000	-\$32,184,336

SILICON VALLEY CLEAN ENERGY AUTHORITY

OPERATING FUND

BUDGET RECONCILIATION TO STATEMENT OF

REVENUES, EXPENSES AND CHANGES IN NET POSITION

October 1, 2025 through June 30, 2026

Net Increase (decrease) in available fund balance per budgetary comparison schedule	\$ 19,726,336
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position	
Subtract depreciation expense	(747,657)
Subtract program expense not in operating budget	(11,930,501)
Add back portion of lease payment applied to reduce lease liability	576,054
Add back transfer to Program funds	12,751,000
Add back capital asset acquisition	45,865
Change in Net Position	<u>20,421,097</u>

**SILICON VALLEY CLEAN ENERGY AUTHORITY
GENERAL PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through June 30, 2026**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
REVENUE & OTHER SOURCES:				
Transfers in - General Programs	\$ 7,251,000	\$ 7,251,000	\$ -	100.0%
Total	\$ 7,251,000	\$ 7,251,000	\$ -	
EXPENDITURES & OTHER USES:				
Program expenditures	28,628,866	11,133,156	17,495,710	38.9%
Net increase (decrease) in fund balance	<u>\$ (21,377,866)</u>	<u>\$ (3,882,156)</u>		
Fund balance at beginning of period		76,714,107		
Fund balance at end of period		<u>\$72,831,951</u>		

**CUSTOMER RELIEF & COMMUNITY RESILIENCY FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through June 30, 2026**

	<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:				
Other program expenditures	963,704	649,416	314,288	67.4%
Total Program expenditures	<u>963,704</u>	<u>649,416</u>	<u>314,288</u>	
Net increase (decrease) in fund balance	<u>\$ (963,704)</u>	<u>\$ (649,416)</u>		
Fund balance at beginning of period		4,911,889		
Fund balance at end of period		<u>\$4,262,473</u>		

**ELECTRIFICATION DISCOUNT FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through June 30, 2026**

	<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	500,000	-	500,000	0.0%
Net increase (decrease) in fund balance	<u>\$ (500,000)</u>	<u>0</u>		
Fund balance at beginning of period		8,740,312		
Fund balance at end of period		<u>\$8,740,312</u>		

**BUILDING FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through June 30, 2026**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
REVENUE & OTHER SOURCES:				
Transfer in - Building Fund	\$ 5,500,000	\$ 5,500,000	\$ -	100.0%
EXPENDITURES & OTHER USES:				
Capital outlay	13,714,310	3,684,208		
Other building expenditures		<u>-</u>	-	
		3,684,208		
Net increase (decrease) in fund balance	<u>\$ (8,214,310)</u>	<u>1,815,792</u>		
Fund balance at beginning of period		8,214,310		
Fund balance at end of period		<u>\$10,030,102</u>		

NUCLEAR PROGRAM FUNDS
BUDGETARY COMPARISON SCHEDULE
October 1, 2025 through June 30, 2026

REVENUE & OTHER SOURCES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
Transfers in - Nuclear Allocation	\$ -	\$ -		
Transfer in - Hanford Emissions Mitigation Fund	\$ -	\$ -	\$ -	n/a
Total	\$ -	\$ -	\$ -	
EXPENDITURES & OTHER USES:				
Program expenditures	1,692,000	-	1,692,000	
Net increase (decrease) in fund balance	<u>\$ (1,692,000)</u>	<u>\$0</u>		
Fund balance at beginning of period		5,891,455		
Fund balance at end of period		<u>\$5,891,455</u>		

HANFORD PROGRAM FUNDS
BUDGETARY COMPARISON SCHEDULE
0

REVENUE & OTHER SOURCES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET REMAINING</u>	<u>ACTUAL/ BUDGET</u>
Transfers in - Nuclear Allocation	\$ -	\$ -		
Transfer in - Hanford Emissions Mitigation Fund	\$ -	\$ -	\$ -	n/a
Total	\$ -	\$ -	\$ -	
EXPENDITURES & OTHER USES:				
Program expenditures	450,000	147,929	302,071	
Net increase (decrease) in fund balance	<u>\$ (450,000)</u>	<u>-\$147,929</u>		
Fund balance at beginning of period		1,800,000		
Fund balance at end of period		<u>\$1,652,071</u>		

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2025 through June 30, 2026

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
OPERATING REVENUES													
Electricity sales, net	\$ 38,508,886	\$ 35,571,690	\$ 39,479,027	\$ 23,564,865	\$ 18,103,369	\$ 18,192,431	\$ 16,163,433	\$ 18,451,760	\$ 29,751,072				\$ 237,786,533
Green electricity premium	\$ 204,210	\$ 186,390	\$ 198,040	\$ 232,605	\$ 103,245	\$ 96,962	\$ 103,118	\$ 89,646	\$ 115,692				1,329,908
Liquidated damages	\$ 5,750	\$ 21,750	\$ 1,316,832	\$ 4,707		\$ 74,155	\$ 145,208	\$ 163,184	\$ 127,760				1,859,346
Other Income													-
Total operating revenues	38,718,846	35,779,830	40,993,899	23,802,177	18,206,614	18,363,548	16,411,759	18,704,590	29,994,524	-	-	-	240,975,787
OPERATING EXPENSES													
Cost of electricity	28,412,034	\$ 27,405,294	\$ 29,131,307	\$ 23,128,183	\$ 18,628,678	\$ 16,999,700	\$ 16,112,789	\$ 17,760,844	\$ 22,709,112				200,287,941
Staff compensation and benefits	1,276,785	\$ 1,267,182	\$ 1,428,500	\$ 1,908,905	\$ 1,209,410	\$ 1,526,527	\$ 1,179,608	\$ 1,355,736	\$ 1,238,277				12,390,930
Data manager	301,259	\$ 299,868	\$ 300,270	\$ 300,775	\$ 317,087	\$ 313,631	\$ 310,938	\$ 310,055	\$ 312,116				2,765,999
Service fees - PG&E	100,223	\$ 100,352	\$ 100,467	\$ 100,683	\$ 103,451	\$ 100,884	\$ 100,907	\$ 102,139	\$ 101,308				910,414
Consultants and other professional fees	899,290	\$ 895,784	\$ 816,525	\$ 729,493	\$ 1,136,993	\$ 984,553	\$ 814,803	\$ 1,138,768	\$ 1,058,451				8,474,660
Program incentives	1,146,022	\$ 394,408	\$ 1,199,900	\$ 946,795	\$ 827,031	\$ 711,957	\$ 805,994	\$ 828,668	\$ 474,806				7,335,581
Other operating expenses	279,315	\$ 291,015	\$ 298,184	\$ 335,692	\$ 146,217	\$ 151,979	\$ 225,174	\$ 365,892	\$ 326,236				2,419,704
Depreciation	79,605	\$ 79,605	\$ 79,605	\$ 79,604	\$ 79,605	\$ 79,605	\$ 89,783	\$ 89,783	\$ 90,462				747,657
Total operating expenses	32,494,533	30,733,508	33,354,758	27,530,130	22,448,472	20,868,836	19,639,996	21,951,885	26,310,768	-	-	-	235,332,886
Operating income (loss)	6,224,313	5,046,322	7,639,141	(3,727,953)	(4,241,858)	(2,505,288)	(3,228,237)	(3,247,295)	3,683,756	-	-	-	5,642,901
NONOPERATING REVENUES (EXPENSES)													
Grant income	-												-
Interest income	1,865,552	\$ 2,295,828	\$ 2,025,849	\$ 1,780,985	\$ 2,212,151	\$ (10,983)	\$ 1,788,071	\$ 1,618,093	\$ 1,269,174				14,844,720
Financing costs	(3,797)	\$ (7,922)	\$ (5,626)	\$ (5,696)	\$ (6,879)	\$ (4,984)	\$ (19,923)	\$ (5,940)	\$ (5,757)				(66,524)
Total nonoperating revenues (expenses)	1,861,755	2,287,906	2,020,223	1,775,289	2,205,272	(15,967)	1,768,148	1,612,153	1,263,417	-	-	-	14,778,196
CHANGE IN NET POSITION	\$ 8,086,068	\$ 7,334,228	\$ 9,659,364	\$ (1,952,664)	\$ (2,036,586)	\$ (2,521,255)	\$ (1,460,089)	\$ (1,635,142)	\$ 4,947,173	\$ -	\$ -	\$ -	\$ 20,421,097

**SILICON VALLEY CLEAN ENERGY AUTHORITY
INVESTMENTS SUMMARY
October 1, 2025 through June 30, 2026**

Ending Balance of SVCE Accounts:	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 40,453,602	\$ 39,908,498	\$ 40,045,114	\$ 49,361,301	\$ 49,273,772	\$ 49,141,316	\$ 50,108,130	\$ 49,127,126	\$ 41,643,567	\$ -	\$ -	\$ -
California Asset Management Program (CAMP)	\$ 204,479,801	\$ 198,168,622	\$ 198,832,731	\$ 199,483,109	\$ 200,068,872	\$ 200,713,749	\$ 201,337,885	\$ 201,980,229	\$ 177,582,446	\$ -	\$ -	\$ -
PFM Asset Management Investment Portfolio	\$ 361,652,377	\$ 359,561,190	\$ 360,891,157	\$ 362,655,540	\$ 366,506,845	\$ 362,660,064	\$ 363,691,715	\$ 364,456,502	\$ 390,077,177	\$ -	\$ -	\$ -
Total Ending Balance	\$ 606,585,779	\$ 597,638,310	\$ 599,769,003	\$ 611,499,950	\$ 615,849,488	\$ 612,515,129	\$ 615,137,730	\$ 615,563,858	\$ 609,303,190	\$ -	\$ -	\$ -

Return On Investments:

Annual % Yield	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts*	3.92%	3.70%	4.07%	4.03%	3.98%	3.90%	3.86%	3.84%	3.82%			
California Asset Management Program (CAMP)	4.26%	4.10%	3.95%	3.85%	3.83%	3.80%	3.78%	3.76%	3.77%			
PFM Asset Management Investment Portfolio **	3.90%	3.82%	3.74%	3.77%	3.67%	4.01%	3.98%	4.09%	4.22%			
Average Return On Investments:	4.02%	3.91%	3.83%	3.82%	3.75%	3.93%	3.90%	3.96%	4.06%			

* Excludes non-interest bearing RCB checking account

** Yield to Maturity at Market.

Accounting Returns	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	\$ 20,457	\$ 13,570	\$ 56,716	\$ 81,302	\$ 94,616	\$ 114,779	\$ 101,389	\$ 119,750	\$ 102,504	\$ -	\$ -	\$ -
California Asset Management Program (CAMP)	\$ 825,532	\$ 688,821	\$ 664,109	\$ 650,378	\$ 585,763	\$ 644,877	\$ 624,136	\$ 642,344	\$ 602,217	\$ -	\$ -	\$ -
Other Interest Income	\$ 4,447	\$ 3,138	\$ 1,919	\$ 1,907	\$ 1,858	\$ 1,670	\$ 1,844	\$ 1,785	\$ 1,831	\$ -	\$ -	\$ -
PFM Asset Management Investment Portfolio *	\$ 1,017,502	\$ 1,590,299	\$ 1,303,104	\$ 1,047,398	\$ 1,529,914	\$ (772,308)	\$ 1,060,702	\$ 854,214	\$ 562,622	\$ -	\$ -	\$ -
Total Interest and Investment Gains	\$ 1,867,938	\$ 2,295,828	\$ 2,025,848	\$ 1,780,985	\$ 2,212,151	\$ (10,982)	\$ 1,788,071	\$ 1,618,093	\$ 1,269,174	\$ -	\$ -	\$ -

* 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	\$ 20,457	\$ 13,570	\$ 56,716	\$ 81,302	\$ 94,616	\$ 114,779	\$ 101,389	\$ 119,750	\$ 102,504	\$ -	\$ -	\$ -
Camp Pool Composition (based on market value):	\$ 825,532	\$ 688,821	\$ 664,109	\$ 650,378	\$ 585,763	\$ 644,877	\$ 624,136	\$ 642,344	\$ 602,217	\$ -	\$ -	\$ -
Other Interest Income	\$ 4,447	\$ 3,138	\$ 1,919	\$ 1,907	\$ 1,858	\$ 1,670	\$ 1,844	\$ 1,785	\$ 1,831	\$ -	\$ -	\$ -
PFM Asset Management Investment Portfolio *	\$ 1,111,671	\$ 1,125,280	\$ 1,086,434	\$ 1,159,987	\$ 1,171,497	\$ 1,343,275	\$ 1,313,730	\$ 1,226,174	\$ 1,399,146	\$ -	\$ -	\$ -
Total Interest and Investment Gains	\$ 1,962,107	\$ 1,830,809	\$ 1,809,178	\$ 1,893,575	\$ 1,853,734	\$ 2,104,600	\$ 2,041,100	\$ 1,990,053	\$ 2,105,697	\$ -	\$ -	\$ -

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

CAMP Portfolio Statistics

As of June 30, 2026

Beginning of the Month Market Value	\$ 201,980,229
Ending of The Month Market Value	\$ 177,582,446
Monthly Distribution Yield	3.77%
Weighted Average Maturity (days)	53

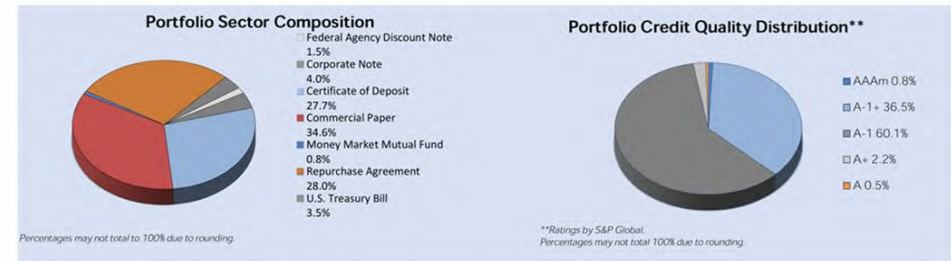
	2020	2021	2022	2023	2024	2025	2026
January	1.78%	0.12%	0.05%	4.53%	5.54%	4.55%	3.85%
February	1.75%	0.10%	0.06%	4.73%	5.50%	4.51%	3.83%
March	1.50%	0.08%	0.25%	4.80%	5.48%	4.47%	3.80%
April	0.98%	0.06%	0.50%	4.97%	5.44%	4.45%	3.78%
May	0.67%	0.05%	0.82%	5.16%	5.43%	4.42%	3.76%
June	0.51%	0.05%	1.14%	5.24%	5.43%	4.40%	3.77%
July	0.37%	0.05%	1.64%	5.31%	5.43%	4.41%	
August	0.30%	0.05%	2.30%	5.52%	5.41%	4.40%	
September	0.27%	0.05%	2.61%	5.55%	5.29%	4.36%	
October	0.19%	0.05%	3.14%	5.56%	5.03%	4.26%	
November	0.14%	0.05%	3.90%	5.58%	4.87%	4.10%	
December	0.12%	0.05%	4.30%	5.55%	4.73%	3.95%	

**Current
Annualized
Yield:¹**
3.75%



Cash Reserve Portfolio Characteristics as of June 30, 2026

Total Fund Net Assets ¹	\$19,096,799,211	Weighted Average Maturity	53 Days
Current 7-Day Yield ²	3.78%	Net Asset Value per Share	\$1.00
S&P Rating ³	AAAm		



- Total fund net assets, portfolio holdings valued at amortized cost, trade date based.
- As of June 30, 2026, The current seven-day yield of the CAMP Cash Reserve Portfolio may, from time to time, be quoted in reports, literature and advertisements published by the Trust. The current seven-day yield, also known as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. Past performance is not indicative of future results and yields may vary.
- S&P Global AAAm Rating: S&P evaluates a number of factors, including credit quality, market price, exposure, and management. Please visit [SPGlobal.com/Ratings](https://www.spglobal.com/Ratings) for more information and ratings methodology.

SVCE Investment Policy:

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

SILICON VALLEY CLEAN ENERGY AUTHORITY
INVESTMENTS SUMMARY (Continued)
October 1, 2025 through June 30, 2026

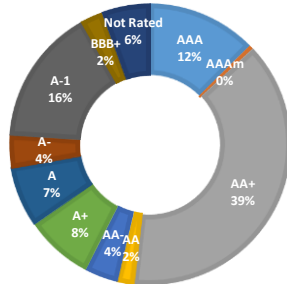
PFM Portfolio Statistics

As of June 30, 2026

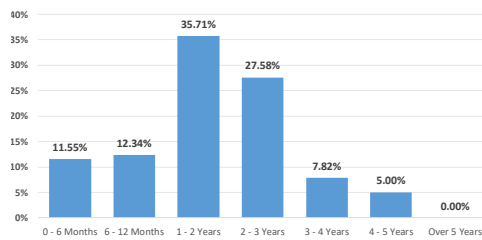
Portfolio Par Value	\$ 390,154,501
Portfolio Market Value (incl. Accrued Interest)	\$ 390,077,177
Yield to Maturity at Cost	4.06%
Yield to Maturity at Market	4.22%
Benchmark Yield*	4.00%
Portfolio Effective Duration (years)	1.34
Weighted Average Maturity (days)	674

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

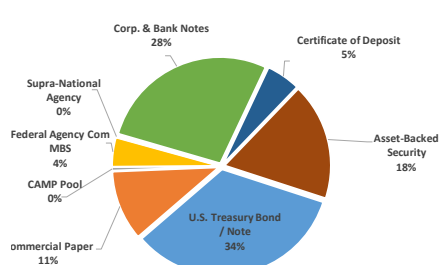
CREDIT QUALITY - S&P



Maturity Distribution



SVCE PFM Portfolio Investments Jun-26

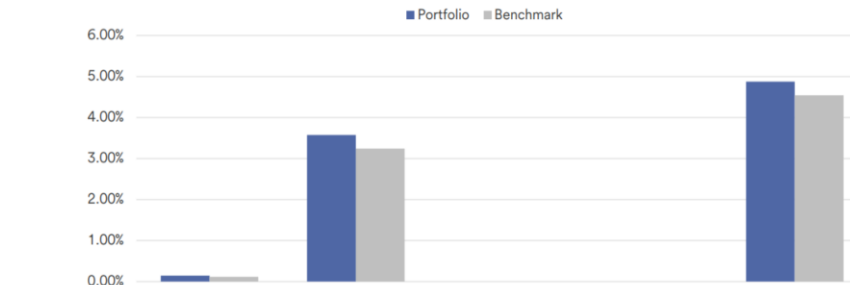


SVCE Investment Policy:

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

Total Return Performance

Periods Ending June 30, 2026



	1-Month	1-Year	3-Year	5-Year	Since Inception
Portfolio	0.15%	3.58%	n/a	n/a	4.87%
Benchmark	0.12%	3.24%	n/a	n/a	4.54%

Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$3,284,757	\$12,477,129	-	-	\$25,558,243
Change in Market Value	(\$808,687)	(\$815,701)	-	-	\$4,298,398
Total Dollar Return	\$2,476,070	\$11,661,428	-	-	\$29,856,641

¹The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2023.

²Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

The portfolio's benchmark is the ICE BofA 0-3 Year U.S. Treasury Index.

Historical Sector Allocations

Security Type	Jun-25	% of Total	Sep-25	% of Total	Dec-25	% of Total	Mar-26	% of Total	Apr-26	% of Total
U.S. Treasury	\$ 99.8	36%	\$ 100.8	27%	\$137.4	38%	\$121.1	34%	\$130.4	34%
Agency CMBS	\$ 24.1	9%	\$ 23.5	6%	\$22.5	6%	\$21.6	6%	\$17.1	4%
Supranational	\$ 0.9	0%	\$ 0.9	0%	\$0.9	0%	\$0.9	0%	\$0.9	0%
Negotiable CD	\$ 9.7	4%	\$ 13.7	4%	\$14.7	4%	\$17.4	5%	\$20.0	5%
Commercial Paper	\$ 13.8	5%	\$ 12.1	3%	\$31.9	9%	\$24.7	7%	\$41.3	11%
Corporate Notes	\$ 73.9	27%	\$ 75.2	20%	\$86.8	24%	\$105.4	29%	\$106.6	28%
ABS	\$ 52.8	19%	\$ 75.2	20%	\$63.8	18%	\$67.2	19%	\$69.0	18%
Joint Powers Authority	\$ 1.4	1%	\$ 75.2	20%	\$0.6	0%	\$1.8	0%	\$2.0	1%
Total	\$ 276.4	100%	\$ 376.6	100%	\$358.6	100%	\$360.1	100%	\$387.2	100%

**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)	330.4	320.7	354.3	349.2	310.5	326.7	300.1	305.2	311.0				2,908
Retail Sales Budget (GWh)	330.4	320.7	354.3	359.4	335.7	321.8	307.1	305.2	319.1	342.7	350.3	345.9	2,954
Load deviation from the Budget	0.0%	0.0%	0.0%	-2.8%	-7.5%	1.5%	-2.3%	0.0%	-2.5%				-1.5%
Customer Participation Rate Res	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%				
Customer Participation Rate Com	96.5%	96.4%	96.5%	96.5%	96.3%	96.3%	96.4%	96.3%	96.3%				
Total Accounts	284,198	284,413	284,720	284,947	285,116	285,311	285,560	285,933	286,211				286,211
Opt-Out Accounts	14	17	15	19	23	23	10	8	9				138
Opt-Up Accounts	-7	-6	-6	0	-2	7	36	-5	-4				13

Age Summary (as of 7/1/2026)

<30 days	\$18,677,343
<60 days	\$607,854
<90 days	\$509,302
<120 days	\$354,076
Older	\$3,989,456

Accounts Receivable Days

26 Days

\$24,138,031

TOTAL DUE

Bad Debt % (Budget)

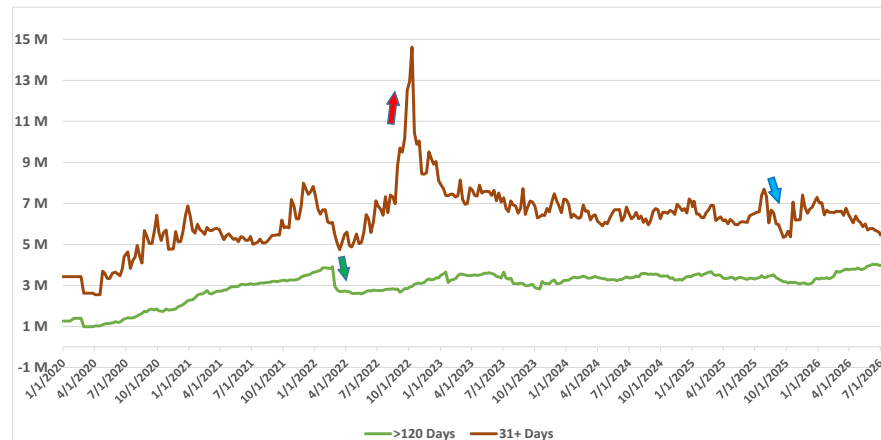
0.75%

Bad Debt % (Actual)

June 2026 FYTD

0.41%

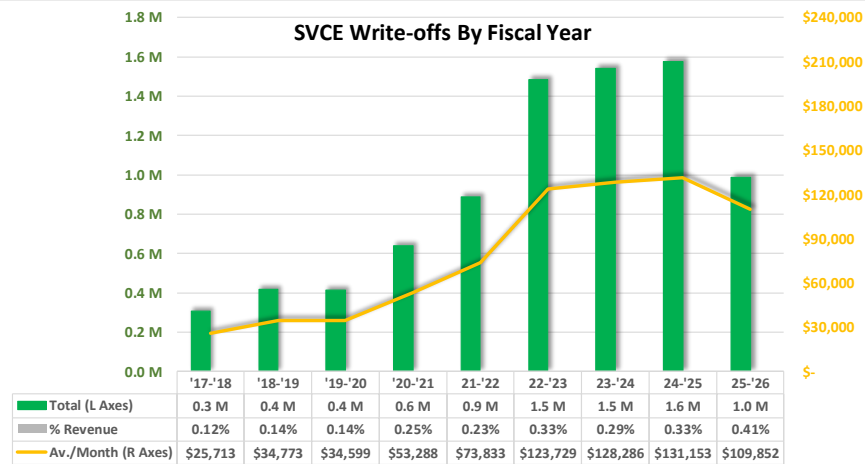
SVCE Arrearager Total for customers 31+ days late and 120+ days late



	Date	Amount
High	11/29/2021	\$7.99M
Low	4/17/2020	\$2.54M
Current	7/1/2026	\$5.5 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.
- Blue arrow marks the distribution of SVCE One-Time Customer Bill Credit

SVCE Write-offs By Fiscal Year



Certificate of Compliance

During the reporting period for the month ended June 30, 2026, 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, 2026**
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											
	06/01/26	06/04/26	US TREASURY N/B DTD 05/15/2026 3.875% 05/15/2029	91282CQR5	3,250,000.00	(3,227,148.44)	(6,844.43)	(3,233,992.87)			
	06/01/26	06/09/26	COOPERAT RABOBANK UA/NY DTD 06/09/2026 0.000% 06/09/2028	21688ABX9	1,200,000.00	(1,200,000.00)	0.00	(1,200,000.00)			
	06/02/26	06/09/26	NATIONAL SECS CLEARING DTD 06/09/2026 4.350% 06/09/2028	637639AR6	940,000.00	(939,407.80)	0.00	(939,407.80)			
	06/03/26	06/08/26	US TREASURY N/B DTD 05/15/2026 3.875% 05/15/2029	91282CQR5	2,750,000.00	(2,730,449.22)	(6,949.73)	(2,737,398.95)			
	06/04/26	06/08/26	MASTERCARD INC DTD 06/08/2026 4.325% 06/08/2028	57636QBJ2	2,960,000.00	(2,959,763.20)	0.00	(2,959,763.20)			
	06/04/26	06/12/26	PILOT 2026-1A A3 DTD 06/12/2026 4.410% 08/20/2029	73328FAD0	810,000.00	(809,979.59)	0.00	(809,979.59)			
	06/05/26	06/09/26	US TREASURY N/B DTD 06/01/2026 4.000% 05/31/2028	91282CQS3	1,250,000.00	(1,246,826.17)	(1,229.51)	(1,248,055.68)			
	06/09/26	06/17/26	HART 2026-B A3 DTD 06/17/2026 4.510% 02/18/2031	44935KAD5	1,305,000.00	(1,304,842.49)	0.00	(1,304,842.49)			
	06/11/26	06/18/26	CITIBANK NA (CALLABLE) DTD 06/18/2026 4.554% 06/18/2029	17325FBT4	1,750,000.00	(1,750,000.00)	0.00	(1,750,000.00)			
	06/22/26	06/25/26	US TREASURY N/B DTD 06/01/2026 4.000% 05/31/2028	91282CQS3	1,250,000.00	(1,244,970.70)	(3,415.30)	(1,248,386.00)			
	06/23/26	06/23/26	JP MORGAN SECURITIES LLC DTD 06/23/2026 0.000% 03/19/2027	46590EQK7	7,000,000.00	(6,782,408.89)	0.00	(6,782,408.89)			
	06/24/26	06/24/26	BNP PARIBAS NY BRANCH DTD 06/22/2026 0.000% 03/19/2027	09659CQK7	5,000,000.00	(4,846,644.44)	0.00	(4,846,644.44)			
	06/26/26	06/26/26	BARCLAYS CAPITAL INC DTD 06/26/2026 0.000% 03/22/2027	06743VQN3	7,000,000.00	(6,782,931.94)	0.00	(6,782,931.94)			
	06/29/26	06/30/26	US TREASURY N/B DTD 07/15/2025 3.875% 07/15/2028	91282CNM9	4,000,000.00	(3,979,843.75)	(71,077.35)	(4,050,921.10)			
	06/30/26	06/30/26	US TREASURY N/B DTD 07/15/2025 3.875% 07/15/2028	91282CNM9	2,250,000.00	(2,238,486.33)	(39,981.01)	(2,278,467.34)			
Transaction Type Sub-Total					42,715,000.00	(42,043,702.96)	(129,497.33)	(42,173,200.29)			

INTEREST

 PFM Asset Management, a division of
 U.S. Bancorp Asset Management, Inc.
Account **4025-002** Page **49**


Managed Account Security Transactions & Interest

 For the Month Ending **June 30, 2026**
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											
	06/01/26	06/01/26	USAA CAPITAL CORP DTD 06/03/2024 5.250% 06/01/2027	90327QD97		0.00	18,768.75	18,768.75			
	06/01/26	06/01/26	USAA CAPITAL CORP (CALLABLE) DTD 06/02/2025 4.375% 06/01/2028	90327QDA4		0.00	8,421.88	8,421.88			
	06/01/26	06/25/26	FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3		0.00	2,690.04	2,690.04			
	06/01/26	06/25/26	FNA 2024-M6 A2 DTD 11/01/2024 2.987% 07/01/2027	3136BTGM9		0.00	4,522.05	4,522.05			
	06/01/26	06/25/26	FHMS K076 A2 DTD 05/01/2018 3.900% 04/01/2028	3137FEZU7		0.00	3,900.00	3,900.00			
	06/01/26	06/25/26	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79		0.00	1,916.77	1,916.77			
	06/01/26	06/25/26	FHMS K737 A2 DTD 01/01/2020 2.525% 10/01/2026	3137FQXJ7		0.00	2,180.13	2,180.13			
	06/01/26	06/25/26	FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRE5		0.00	1,563.32	1,563.32			
	06/01/26	06/25/26	FHMS K068 A2 DTD 10/01/2017 3.244% 08/01/2027	3137FBBX3		0.00	2,297.83	2,297.83			
	06/01/26	06/25/26	FHMS KJ28 A2 DTD 02/01/2020 2.308% 10/01/2027	3137FREE7		0.00	2,109.84	2,109.84			
	06/01/26	06/25/26	FHMS K079 A2 DTD 08/01/2018 3.926% 06/01/2028	3137FGZT5		0.00	4,907.50	4,907.50			
	06/01/26	06/25/26	FNA 2018-M2 A2 DTD 02/01/2018 3.026% 01/01/2028	3136B0YM2		0.00	2,882.39	2,882.39			
	06/01/26	06/25/26	FHMS K067 A2 DTD 09/01/2017 3.194% 07/01/2027	3137FAWS3		0.00	4,591.38	4,591.38			
	06/01/26	06/25/26	FHMS K075 A2 DTD 04/01/2018 3.650% 02/01/2028	3137F4X72		0.00	4,454.21	4,454.21			
	06/01/26	06/25/26	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36		0.00	281.55	281.55			
	06/01/26	06/25/26	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BRQJ7		0.00	1,554.77	1,554.77			
	06/01/26	06/25/26	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4		0.00	695.56	695.56			

 PFM Asset Management, a division of
 U.S. Bancorp Asset Management, Inc.

 Account **4025-002** Page **50**


Managed Account Security Transactions & Interest
For the Month Ending **June 30, 2026**
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											
	06/01/26	06/25/26	FHMS K074 A2 DTD 03/01/2018 3.600% 01/01/2028	3137F4D41		0.00	2,968.70	2,968.70			
	06/01/26	06/25/26	FHMS K739 A2 DTD 11/01/2020 1.336% 09/01/2027	3137F64P9		0.00	2,603.25	2,603.25			
	06/03/26	06/03/26	HSBC USA INC DTD 06/03/2025 4.650% 06/03/2028	40428HR95		0.00	6,045.00	6,045.00			
	06/08/26	06/08/26	JP MORGAN CHASE BANK NA (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8		0.00	15,330.00	15,330.00			
	06/08/26	06/08/26	AUST & NZ BANKING GRP NY DTD 12/08/2025 3.919% 12/08/2028	05253JB83		0.00	16,165.88	16,165.88			
	06/09/26	06/09/26	BANK OF NY MELLON CORP (CALLABLE) DTD 06/10/2025 4.441% 06/09/2028	06406RCH8		0.00	9,215.08	9,215.08			
	06/11/26	06/11/26	NATIONAL AUSTRALIA BK/NY DTD 06/11/2024 5.087% 06/11/2027	63253QA33		0.00	62,442.93	62,442.93			
	06/13/26	06/13/26	NATIONAL AUSTRALIA BK/NY DTD 06/13/2025 4.308% 06/13/2028	632525CJ8		0.00	16,370.40	16,370.40			
	06/13/26	06/13/26	NATIONAL AUSTRALIA BK/NY DTD 01/13/2026 3.850% 12/13/2028	632525CQ2		0.00	6,897.92	6,897.92			
	06/15/26	06/15/26	CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2029	161571HV9		0.00	2,664.17	2,664.17			
	06/15/26	06/15/26	BACCT 2024-A1 A DTD 06/13/2024 4.930% 05/15/2029	05522RDJ4		0.00	4,231.58	4,231.58			
	06/15/26	06/15/26	HART 2026-A A3 DTD 02/18/2026 3.790% 02/18/2031	448981AD2		0.00	3,300.46	3,300.46			
	06/15/26	06/15/26	AMXCA 2025-4 A DTD 07/22/2025 4.300% 07/15/2030	02582JKV1		0.00	2,938.33	2,938.33			
	06/15/26	06/15/26	TAOT 2025-A A2A DTD 01/29/2025 4.480% 11/15/2027	89240JAB7		0.00	1,205.30	1,205.30			
	06/15/26	06/15/26	AMXCA 2025-1 A DTD 02/11/2025 4.560% 12/17/2029	02582JKM1		0.00	6,137.00	6,137.00			
	06/15/26	06/15/26	COMET 2024-A1 A DTD 09/24/2024 3.920% 09/15/2029	14041NGE5		0.00	4,736.67	4,736.67			

PFM Asset Management, a division of
U.S. Bancorp Asset Management, Inc.

Account **4025-002** Page **51**



Managed Account Security Transactions & Interest

For the Month Ending June 30, 2026

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											
	06/15/26	06/15/26	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8		0.00	1,473.25	1,473.25			
	06/15/26	06/15/26	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2		0.00	737.94	737.94			
	06/15/26	06/15/26	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3		0.00	723.98	723.98			
	06/15/26	06/15/26	TAOT 2025-D A3 DTD 10/23/2025 3.840% 06/17/2030	89231GAD0		0.00	4,704.00	4,704.00			
	06/15/26	06/15/26	US TREASURY N/B DTD 12/16/2024 4.000% 12/15/2027	91282CMB4		0.00	18,000.00	18,000.00			
	06/15/26	06/15/26	ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2		0.00	1,585.13	1,585.13			
	06/15/26	06/15/26	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4		0.00	625.65	625.65			
	06/15/26	06/15/26	HALST 2026-A A3 DTD 01/21/2026 3.970% 12/15/2028	448970AD5		0.00	2,696.29	2,696.29			
	06/15/26	06/15/26	HAROT 2026-2 A3 DTD 05/13/2026 4.300% 11/15/2030	43814YAD3		0.00	7,797.33	7,797.33			
	06/15/26	06/15/26	BAAT 2026-1A A3 DTD 04/24/2026 4.180% 10/15/2030	05620EAD0		0.00	3,291.75	3,291.75			
	06/15/26	06/15/26	US TREASURY N/B DTD 06/16/2025 3.875% 06/15/2028	91282CNH0		0.00	77,500.00	77,500.00			
	06/15/26	06/15/26	WFCIT 2024-A1 A DTD 03/01/2024 4.940% 02/15/2029	92970QAA3		0.00	3,807.92	3,807.92			
	06/15/26	06/15/26	WOART 2025-D A2A DTD 10/15/2025 3.910% 02/15/2029	98165HAB3		0.00	5,823.75	5,823.75			
	06/15/26	06/15/26	AMXCA 2024-1 A DTD 04/23/2024 5.230% 04/16/2029	02582JKH2		0.00	3,116.21	3,116.21			
	06/15/26	06/15/26	CARMX 2026-2 A2A DTD 04/29/2026 4.110% 08/15/2029	142935AB1		0.00	2,911.25	2,911.25			
	06/15/26	06/15/26	KCOT 2024-2A A2 DTD 06/25/2024 5.450% 04/15/2027	50117DAB2		0.00	6.10	6.10			
	06/15/26	06/15/26	HART 2025-A A3 DTD 03/12/2025 4.320% 10/15/2029	44935CAD3		0.00	6,102.00	6,102.00			

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Managed Account Security Transactions & Interest
For the Month Ending **June 30, 2026**
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											
	06/15/26	06/15/26	USAOT 2025-A A3 DTD 10/09/2025 3.950% 12/17/2029	90327HAC3		0.00	1,497.71	1,497.71			
	06/15/26	06/15/26	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1		0.00	3,595.62	3,595.62			
	06/15/26	06/15/26	HART 2025-D A3 DTD 11/12/2025 3.990% 09/16/2030	44891XAD9		0.00	5,253.50	5,253.50			
	06/15/26	06/15/26	TAOT 2026-B A3 DTD 04/21/2026 4.130% 12/16/2030	89240QAD7		0.00	4,439.75	4,439.75			
	06/15/26	06/15/26	NAROT 2025-A A3 DTD 05/27/2025 4.490% 12/17/2029	65481GAD7		0.00	4,620.96	4,620.96			
	06/15/26	06/15/26	COMET 2025-A1 A DTD 09/16/2025 3.820% 09/15/2030	14041NGF2		0.00	3,835.92	3,835.92			
	06/15/26	06/15/26	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1		0.00	1,574.75	1,574.75			
	06/15/26	06/15/26	WFCIT 2025-A1 A DTD 06/10/2025 4.340% 05/15/2030	92970QA4		0.00	4,068.75	4,068.75			
	06/15/26	06/15/26	AMXCA 2025-2 A DTD 05/13/2025 4.280% 04/15/2030	02582JKP4		0.00	3,727.17	3,727.17			
	06/15/26	06/15/26	TAOT 2024-D A2A DTD 10/17/2024 4.550% 08/16/2027	89239TAB8		0.00	31.34	31.34			
	06/15/26	06/15/26	HART 2024-C A2A DTD 10/16/2024 4.530% 09/15/2027	448976AB6		0.00	292.44	292.44			
	06/15/26	06/15/26	WFCIT 2024-A2 A DTD 10/24/2024 4.290% 10/15/2029	92970QAE5		0.00	2,341.63	2,341.63			
	06/15/26	06/15/26	ANALOG DEVICES INC (CALLABLE) DTD 06/16/2025 4.250% 06/15/2028	032654BD6		0.00	31,237.50	31,237.50			
	06/15/26	06/15/26	WOART 2025-C A2A DTD 08/13/2025 4.190% 10/16/2028	981936AB3		0.00	1,971.74	1,971.74			
	06/15/26	06/15/26	BACCT 2026-A1 A DTD 05/14/2026 4.220% 04/15/2031	05522RDL9		0.00	6,541.00	6,541.00			
	06/15/26	06/15/26	WOART 2025-A A2A DTD 01/29/2025 4.490% 04/17/2028	98164YAB7		0.00	800.32	800.32			
	06/15/26	06/15/26	TARGET CORP (CALLABLE) DTD 06/10/2025 4.350% 06/15/2028	87612EBU9		0.00	7,395.00	7,395.00			

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Managed Account Security Transactions & Interest

For the Month Ending June 30, 2026

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											
	06/15/26	06/15/26	US TREASURY N/B DTD 12/15/2025 3.500% 12/15/2028	91282CPP0		0.00	120,750.00	120,750.00			
	06/15/26	06/15/26	MBART 2025-1 A2A DTD 01/23/2025 4.500% 02/15/2028	58773DAB0		0.00	1,033.43	1,033.43			
	06/15/26	06/15/26	KCOT 2025-2A A2 DTD 06/25/2025 4.480% 04/17/2028	50117LAB4		0.00	967.55	967.55			
	06/15/26	06/15/26	HART 2025-C A2A DTD 09/17/2025 3.970% 07/17/2028	44935JAB2		0.00	7,042.73	7,042.73			
	06/15/26	06/15/26	KCOT 2026-1A A2 DTD 02/25/2026 3.840% 01/16/2029	50118HAB2		0.00	2,608.00	2,608.00			
	06/15/26	06/15/26	HALST 2026-B A3 DTD 04/22/2026 4.210% 04/16/2029	448972AD1		0.00	4,104.75	4,104.75			
	06/15/26	06/15/26	FORDO 2025-C A3 DTD 11/25/2025 3.900% 06/15/2030	34535LAD8		0.00	3,152.50	3,152.50			
	06/15/26	06/15/26	WOART 2026-A A2A DTD 02/18/2026 3.710% 04/16/2029	98190AAB7		0.00	3,091.67	3,091.67			
	06/15/26	06/15/26	HAROT 2025-4 A3 DTD 11/12/2025 3.980% 06/17/2030	43814XAD5		0.00	5,041.33	5,041.33			
	06/15/26	06/15/26	KCOT 2025-1A A2 DTD 02/19/2025 4.610% 12/15/2027	50117FAB7		0.00	1,416.11	1,416.11			
	06/15/26	06/15/26	FORDO 2024-C A2A DTD 09/20/2024 4.320% 08/15/2027	34532UAB5		0.00	162.92	162.92			
	06/15/26	06/15/26	COPAR 2025-1 A3 DTD 11/05/2025 3.850% 07/15/2030	14043YAD7		0.00	2,630.83	2,630.83			
	06/15/26	06/15/26	TAOT 2026-A A2A DTD 01/21/2026 3.800% 12/15/2028	89240KAB4		0.00	5,272.50	5,272.50			
	06/15/26	06/15/26	FORDO 2025-A A2A DTD 03/25/2025 4.470% 12/15/2027	34535KAB4		0.00	3,107.58	3,107.58			
	06/15/26	06/15/26	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9		0.00	1,684.95	1,684.95			
	06/15/26	06/15/26	FORDO 2024-D A2A DTD 11/22/2024 4.590% 10/15/2027	34535VAB0		0.00	322.68	322.68			
	06/15/26	06/15/26	BAAT 2024-1A A3 DTD 05/22/2024 5.350% 11/15/2028	09709AAC6		0.00	301.21	301.21			

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Managed Account Security Transactions & Interest

For the Month Ending June 30, 2026

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											
	06/15/26	06/15/26	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0		0.00	774.99	774.99			
	06/15/26	06/15/26	ALLYA 2024-1 A3 DTD 03/13/2024 5.080% 12/15/2028	02008FAC8		0.00	783.05	783.05			
	06/16/26	06/16/26	GMCAR 2026-1 A2A DTD 01/14/2026 3.770% 03/16/2029	362970AB1		0.00	2,246.29	2,246.29			
	06/16/26	06/16/26	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7		0.00	243.39	243.39			
	06/16/26	06/16/26	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2		0.00	1,013.93	1,013.93			
	06/16/26	06/16/26	GMCAR 2025-1 A2A DTD 01/15/2025 4.440% 01/18/2028	362955AB2		0.00	567.17	567.17			
	06/16/26	06/16/26	GMCAR 2025-4 A2A DTD 11/05/2025 3.880% 12/18/2028	36273EAB9		0.00	7,640.13	7,640.13			
	06/18/26	06/18/26	AUST & NZ BANKING GRP NY DTD 06/18/2025 4.362% 06/18/2028	05253JB75		0.00	21,810.00	21,810.00			
	06/20/26	06/20/26	VALET 2024-1 A2A DTD 11/26/2024 4.650% 11/22/2027	92868RAB4		0.00	972.49	972.49			
	06/20/26	06/20/26	VALET 2025-1 A2A DTD 03/25/2025 4.510% 01/20/2028	92868MAB5		0.00	2,354.44	2,354.44			
	06/20/26	06/20/26	VZMT 2025-9 A1A DTD 11/25/2025 3.960% 10/21/2030	92348KEV1		0.00	4,686.00	4,686.00			
	06/20/26	06/20/26	BAAT 2025-1A A3 DTD 05/12/2025 4.350% 11/20/2029	05594BAD8		0.00	1,015.00	1,015.00			
	06/20/26	06/20/26	VZMT 2026-1 A1A DTD 03/13/2026 3.940% 02/20/2031	92348KFC2		0.00	9,094.83	9,094.83			
	06/20/26	06/20/26	TMUST 2026-1A A DTD 03/20/2026 4.250% 10/21/2030	87269AAA8		0.00	5,383.33	5,383.33			
	06/20/26	06/20/26	VALET 2025-2 A3 DTD 11/25/2025 3.920% 03/20/2030	92869QAD1		0.00	4,050.67	4,050.67			
	06/20/26	06/20/26	PILOT 2025-1A A3 DTD 05/21/2025 4.610% 10/20/2028	73329KAD8		0.00	1,383.00	1,383.00			
	06/20/26	06/20/26	VZMT 2025-3 A1A DTD 03/31/2025 4.510% 03/20/2030	92348KDY6		0.00	5,675.08	5,675.08			

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Managed Account Security Transactions & Interest

For the Month Ending June 30, 2026

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											
	06/20/26	06/20/26	TMUST 2025-2A A DTD 08/06/2025 4.340% 04/22/2030	87268MAA3		0.00	1,862.58	1,862.58			
	06/20/26	06/20/26	TLOT 2026-A A3 DTD 02/17/2026 3.820% 02/20/2029	89240MAD6		0.00	5,745.92	5,745.92			
	06/21/26	06/21/26	HAROT 2025-3 A2A DTD 08/12/2025 4.190% 03/21/2028	43813OAB5		0.00	4,325.80	4,325.80			
	06/21/26	06/21/26	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5		0.00	420.18	420.18			
	06/21/26	06/21/26	HAROT 2025-1 A2 DTD 02/11/2025 4.530% 08/23/2027	43814VAB3		0.00	2,409.83	2,409.83			
	06/21/26	06/21/26	HAROT 2026-1 A3 DTD 02/18/2026 3.780% 09/23/2030	43815CAD0		0.00	2,866.50	2,866.50			
	06/22/26	06/22/26	DEFT 2026-1A A2 DTD 04/22/2026 4.240% 07/24/2028	246921AC4		0.00	2,473.33	2,473.33			
	06/22/26	06/22/26	PFAST 2025-1A A2A DTD 10/24/2025 3.910% 03/22/2029	732911AB8		0.00	4,403.87	4,403.87			
	06/25/26	06/25/26	CHAOT 2025-1A A3 DTD 07/30/2025 4.290% 06/25/2030	16145NAC5		0.00	2,717.00	2,717.00			
	06/25/26	06/25/26	BMWOT 2025-A A2A DTD 02/12/2025 4.430% 10/25/2027	096924AB1		0.00	465.59	465.59			
	06/25/26	06/25/26	CHAOT 2025-2A A2 DTD 10/29/2025 3.910% 12/26/2028	16144MAC8		0.00	5,483.91	5,483.91			
	06/25/26	06/25/26	CHAOT 2026-1A A2 DTD 05/27/2026 4.250% 07/25/2029	16145GAB2		0.00	2,594.86	2,594.86			
	06/25/26	06/25/26	BMWLT 2025-1 A3 DTD 06/10/2025 4.430% 06/26/2028	096912AD2		0.00	1,827.38	1,827.38			
	06/25/26	06/25/26	BMWOT 2024-A A3 DTD 06/11/2024 5.180% 02/26/2029	096919AD7		0.00	2,082.88	2,082.88			
	06/30/26	06/30/26	US TREASURY N/B DTD 12/31/2025 3.375% 12/31/2027	91282CPS4		0.00	33,750.00	33,750.00			
	06/30/26	06/30/26	US TREASURY N/B DTD 06/30/2025 3.750% 06/30/2027	91282CNL1		0.00	23,437.50	23,437.50			
Transaction Type Sub-Total						0.00	784,369.95	784,369.95			

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For the Month Ending **June 30, 2026**
Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
MATURITY											
	06/05/26	06/05/26	BARCLAYS CAPITAL INC DTD 09/10/2025 0.000% 06/05/2026	06743VF54	5,000,000.00	5,000,000.00	0.00	5,000,000.00	146,850.00	0.00	
Transaction Type Sub-Total					5,000,000.00	5,000,000.00	0.00	5,000,000.00	146,850.00	0.00	
PAYDOWNS											
	06/01/26	06/25/26	FHMS K739 A2 DTD 11/01/2020 1.336% 09/01/2027	3137F64P9	2,537.40	2,537.40	0.00	2,537.40	194.77	92.20	
	06/01/26	06/25/26	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BRQJ7	481,002.37	481,002.37	0.00	481,002.37	31,321.52	1,743.67	
	06/01/26	06/25/26	FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	1,605.95	1,605.95	0.00	1,605.95	36.26	18.10	
	06/01/26	06/25/26	FNA 2024-M6 A2 DTD 11/01/2024 2.987% 07/01/2027	3136BTGM9	260,686.14	260,686.14	0.00	260,686.14	9,124.01	4,187.05	
	06/01/26	06/25/26	FHMS K074 A2 DTD 03/01/2018 3.600% 01/01/2028	3137F4D41	1,795.70	1,795.70	0.00	1,795.70	38.51	22.66	
	06/01/26	06/25/26	FHMS KJ28 A2 DTD 02/01/2020 2.308% 10/01/2027	3137FREE7	84,922.97	84,922.97	0.00	84,922.97	3,128.19	1,657.71	
	06/01/26	06/25/26	FHMS K075 A2 DTD 04/01/2018 3.650% 02/01/2028	3137F4X72	328.20	328.20	0.00	328.20	5.73	3.45	
	06/01/26	06/25/26	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79	1,276.41	1,276.41	0.00	1,276.41	61.73	26.28	
	06/01/26	06/25/26	FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRE5	10,103.37	10,103.37	0.00	10,103.37	533.98	66.23	
	06/01/26	06/25/26	FHMS K075 A2 DTD 04/01/2018 3.650% 02/01/2028	3137F4X72	1,823.33	1,823.33	0.00	1,823.33	31.84	19.22	
	06/01/26	06/25/26	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36	23,377.98	23,377.98	0.00	23,377.98	1,009.09	147.83	
	06/01/26	06/25/26	FHMS K737 A2 DTD 01/01/2020 2.525% 10/01/2026	3137FOXJ7	172,659.29	172,659.29	0.00	172,659.29	11,411.70	1,572.52	
	06/01/26	06/25/26	FNA 2018-M2 A2 DTD 02/01/2018 3.026% 01/01/2028	3136B0YM2	1,493.49	1,493.49	0.00	1,493.49	42.35	25.67	
	06/01/26	06/25/26	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4	365,103.27	365,103.27	0.00	365,103.27	26,341.63	1,416.78	

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Managed Account Security Transactions & Interest
For the Month Ending **June 30, 2026**
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											
	06/15/26	06/15/26	FORDO 2024-D A2A DTD 11/22/2024 4.590% 10/15/2027	34535VAB0	33,174.86	33,174.86	0.00	33,174.86	1.62	0.77	
	06/15/26	06/15/26	MBART 2025-1 A2A DTD 01/23/2025 4.500% 02/15/2028	58773DAB0	123,616.55	123,616.55	0.00	123,616.55	2.98	1.59	
	06/15/26	06/15/26	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9	43,807.87	43,807.87	0.00	43,807.87	9.90	44.44	
	06/15/26	06/15/26	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0	15,179.64	15,179.64	0.00	15,179.64	3.04	1.57	
	06/15/26	06/15/26	FORDO 2024-C A2A DTD 09/20/2024 4.320% 08/15/2027	34532UAB5	39,341.41	39,341.41	0.00	39,341.41	1.58	0.63	
	06/15/26	06/15/26	FORDO 2025-A A2A DTD 03/25/2025 4.470% 12/15/2027	34535KAB4	135,379.36	135,379.36	0.00	135,379.36	8.01	4.51	
	06/15/26	06/15/26	WOART 2025-D A2A DTD 10/15/2025 3.910% 02/15/2029	98165HAB3	166,789.66	166,789.66	0.00	166,789.66	10.67	8.43	
	06/15/26	06/15/26	ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2	35,472.00	35,472.00	0.00	35,472.00	3.67	2.36	
	06/15/26	06/15/26	KCOT 2025-1A A2 DTD 02/19/2025 4.610% 12/15/2027	50117FAB7	40,441.38	40,441.38	0.00	40,441.38	5.05	2.75	
	06/15/26	06/15/26	HART 2025-C A2A DTD 09/17/2025 3.970% 07/17/2028	44935JAB2	207,140.39	207,140.39	0.00	207,140.39	18.50	13.68	
	06/15/26	06/15/26	KCOT 2025-2A A2 DTD 06/25/2025 4.480% 04/17/2028	50117LAB4	19,928.36	19,928.36	0.00	19,928.36	2.40	1.58	
	06/15/26	06/15/26	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1	36,903.69	36,903.69	0.00	36,903.69	0.67	0.28	
	06/15/26	06/15/26	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3	14,826.12	14,826.12	0.00	14,826.12	3.18	1.56	
	06/15/26	06/15/26	TAOT 2024-D A2A DTD 10/17/2024 4.550% 08/16/2027	89239TAB8	8,265.79	8,265.80	0.00	8,265.80	0.54	0.23	
	06/15/26	06/15/26	KCOT 2024-2A A2 DTD 06/25/2024 5.450% 04/15/2027	50117DAB2	1,343.02	1,343.01	0.00	1,343.01	0.14	0.04	
	06/15/26	06/15/26	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	10,881.09	10,881.09	0.00	10,881.09	1.17	0.55	
	06/15/26	06/15/26	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	20,259.45	20,259.45	0.00	20,259.45	145.61	61.30	

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Managed Account Security Transactions & Interest

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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											
	06/15/26	06/15/26	TAOT 2025-A A2A DTD 01/29/2025 4.480% 11/15/2027	89240JAB7	118,001.60	118,001.60	0.00	118,001.60	5.48	2.75	
	06/15/26	06/15/26	WOART 2025-C A2A DTD 08/13/2025 4.190% 10/16/2028	981936AB3	67,578.77	67,578.77	0.00	67,578.77	5.93	4.35	
	06/15/26	06/15/26	BAAT 2024-1A A3 DTD 05/22/2024 5.350% 11/15/2028	09709AAC6	6,295.59	6,295.59	0.00	6,295.59	1.02	0.57	
	06/15/26	06/15/26	WOART 2025-A A2A DTD 01/29/2025 4.490% 04/17/2028	98164YAB7	79,609.85	79,609.85	0.00	79,609.85	2.21	1.26	
	06/15/26	06/15/26	ALLYA 2024-1 A3 DTD 03/13/2024 5.080% 12/15/2028	02008FAC8	16,779.25	16,779.25	0.00	16,779.25	2.44	1.34	
	06/15/26	06/15/26	HART 2024-C A2A DTD 10/16/2024 4.530% 09/15/2027	448976AB6	54,593.94	54,593.94	0.00	54,593.94	3.31	1.46	
	06/16/26	06/16/26	GMCAR 2025-1 A2A DTD 01/15/2025 4.440% 01/18/2028	362955AB2	100,500.79	100,500.79	0.00	100,500.79	9.58	5.08	
	06/16/26	06/16/26	GMCAR 2025-4 A2A DTD 11/05/2025 3.880% 12/18/2028	36273EAB9	221,261.70	221,261.70	0.00	221,261.70	7.50	5.80	
	06/16/26	06/16/26	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2	21,735.58	21,735.58	0.00	21,735.58	4.46	2.12	
	06/16/26	06/16/26	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	5,493.49	5,493.49	0.00	5,493.49	1.10	0.60	
	06/20/26	06/20/26	VALET 2024-1 A2A DTD 11/26/2024 4.650% 11/22/2027	92868RAB4	75,846.41	75,846.41	0.00	75,846.41	1.21	0.52	
	06/20/26	06/20/26	VALET 2025-1 A2A DTD 03/25/2025 4.510% 01/20/2028	92868MAB5	123,193.42	123,193.42	0.00	123,193.42	3.89	2.07	
	06/21/26	06/21/26	HAROT 2025-3 A2A DTD 08/12/2025 4.190% 03/21/2028	43813QAB5	136,599.01	136,599.01	0.00	136,599.01	10.60	7.13	
	06/21/26	06/21/26	HAROT 2025-1 A2 DTD 02/11/2025 4.530% 08/23/2027	43814VAB3	218,329.86	218,329.86	0.00	218,329.86	9.50	4.48	
	06/21/26	06/21/26	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5	8,559.00	8,559.00	0.00	8,559.00	1.51	0.69	
	06/22/26	06/22/26	PFAST 2025-1A A2A DTD 10/24/2025 3.910% 03/22/2029	732911AB8	202,014.59	202,014.59	0.00	202,014.59	10.04	7.89	
	06/25/26	06/25/26	BMWOT 2025-A A2A DTD 02/12/2025 4.430% 10/25/2027	096924AB1	68,837.26	68,837.26	0.00	68,837.26	5.27	2.67	

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Managed Account Security Transactions & Interest

For the Month Ending June 30, 2026

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											
	06/25/26	06/25/26	BMWOT 2024-A A3 DTD 06/11/2024 5.180% 02/26/2029	096919AD7	38,607.40	38,607.40	0.00	38,607.40	5.86	3.46	
	06/25/26	06/25/26	CHAOT 2025-2A A2 DTD 10/29/2025 3.910% 12/26/2028	16144MAC8	167,067.20	167,067.20	0.00	167,067.20	11.24	8.75	
Transaction Type Sub-Total					4,092,371.22	4,092,371.22	0.00	4,092,371.22	83,602.19	11,208.63	
SELL											
	06/02/26	06/03/26	PEPSICO INC DTD 02/07/2025 4.400% 02/07/2027	713448GD4	590,000.00	591,935.20	8,364.89	600,300.09	1,947.00	1,939.09	FIFO
	06/03/26	06/04/26	US TREASURY N/B DTD 05/15/2024 4.500% 05/15/2027	91282CKR1	825,000.00	829,286.13	2,017.66	831,303.79	9,184.57	5,921.36	FIFO
	06/03/26	06/04/26	STATE STREET BANK & TR DTD 11/25/2024 4.594% 11/25/2026	857449AC6	955,000.00	958,199.25	1,096.82	959,296.07	3,199.25	3,199.25	FIFO
	06/03/26	06/04/26	TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/07/2026	89236TMJ1	125,000.00	125,145.00	1,848.44	126,993.44	222.50	152.01	FIFO
	06/03/26	06/04/26	HOME DEPOT INC (CALLABLE) DTD 12/04/2023 4.950% 09/30/2026	437076CV2	235,000.00	235,545.20	2,068.00	237,613.20	1,059.85	607.32	FIFO
	06/04/26	06/05/26	JOHN DEERE CAPITAL CORP DTD 01/08/2024 4.500% 01/08/2027	24422EXF1	400,000.00	401,248.00	7,350.00	408,598.00	1,692.00	1,340.02	FIFO
	06/04/26	06/05/26	JOHN DEERE CAPITAL CORP DTD 01/09/2025 4.500% 01/08/2027	24422EXY0	600,000.00	601,758.00	11,025.00	612,783.00	1,896.00	1,799.86	FIFO
	06/04/26	06/05/26	JOHNSON & JOHNSON DTD 02/20/2025 4.500% 03/01/2027	478160DG6	1,980,000.00	1,988,296.20	23,265.00	2,011,561.20	8,296.20	8,296.20	FIFO
	06/04/26	06/05/26	CATERPILLAR FINL SERVICE (CALLABLE) DTD 01/08/2025 4.500% 01/07/2027	14913UAV2	1,000,000.00	1,002,970.00	18,500.00	1,021,470.00	3,420.00	3,106.60	FIFO
	06/11/26	06/12/26	UBS AG STAMFORD CT DTD 08/09/2021 1.250% 08/07/2026	22550L2G5	1,000,000.00	995,940.00	4,340.28	1,000,280.28	22,770.00	348.05	FIFO
	06/11/26	06/16/26	US TREASURY N/B DTD 05/15/2024 4.500% 05/15/2027	91282CKR1	375,000.00	376,860.35	1,467.39	378,327.74	4,086.91	2,578.32	FIFO
	06/11/26	06/16/26	US TREASURY N/B DTD 05/15/2024 4.500% 05/15/2027	91282CKR1	125,000.00	125,620.12	489.13	126,109.25	981.45	738.16	FIFO
	06/16/26	06/18/26	US TREASURY N/B DTD 05/15/2024 4.500% 05/15/2027	91282CKR1	525,000.00	527,522.46	2,182.74	529,705.20	4,040.04	3,015.33	FIFO

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Managed Account Security Transactions & Interest
For the Month Ending **June 30, 2026**

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

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method	
Trade	Settle										
Transaction Type Sub-Total				8,735,000.00	8,760,325.91	84,015.35	8,844,341.26	62,795.77	33,041.57		
Managed Account Sub-Total					(24,191,005.83)	738,887.97	(23,452,117.86)	293,247.96	44,250.20		
Total Security Transactions					(\$24,191,005.83)	\$738,887.97	(\$23,452,117.86)	\$293,247.96	\$44,250.20		


Managed Account Security Transactions & Interest
For the Month Ending **July 31, 2026**
Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
	07/01/26	07/07/26	US TREASURY N/B DTD 06/15/2026 4.125% 06/15/2029	91282CQV6	3,525,000.00	(3,519,629.88)	(8,740.27)	(3,528,370.15)			
	07/06/26	07/09/26	TOYOTA MOTOR CREDIT CORP DTD 07/09/2026 4.500% 07/09/2029	89236TQD0	1,750,000.00	(1,747,567.50)	0.00	(1,747,567.50)			
	07/07/26	07/09/26	AMAZON.COM INC (CALLABLE) DTD 07/09/2026 4.600% 07/09/2029	023135EB8	1,925,000.00	(1,924,461.00)	0.00	(1,924,461.00)			
	07/08/26	07/10/26	ACCENTURE CAPITAL INC (CALLABLE) DTD 07/10/2026 4.750% 07/10/2029	00440KAF0	680,000.00	(679,884.40)	0.00	(679,884.40)			
	07/09/26	07/16/26	COMET 2026-A1 A DTD 07/16/2026 4.480% 07/15/2031	14041NGJ4	3,135,000.00	(3,134,271.43)	0.00	(3,134,271.43)			
	07/13/26	07/14/26	US TREASURY N/B DTD 06/30/2026 4.125% 06/30/2028	91282CQY0	4,000,000.00	(3,988,281.25)	(6,277.17)	(3,994,558.42)			
	07/14/26	07/15/26	MUFG BANK LTD/NY DTD 07/13/2026 0.000% 04/09/2027	62479MR96	10,000,000.00	(9,692,544.44)	0.00	(9,692,544.44)			
	07/14/26	07/21/26	TAOT 2026-C A3 DTD 07/21/2026 4.510% 03/17/2031	89231DAD7	1,520,000.00	(1,519,778.99)	0.00	(1,519,778.99)			
	07/21/26	07/23/26	STATE STREET BANK & TR DTD 07/23/2026 4.701% 07/23/2029	85744NAE1	580,000.00	(580,000.00)	0.00	(580,000.00)			
	07/21/26	07/29/26	HALST 2026-C A3 DTD 07/29/2026 4.680% 07/16/2029	44935LAD3	1,605,000.00	(1,604,703.72)	0.00	(1,604,703.72)			
Transaction Type Sub-Total					28,720,000.00	(28,391,122.61)	(15,017.44)	(28,406,140.05)			
CALL											
	07/23/26	07/23/26	PNC FINANCIAL SERVICES (CALLABLE) DTD 07/23/2024 5.102% 07/23/2027	693475BY0	825,000.00	825,000.00	0.00	825,000.00	0.00	0.00	
Transaction Type Sub-Total					825,000.00	825,000.00	0.00	825,000.00	0.00	0.00	
INTEREST											
	07/01/26	07/25/26	FHMS K737 A2 DTD 01/01/2020 2.525% 10/01/2026	3137FQXJ7		0.00	1,816.83	1,816.83			
	07/01/26	07/25/26	FHMS K076 A2 DTD 05/01/2018 3.900% 04/01/2028	3137FEZU7		0.00	3,900.00	3,900.00			

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*July transactions are not included in June Financial Reports but will be included in the next report.



Managed Account Security Transactions & Interest

For the Month Ending **July 31, 2026**

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											
	07/01/26	07/25/26	FHMS K068 A2 DTD 10/01/2017 3.244% 08/01/2027	3137FBBX3		0.00	2,297.83	2,297.83			
	07/01/26	07/25/26	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79		0.00	1,913.38	1,913.38			
	07/01/26	07/25/26	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36		0.00	225.75	225.75			
	07/01/26	07/25/26	FNA 2018-M2 A2 DTD 02/01/2018 2.928% 01/01/2028	3136B0YM2		0.00	2,785.79	2,785.79			
	07/01/26	07/25/26	FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3		0.00	2,685.86	2,685.86			
	07/01/26	07/25/26	FHMS K739 A2 DTD 11/01/2020 1.336% 09/01/2027	3137F64P9		0.00	2,600.42	2,600.42			
	07/01/26	07/25/26	FHMS K067 A2 DTD 09/01/2017 3.194% 07/01/2027	3137FAWS3		0.00	4,591.38	4,591.38			
	07/01/26	07/25/26	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4		0.00	1.26	1.26			
	07/01/26	07/25/26	FHMS K075 A2 DTD 04/01/2018 3.650% 02/01/2028	3137F4X72		0.00	4,447.67	4,447.67			
	07/01/26	07/25/26	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BRQJ7		0.00	524.63	524.63			
	07/01/26	07/25/26	FHMS KJ28 A2 DTD 02/01/2020 2.308% 10/01/2027	3137FREE7		0.00	1,946.50	1,946.50			
	07/01/26	07/25/26	FHMS K079 A2 DTD 08/01/2018 3.926% 06/01/2028	3137FGZT5		0.00	4,907.50	4,907.50			
	07/01/26	07/25/26	FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRES		0.00	1,537.05	1,537.05			
	07/01/26	07/25/26	FHMS K074 A2 DTD 03/01/2018 3.600% 01/01/2028	3137F4D41		0.00	2,963.31	2,963.31			
	07/01/26	07/25/26	FNA 2024-M6 A2 DTD 11/01/2024 2.951% 07/01/2027	3136BTGM9		0.00	3,825.80	3,825.80			
	07/08/26	07/08/26	CATERPILLAR FINL SERVICE DTD 01/08/2024 4.500% 01/08/2027	14913UAE0		0.00	7,087.50	7,087.50			
	07/09/26	07/09/26	MORGAN STANLEY (CALLABLE) DTD 01/20/2026 4.238% 01/09/2030	61748UAR3		0.00	13,429.16	13,429.16			

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*July transactions are not included in June Financial Reports but will be included in the next report.



Managed Account Security Transactions & Interest

For the Month Ending **July 31, 2026**

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											
	07/09/26	07/09/26	AMERICAN HONDA FINANCE DTD 07/10/2024 4.900% 07/09/2027	02665WFK2		0.00	19,600.00	19,600.00			
	07/10/26	07/10/26	CATERPILLAR FINL SERVICE DTD 01/08/2026 3.700% 01/10/2028	14913UBF6		0.00	23,381.95	23,381.95			
	07/10/26	07/10/26	UBS AG STAMFORD CT (CALLABLE) DTD 01/10/2025 4.864% 01/10/2028	90261AAD4		0.00	14,105.60	14,105.60			
	07/12/26	07/12/26	TOYOTA MOTOR CREDIT CORP DTD 01/12/2026 3.750% 01/12/2028	89236TPF6		0.00	26,156.25	26,156.25			
	07/12/26	07/12/26	MORGAN STANLEY BANK NA (CALLABLE) DTD 01/21/2025 5.016% 01/12/2029	61690DK72		0.00	17,054.40	17,054.40			
	07/14/26	07/14/26	COOPERAT RABOBANK UA/NY DTD 01/14/2026 3.743% 01/14/2028	21688ABR2		0.00	15,627.03	15,627.03			
	07/15/26	07/15/26	COPAR 2025-1 A3 DTD 11/05/2025 3.850% 07/15/2030	14043YAD7		0.00	2,630.83	2,630.83			
	07/15/26	07/15/26	BAAT 2024-1A A3 DTD 05/22/2024 5.350% 11/15/2028	09709AAC6		0.00	273.14	273.14			
	07/15/26	07/15/26	AMXCA 2025-4 A DTD 07/22/2025 4.300% 07/15/2030	02582JKV1		0.00	2,938.33	2,938.33			
	07/15/26	07/15/26	WOART 2025-C A2A DTD 08/13/2025 4.190% 10/16/2028	981936AB3		0.00	1,735.78	1,735.78			
	07/15/26	07/15/26	CARMX 2026-2 A2A DTD 04/29/2026 4.110% 08/15/2029	142935AB1		0.00	2,911.25	2,911.25			
	07/15/26	07/15/26	US TREASURY N/B DTD 07/15/2025 3.875% 07/15/2028	91282CNM9		0.00	184,062.50	184,062.50			
	07/15/26	07/15/26	HART 2024-C A2A DTD 10/16/2024 4.530% 09/15/2027	448976AB6		0.00	86.35	86.35			
	07/15/26	07/15/26	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1		0.00	3,595.62	3,595.62			
	07/15/26	07/15/26	BACCT 2026-A1 A DTD 05/14/2026 4.220% 04/15/2031	05522RDL9		0.00	6,330.00	6,330.00			
	07/15/26	07/15/26	WFCIT 2024-A2 A DTD 10/24/2024 4.290% 10/15/2029	92970QAE5		0.00	2,341.63	2,341.63			

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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											
	07/15/26	07/15/26	HART 2026-B A3 DTD 06/17/2026 4.510% 02/18/2031	44935KAD5		0.00	4,577.65	4,577.65			
	07/15/26	07/15/26	HALST 2026-A A3 DTD 01/21/2026 3.970% 12/15/2028	448970AD5		0.00	2,696.29	2,696.29			
	07/15/26	07/15/26	FORDO 2024-D A2A DTD 11/22/2024 4.590% 10/15/2027	34535VAB0		0.00	195.78	195.78			
	07/15/26	07/15/26	TAOT 2025-D A3 DTD 10/23/2025 3.840% 06/17/2030	89231GAD0		0.00	4,704.00	4,704.00			
	07/15/26	07/15/26	BACCT 2024-A1 A DTD 06/13/2024 4.930% 05/15/2029	05522RDJ4		0.00	4,231.58	4,231.58			
	07/15/26	07/15/26	WFCIT 2025-A1 A DTD 06/10/2025 4.340% 05/15/2030	92970QAJ4		0.00	4,068.75	4,068.75			
	07/15/26	07/15/26	US TREASURY N/B DTD 07/15/2024 4.375% 07/15/2027	91282CKZ3		0.00	4,375.00	4,375.00			
	07/15/26	07/15/26	WOART 2025-A A2A DTD 01/29/2025 4.490% 04/17/2028	98164YAB7		0.00	502.45	502.45			
	07/15/26	07/15/26	HALST 2026-B A3 DTD 04/22/2026 4.210% 04/16/2029	448972AD1		0.00	4,104.75	4,104.75			
	07/15/26	07/15/26	US TREASURY N/B DTD 01/15/2025 4.250% 01/15/2028	91282CMF5		0.00	56,312.50	56,312.50			
	07/15/26	07/15/26	COMET 2025-A1 A DTD 09/16/2025 3.820% 09/15/2030	14041NGF2		0.00	3,835.92	3,835.92			
	07/15/26	07/15/26	JOHN DEERE CAPITAL CORP DTD 09/06/2024 4.200% 07/15/2027	24422EXV6		0.00	12,285.00	12,285.00			
	07/15/26	07/15/26	WFCIT 2024-A1 A DTD 03/01/2024 4.940% 02/15/2029	92970QAA3		0.00	3,807.92	3,807.92			
	07/15/26	07/15/26	COMET 2024-A1 A DTD 09/24/2024 3.920% 09/15/2029	14041NGE5		0.00	4,736.67	4,736.67			
	07/15/26	07/15/26	HART 2026-A A3 DTD 02/18/2026 3.790% 02/18/2031	448981AD2		0.00	3,300.46	3,300.46			
	07/15/26	07/15/26	AMXCA 2024-1 A DTD 04/23/2024 5.230% 04/16/2029	02582JXH2		0.00	3,116.21	3,116.21			
	07/15/26	07/15/26	US TREASURY N/B DTD 01/15/2026 3.500% 01/15/2029	91282CPT2		0.00	43,750.00	43,750.00			

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*July transactions are not included in June Financial Reports but will be included in the next report.


Managed Account Security Transactions & Interest
For the Month Ending **July 31, 2026**

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											
	07/15/26	07/15/26	MBART 2025-1 A2A DTD 01/23/2025 4.500% 02/15/2028	58773DAB0		0.00	569.87	569.87			
	07/15/26	07/15/26	FORDO 2025-C A3 DTD 11/25/2025 3.900% 06/15/2030	34535LAD8		0.00	3,152.50	3,152.50			
	07/15/26	07/15/26	AMXCA 2025-2 A DTD 05/13/2025 4.280% 04/15/2030	02582JKP4		0.00	3,727.17	3,727.17			
	07/15/26	07/15/26	KCOT 2025-2A A2 DTD 06/25/2025 4.480% 04/17/2028	50117LAB4		0.00	893.15	893.15			
	07/15/26	07/15/26	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1		0.00	1,398.22	1,398.22			
	07/15/26	07/15/26	TAOT 2026-B A3 DTD 04/21/2026 4.130% 12/16/2030	89240QAD7		0.00	4,439.75	4,439.75			
	07/15/26	07/15/26	HAROT 2025-4 A3 DTD 11/12/2025 3.980% 06/17/2030	43814XAD5		0.00	5,041.33	5,041.33			
	07/15/26	07/15/26	WOART 2025-D A2A DTD 10/15/2025 3.910% 02/15/2029	98165HAB3		0.00	5,280.29	5,280.29			
	07/15/26	07/15/26	USAOT 2025-A A3 DTD 10/09/2025 3.950% 12/17/2029	90327HAC3		0.00	1,497.71	1,497.71			
	07/15/26	07/15/26	MASTERCARD INC (CALLABLE) DTD 09/05/2024 4.100% 01/15/2028	57636QBA1		0.00	7,585.00	7,585.00			
	07/15/26	07/15/26	HART 2025-A A3 DTD 03/12/2025 4.320% 10/15/2029	44935CAD3		0.00	6,102.00	6,102.00			
	07/15/26	07/15/26	NAROT 2025-A A3 DTD 05/27/2025 4.490% 12/17/2029	65481GAD7		0.00	4,620.96	4,620.96			
	07/15/26	07/15/26	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9		0.00	1,477.22	1,477.22			
	07/15/26	07/15/26	ALLYA 2024-1 A3 DTD 03/13/2024 5.080% 12/15/2028	02008FAC8		0.00	712.02	712.02			
	07/15/26	07/15/26	KCOT 2025-1A A2 DTD 02/19/2025 4.610% 12/15/2027	50117FAB7		0.00	1,260.74	1,260.74			
	07/15/26	07/15/26	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0		0.00	713.90	713.90			
	07/15/26	07/15/26	HART 2025-D A3 DTD 11/12/2025 3.990% 09/16/2030	44891XAD9		0.00	5,253.50	5,253.50			

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Managed Account Security Transactions & Interest

For the Month Ending July 31, 2026

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											
	07/15/26	07/15/26	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2		0.00	645.76	645.76			
	07/15/26	07/15/26	ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2		0.00	1,462.75	1,462.75			
	07/15/26	07/15/26	HART 2025-C A2A DTD 09/17/2025 3.970% 07/17/2028	44935JAB2		0.00	6,357.44	6,357.44			
	07/15/26	07/15/26	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3		0.00	655.65	655.65			
	07/15/26	07/15/26	AMXCA 2025-1 A DTD 02/11/2025 4.560% 12/17/2029	02582JKM1		0.00	6,137.00	6,137.00			
	07/15/26	07/15/26	HAROT 2026-2 A3 DTD 05/13/2026 4.300% 11/15/2030	43814YAD3		0.00	7,310.00	7,310.00			
	07/15/26	07/15/26	FORDO 2025-A A2A DTD 03/25/2025 4.470% 12/15/2027	34535KAB4		0.00	2,603.29	2,603.29			
	07/15/26	07/15/26	WOART 2026-A A2A DTD 02/18/2026 3.710% 04/16/2029	98190AAB7		0.00	3,091.67	3,091.67			
	07/15/26	07/15/26	TAOT 2026-A A2A DTD 01/21/2026 3.800% 12/15/2028	89240KAB4		0.00	5,272.50	5,272.50			
	07/15/26	07/15/26	BAAAT 2026-1A A3 DTD 04/24/2026 4.180% 10/15/2030	05620EAD0		0.00	3,291.75	3,291.75			
	07/15/26	07/15/26	FORDO 2024-C A2A DTD 09/20/2024 4.320% 08/15/2027	34532UAB5		0.00	21.29	21.29			
	07/15/26	07/15/26	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4		0.00	575.42	575.42			
	07/15/26	07/15/26	TAOT 2025-A A2A DTD 01/29/2025 4.480% 11/15/2027	89240JAB7		0.00	764.76	764.76			
	07/15/26	07/15/26	KCOT 2026-1A A2 DTD 02/25/2026 3.840% 01/16/2029	50118HAB2		0.00	2,608.00	2,608.00			
	07/16/26	07/16/26	GMCAR 2025-4 A2A DTD 11/05/2025 3.880% 12/18/2028	36273EAB9		0.00	6,924.71	6,924.71			
	07/16/26	07/16/26	GMCAR 2026-1 A2A DTD 01/14/2026 3.770% 03/16/2029	362970AB1		0.00	2,246.29	2,246.29			
	07/16/26	07/16/26	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2		0.00	909.24	909.24			

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Managed Account Security Transactions & Interest

For the Month Ending July 31, 2026

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											
	07/16/26	07/16/26	GMCAR 2025-1 A2A DTD 01/15/2025 4.440% 01/18/2028	362955AB2		0.00	195.32	195.32			
	07/16/26	07/16/26	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7		0.00	221.19	221.19			
	07/17/26	07/17/26	ADOBE INC (CALLABLE) DTD 01/17/2025 4.750% 01/17/2028	00724PAH2		0.00	31,825.00	31,825.00			
	07/20/26	07/20/26	TLOT 2026-A A3 DTD 02/17/2026 3.820% 02/20/2029	89240MAD6		0.00	5,745.92	5,745.92			
	07/20/26	07/20/26	TMUST 2026-1A A DTD 03/20/2026 4.250% 10/21/2030	87269AAA8		0.00	5,383.33	5,383.33			
	07/20/26	07/20/26	BAAT 2025-1A A3 DTD 05/12/2025 4.350% 11/20/2029	05594BAD8		0.00	1,015.00	1,015.00			
	07/20/26	07/20/26	VALET 2025-2 A3 DTD 11/25/2025 3.920% 03/20/2030	92869QAD1		0.00	4,050.67	4,050.67			
	07/20/26	07/20/26	VALET 2024-1 A2A DTD 11/26/2024 4.650% 11/22/2027	92868RAB4		0.00	678.58	678.58			
	07/20/26	07/20/26	VZMT 2025-3 A1A DTD 03/31/2025 4.510% 03/20/2030	92348KDY6		0.00	5,675.08	5,675.08			
	07/20/26	07/20/26	VALET 2025-1 A2A DTD 03/25/2025 4.510% 01/20/2028	92868MAB5		0.00	1,891.44	1,891.44			
	07/20/26	07/20/26	TMUST 2025-2A A DTD 08/06/2025 4.340% 04/22/2030	87268MAA3		0.00	1,862.58	1,862.58			
	07/20/26	07/20/26	PILOT 2026-1A A3 DTD 06/12/2026 4.410% 08/20/2029	73328FAD0		0.00	3,770.55	3,770.55			
	07/20/26	07/20/26	VZMT 2026-1 A1A DTD 03/13/2026 3.940% 02/20/2031	92348KFC2		0.00	9,094.83	9,094.83			
	07/20/26	07/20/26	PILOT 2025-1A A3 DTD 05/21/2025 4.610% 10/20/2028	73329KAD8		0.00	1,383.00	1,383.00			
	07/20/26	07/20/26	VZMT 2025-9 A1A DTD 11/25/2025 3.960% 10/21/2030	92348KEV1		0.00	4,686.00	4,686.00			
	07/21/26	07/21/26	HAROT 2025-3 A2A DTD 08/12/2025 4.190% 03/21/2028	43813QAB5		0.00	3,848.84	3,848.84			
	07/21/26	07/21/26	COOPERAT RABOBANK UA/NY DTD 01/21/2025 4.883% 01/21/2028	21688ABK7		0.00	32,960.25	32,960.25			

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Managed Account Security Transactions & Interest

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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											
	07/21/26	07/21/26	HAROT 2025-1 A2 DTD 02/11/2025 4.530% 08/23/2027	43814VAB3		0.00	1,585.64	1,585.64			
	07/21/26	07/21/26	PNC BANK NA (CALLABLE) DTD 07/21/2025 4.429% 07/21/2028	69353RFZ6		0.00	5,536.25	5,536.25			
	07/21/26	07/21/26	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5		0.00	379.74	379.74			
	07/21/26	07/21/26	HAROT 2026-1 A3 DTD 02/18/2026 3.780% 09/23/2030	43815CAD0		0.00	2,866.50	2,866.50			
	07/22/26	07/22/26	DEFT 2026-1A A2 DTD 04/22/2026 4.240% 07/24/2028	246921AC4		0.00	2,473.33	2,473.33			
	07/22/26	07/22/26	BANK OF NY MELLON CORP (CALLABLE) DTD 01/22/2026 4.026% 01/22/2030	06406RCG0		0.00	6,844.20	6,844.20			
	07/22/26	07/22/26	PFAST 2025-1A A2A DTD 10/24/2025 3.910% 03/22/2029	732911AB8		0.00	3,745.64	3,745.64			
	07/23/26	07/23/26	WELLS FARGO & COMPANY (CALLABLE) DTD 01/23/2026 4.182% 01/23/2030	95000U4D2		0.00	12,650.55	12,650.55			
	07/23/26	07/23/26	PNC FINANCIAL SERVICES (CALLABLE) DTD 07/23/2024 5.102% 07/23/2027	693475BY0		0.00	21,045.75	21,045.75			
	07/24/26	07/24/26	TRUIST BANK (CALLABLE) DTD 07/24/2025 4.420% 07/24/2028	89788JAF6		0.00	13,812.50	13,812.50			
	07/25/26	07/25/26	BMWLT 2025-1 A3 DTD 06/10/2025 4.430% 06/26/2028	096912AD2		0.00	1,827.38	1,827.38			
	07/25/26	07/25/26	BMWOT 2024-A A3 DTD 06/11/2024 5.180% 02/26/2029	096919AD7		0.00	1,916.22	1,916.22			
	07/25/26	07/25/26	CHAOT 2026-1A A2 DTD 05/27/2026 4.250% 07/25/2029	16145GAB2		0.00	2,780.21	2,780.21			
	07/25/26	07/25/26	BMWOT 2025-A A2A DTD 02/12/2025 4.430% 10/25/2027	096924AB1		0.00	211.46	211.46			
	07/25/26	07/25/26	CHAOT 2025-1A A3 DTD 07/30/2025 4.290% 06/25/2030	16145NAC5		0.00	2,717.00	2,717.00			
	07/25/26	07/25/26	CHAOT 2025-2A A2 DTD 10/29/2025 3.910% 12/26/2028	16144MAC8		0.00	4,939.55	4,939.55			

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Managed Account Security Transactions & Interest
For the Month Ending **July 31, 2026**
Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
07/26/26	07/26/26	PNC FINANCIAL SERVICES (CALLABLE) DTD 01/26/2026 4.075% 01/26/2029	693475CG8		0.00	16,300.00	16,300.00			
07/26/26	07/26/26	BLACKROCK INC (CALLABLE) DTD 07/26/2024 4.600% 07/26/2027	09290DAH4		0.00	11,385.00	11,385.00			
07/26/26	07/26/26	BANK OF NY MELLON CORP (CALLABLE) DTD 01/26/2022 2.050% 01/26/2027	06406RBA4		0.00	12,812.50	12,812.50			
07/26/26	07/26/26	GOLDMAN SACHS GROUP INC (CALLABLE) DTD 01/26/2017 3.850% 01/26/2027	38141GWB6		0.00	16,362.50	16,362.50			
07/27/26	07/27/26	MORGAN STANLEY DTD 07/25/2016 3.125% 07/27/2026	61761J3R8		0.00	14,062.50	14,062.50			
07/31/26	07/31/26	US TREASURY N/B DTD 07/31/2025 3.875% 07/31/2027	91282CNP2		0.00	38,750.00	38,750.00			
Transaction Type Sub-Total					0.00	960,814.06	960,814.06			
MATURITY										
07/13/26	07/13/26	CREDIT AGRICOLE CIB NY DTD 10/16/2025 0.000% 07/13/2026	22533UGD9	10,000,000.00	10,000,000.00	0.00	10,000,000.00	282,450.00	0.00	
07/13/26	07/13/26	MUFG BANK LTD/NY DTD 10/17/2025 0.000% 07/13/2026	62479MGD9	10,000,000.00	10,000,000.00	0.00	10,000,000.00	283,944.44	0.00	
07/27/26	07/27/26	MORGAN STANLEY DTD 07/25/2016 3.125% 07/27/2026	61761J3R8	900,000.00	900,000.00	0.00	900,000.00	21,672.00	0.00	
Transaction Type Sub-Total				20,900,000.00	20,900,000.00	0.00	20,900,000.00	588,066.44	0.00	
PAYDOWNS										
07/01/26	07/25/26	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BRQJ7	244,962.35	244,962.35	0.00	244,962.35	15,951.26	394.67	
07/01/26	07/25/26	FHMS K074 A2 DTD 03/01/2018 3.600% 01/01/2028	3137F4D41	1,932.43	1,932.43	0.00	1,932.43	41.44	23.21	
07/01/26	07/25/26	FHMS KJ28 A2 DTD 02/01/2020 2.308% 10/01/2027	3137FREE7	135,154.01	135,154.01	0.00	135,154.01	4,978.48	2,486.85	

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Managed Account Security Transactions & Interest
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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											
	07/01/26	07/25/26	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79	1,359.80	1,359.80	0.00	1,359.80	65.76	26.30	
	07/01/26	07/25/26	FHMS K075 A2 DTD 04/01/2018 3.650% 02/01/2028	3137F4X72	353.09	353.09	0.00	353.09	6.17	3.55	
	07/01/26	07/25/26	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36	25,071.68	25,071.68	0.00	25,071.68	1,082.20	127.07	
	07/01/26	07/25/26	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4	661.12	661.12	0.00	661.12	47.70	1.14	
	07/01/26	07/25/26	FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRE5	17,717.15	17,717.15	0.00	17,717.15	936.38	87.29	
	07/01/26	07/25/26	FHMS K737 A2 DTD 01/01/2020 2.525% 10/01/2026	3137FQXJ7	155,530.24	155,530.24	0.00	155,530.24	10,279.58	1,121.41	
	07/01/26	07/25/26	FHMS K739 A2 DTD 11/01/2020 1.336% 09/01/2027	3137F64P9	2,658.10	2,658.10	0.00	2,658.10	204.03	90.70	
	07/01/26	07/25/26	FHMS K075 A2 DTD 04/01/2018 3.650% 02/01/2028	3137F4X72	1,961.61	1,961.61	0.00	1,961.61	34.25	19.72	
	07/01/26	07/25/26	FHMS K066 A2 DTD 08/01/2017 3.117% 06/01/2027	3137F2LJ3	1,724.28	1,724.28	0.00	1,724.28	38.93	17.97	
	07/01/26	07/25/26	FNA 2018-M2 A2 DTD 02/01/2018 2.928% 01/01/2028	3136B0YM2	1,590.51	1,590.51	0.00	1,590.51	45.11	26.01	
	07/01/26	07/25/26	FNA 2024-M6 A2 DTD 11/01/2024 2.951% 07/01/2027	3136BTGM9	2,394.84	2,394.84	0.00	2,394.84	83.82	35.78	
	07/15/26	07/15/26	FORDO 2025-A A2A DTD 03/25/2025 4.470% 12/15/2027	34535KAB4	150,961.62	150,961.62	0.00	150,961.62	8.94	4.76	
	07/15/26	07/15/26	HART 2024-C A2A DTD 10/16/2024 4.530% 09/15/2027	448976AB6	22,874.17	22,874.18	0.00	22,874.18	1.40	0.58	
	07/15/26	07/15/26	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9	43,225.47	43,225.47	0.00	43,225.47	9.77	42.26	
	07/15/26	07/15/26	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0	15,475.53	15,475.53	0.00	15,475.53	3.10	1.55	
	07/15/26	07/15/26	WOART 2025-A A2A DTD 01/29/2025 4.490% 04/17/2028	98164YAB7	78,813.34	78,813.34	0.00	78,813.34	2.19	1.20	
	07/15/26	07/15/26	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	18,814.25	18,814.25	0.00	18,814.25	135.23	54.45	

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Managed Account Security Transactions & Interest

For the Month Ending July 31, 2026

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											
	07/15/26	07/15/26	TAOT 2026-A A2A DTD 01/21/2026 3.800% 12/15/2028	89240KAB4	117,673.68	117,673.68	0.00	117,673.68	1.95	1.63	
	07/15/26	07/15/26	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1	36,873.36	36,873.36	0.00	36,873.36	0.67	0.27	
	07/15/26	07/15/26	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	11,386.52	11,386.52	0.00	11,386.52	1.23	0.56	
	07/15/26	07/15/26	KCOT 2025-1A A2 DTD 02/19/2025 4.610% 12/15/2027	50117FAB7	40,666.20	40,666.20	0.00	40,666.20	5.08	2.62	
	07/15/26	07/15/26	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3	14,904.73	14,904.73	0.00	14,904.73	3.20	1.52	
	07/15/26	07/15/26	ALLYA 2024-1 A3 DTD 03/13/2024 5.080% 12/15/2028	02008FAC8	16,421.25	16,421.25	0.00	16,421.25	2.38	1.27	
	07/15/26	07/15/26	ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2	33,459.36	33,459.36	0.00	33,459.36	3.46	2.17	
	07/15/26	07/15/26	WOART 2025-D A2A DTD 10/15/2025 3.910% 02/15/2029	98165HAB3	187,744.04	187,744.04	0.00	187,744.04	12.02	9.21	
	07/15/26	07/15/26	WOART 2025-C A2A DTD 08/13/2025 4.190% 10/16/2028	981936AB3	69,663.40	69,663.40	0.00	69,663.40	6.11	4.34	
	07/15/26	07/15/26	HART 2025-C A2A DTD 09/17/2025 3.970% 07/17/2028	44935JAB2	198,036.65	198,036.65	0.00	198,036.65	17.68	12.58	
	07/15/26	07/15/26	FORDO 2024-C A2A DTD 09/20/2024 4.320% 08/15/2027	34532UAB5	5,914.62	5,914.61	0.00	5,914.61	0.23	0.08	
	07/15/26	07/15/26	MBART 2025-1 A2A DTD 01/23/2025 4.500% 02/15/2028	58773DAB0	120,426.49	120,426.49	0.00	120,426.49	2.90	1.47	
	07/15/26	07/15/26	KCOT 2025-2A A2 DTD 06/25/2025 4.480% 04/17/2028	50117LAB4	20,870.95	20,870.95	0.00	20,870.95	2.52	1.58	
	07/15/26	07/15/26	FORDO 2024-D A2A DTD 11/22/2024 4.590% 10/15/2027	34535VAB0	34,112.89	34,112.89	0.00	34,112.89	1.66	0.74	
	07/15/26	07/15/26	TAOT 2025-A A2A DTD 01/29/2025 4.480% 11/15/2027	89240JAB7	122,280.91	122,280.91	0.00	122,280.91	5.67	2.69	
	07/15/26	07/15/26	BAAT 2024-1A A3 DTD 05/22/2024 5.350% 11/15/2028	09709AAC6	6,129.84	6,129.84	0.00	6,129.84	1.00	0.54	
	07/16/26	07/16/26	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2	21,204.76	21,204.76	0.00	21,204.76	4.36	1.99	

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Managed Account Security Transactions & Interest

For the Month Ending July 31, 2026

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											
	07/16/26	07/16/26	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	5,438.11	5,438.11	0.00	5,438.11	1.09	0.57	
	07/16/26	07/16/26	GMCAR 2025-4 A2A DTD 11/05/2025 3.880% 12/18/2028	36273EAB9	206,166.27	206,166.27	0.00	206,166.27	6.99	5.24	
	07/16/26	07/16/26	GMCAR 2025-1 A2A DTD 01/15/2025 4.440% 01/18/2028	362955AB2	52,789.46	52,789.45	0.00	52,789.45	5.02	2.53	
	07/16/26	07/16/26	GMCAR 2026-1 A2A DTD 01/14/2026 3.770% 03/16/2029	362970AB1	55,208.93	55,208.93	0.00	55,208.93	0.18	0.14	
	07/20/26	07/20/26	VALET 2025-1 A2A DTD 03/25/2025 4.510% 01/20/2028	92868MAB5	132,529.09	132,529.09	0.00	132,529.09	4.19	2.11	
	07/20/26	07/20/26	VALET 2024-1 A2A DTD 11/26/2024 4.650% 11/22/2027	92868RAB4	84,607.88	84,607.88	0.00	84,607.88	1.35	0.55	
	07/21/26	07/21/26	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5	8,159.97	8,159.97	0.00	8,159.97	1.44	0.64	
	07/21/26	07/21/26	HAROT 2025-1 A2 DTD 02/11/2025 4.530% 08/23/2027	43814VAB3	215,893.54	215,893.54	0.00	215,893.54	9.39	4.12	
	07/21/26	07/21/26	HAROT 2025-3 A2A DTD 08/12/2025 4.190% 03/21/2028	43813QAB5	136,579.77	136,579.77	0.00	136,579.77	10.60	6.80	
	07/22/26	07/22/26	PFAST 2025-1A A2A DTD 10/24/2025 3.910% 03/22/2029	732911AB8	207,982.00	207,982.00	0.00	207,982.00	10.34	7.89	
	07/25/26	07/25/26	BMWOT 2024-A A3 DTD 06/11/2024 5.180% 02/26/2029	096919AD7	37,065.22	37,065.22	0.00	37,065.22	5.63	3.22	
	07/25/26	07/25/26	CHAOT 2025-2A A2 DTD 10/29/2025 3.910% 12/26/2028	16144MAC8	167,547.07	167,547.07	0.00	167,547.07	11.28	8.50	
	07/25/26	07/25/26	BMWOT 2025-A A2A DTD 02/12/2025 4.430% 10/25/2027	096924AB1	57,280.79	57,280.79	0.00	57,280.79	4.38	2.09	
Transaction Type Sub-Total					3,348,253.34	3,348,253.33	0.00	3,348,253.33	34,099.74	4,656.13	
SELL											
	07/02/26	07/07/26	US TREASURY N/B DTD 06/30/2025 3.750% 06/30/2027	91282CNL1	1,250,000.00	1,246,337.89	891.64	1,247,229.53	(976.56)	(2,303.46)	FIFO
	07/02/26	07/07/26	US TREASURY N/B DTD 05/15/2024 4.500% 05/15/2027	91282CKR1	350,000.00	351,271.48	2,268.34	353,539.82	2,283.20	1,581.60	FIFO

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Managed Account Security Transactions & Interest

For the Month Ending **July 31, 2026**

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

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
SELL											
	07/08/26	07/09/26	WALMART INC DTD 04/28/2025 4.100% 04/28/2027	931142FL2	440,000.00	439,863.60	3,557.89	443,421.49	(79.20)	(113.04)	FIFO
	07/08/26	07/09/26	CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2029	161571HV9	695,000.00	696,628.91	2,131.33	698,760.24	1,734.76	1,684.96	FIFO
	07/08/26	07/09/26	UNITEDHEALTH GROUP INC (CALLABLE) DTD 03/21/2024 4.600% 04/15/2027	91324PEY4	750,000.00	751,590.00	8,050.00	759,640.00	6,817.50	2,966.90	FIFO
	07/08/26	07/09/26	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	355,000.00	356,109.38	1,178.60	357,287.98	1,157.06	1,132.95	FIFO
	07/08/26	07/09/26	ADVANCED MICRO DEVICES DTD 03/24/2025 4.212% 09/24/2026	007903BH9	1,135,000.00	1,135,068.10	13,943.48	1,149,011.58	68.10	68.10	FIFO
	07/08/26	07/09/26	US TREASURY N/B DTD 07/15/2024 4.375% 07/15/2027	91282CKZ3	175,000.00	175,396.48	3,701.23	179,097.71	(1,613.29)	(324.26)	FIFO
	07/09/26	07/10/26	US TREASURY N/B DTD 07/15/2024 4.375% 07/15/2027	91282CKZ3	625,000.00	626,611.33	13,294.20	639,905.53	(5,566.41)	(955.96)	FIFO
Transaction Type Sub-Total					5,775,000.00	5,778,877.17	49,016.71	5,827,893.88	3,825.16	3,737.79	
Managed Account Sub-Total						2,461,007.89	994,813.33	3,455,821.22	625,991.34	8,393.92	
Total Security Transactions						\$2,461,007.89	\$994,813.33	\$3,455,821.22	\$625,991.34	\$8,393.92	

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Staff Report – Item 2c

Item 2c: Approve SVCE 2025 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: 8/12/2026

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors ("Board") approve the use of statistics reflected in SVCE's 2025 annual Power Source Disclosure reports for purposes of preparing SVCE's 2025 Power Content Label and attest to the veracity of information presented in SVCE's 2025 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 customers¹. 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).

During this reporting cycle, the CEC revised the PSD template to include new columns for Loss Factor, Other End Use, and Specified Procurement Covering Losses. These revisions implement the requirements adopted in Docket No. 21-OIR-01. Section 1392(a)(8)(B) of Chapter 3, Article 5, Title 20 of the California Code of Regulations establishes default statement loss factor for in-state resources, specified imports, and unspecified power. These loss factors are calculated and published by the CEC based on estimated transmission and distribution losses, determined by dividing the total energy disposition by the most recent final statement energy data released by the U.S. Energy Information Administration (EIA).

For the 2025 reporting year, the CEC provided default loss factors of 4.19% for in-state resources and 6.19% for out-of-state resources. For the Other End Use category, SVCE reported the net charging load associated with separately metered energy storage facilities. Because SVCE procured renewable and carbon-free energy in excess of its retail sales requirements, the surplus specified procurement was applied to the Specified Procurement Covering Losses column to account for the loss factors.

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.

Agenda Item: 2c**Agenda Date: 8/12/2026**

Additionally, SVCE offers a custom portfolio, GreenPrime Direct, that is excluded from the standard PCL. A separate PCL will be provided to customers enrolled in GreenPrime Direct to reflect the specific power sources associated with that product.

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. 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, 2026 and then design and distribute the 2025 PCL to customers by December 31st, 2026.

ANALYSIS & DISCUSSION

During the 2025 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 47 percent². Overall GreenStart was approximately 100% carbon-free with the inclusion of large hydroelectricity and nuclear. 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, 52% carbon-free. A simplified version of the key information is depicted below in Attachment 1. The line losses associated with SVCE's products, historically measured as 6% of retail sales, and approximated between 4-6% of retail sales based on CEC's revised methodology for Power Source Disclosure, was also covered by clean energy consistent with the SVCE Board's annual clean goals.

At the time of this report, SVCE has incorporated information from the annual PSD report in the annual Joint Rate Mailers (JRM)s 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 2025 PCLs to retail suppliers by mid-September 2026. PCL data includes the proportionate share of various resource types for the total energy supply.

Consistent with applicable regulations, SVCE will complete requisite customer communications following the Board's approval of pertinent information to be included in the 2025 PCL. Customers receiving PCL communications will include those enrolled in the SVCE program as of December 31, 2026 – the distribution list was derived based on prior discussions with designated CEC staff.

While preparing SVCE's 2025 annual PSD report, staff performed a detailed review of all power purchases completed for the 2025 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, 2026. 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 2025 calendar year.

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.

Agenda Item: 2c**Agenda Date: 8/12/2026**

STRATEGIC PLAN

Approval of the 2025 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 2025 SVCE Power Source Disclosure

Key Information in 2025 Silicon Valley Clean Energy Power Source Disclosure

2025 PSD / PCL Data	Green Start	Green Prime	Green Prime Direct
Biomass & Biogas	0%	0%	0%
Geothermal	10%	0%	0%
Eligible Hydroelectric	1%	0%	0%
Solar	24%	100%	0%
Wind	11%	0%	48%
Large Hydroelectric	33%	0%	52%
Nuclear	20%	0%	0%
Emerging Technologies	0%	0%	0%
Other	0%	0%	0%
Natural Gas	0%	0%	0%
Coal & Petroleum	0%	0%	0%
Unspecified Power - Total	0%	0%	0%
PCL GHG Intensity (lbs CO ₂ e/MWh)	2	0	0
Unbundled REC %	0%	0%	0%



Staff Report – Item 2d

Item 2d: Receive June 2026 Decarbonization Strategy and Programs Quarterly Report

From: Monica Padilla, CEO

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

Date: 8/12/2026

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 2026.

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 2025-2027 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 2026 Update of the Decarbonization Strategy and Programs quarterly report has no fiscal impact.

ATTACHMENTS

1. Decarbonization Strategy & Programs Quarterly Report – June 2026 Update

Quarterly Report
June 2026 Milestones



\$205 million
in lifetime bill savings



\$138 million
in lifetime program
funding allocation

Quarterly Report

June 2026 Milestones



33,000
unique visits to eHub



4,035
customers engage
with Go Electric
Advisor service



\$11.3M
in home rebates
distributed

PROGRAMS PORTFOLIO

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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)
Home Rebates	\$20M	4,200 homes fully/partially electrified	3,800 homes fully/partially electrified	Increased HPWH rebates to \$2500 on May 1. Experienced high volume of HPWH applications with limited-term \$500 HPWH bonus.	4,200 claims. Test use of Rock Rabbit as the sole application platform.
Multifamily Retrofits (TE and BE)	\$12.5M	300 to 1,000 MF AH units electrified	1 site completed (120 units) 2 sites in construction (130 units)	Enrolled 3 new sites	Complete construction at 1 site (75 units).
Full-Service Home Upgrades	\$11.4M	600 single-family homes electrified	Completed installations in 61 homes	Completed 24 installations	Complete installations for 50 homes.
EV Charging Incentives	\$8.9M	2,500 EVSE ports installed	36 sites completed (324 L1/L2 ports) 30 active reservations (473 L1/L2 ports)	New eligibility for businesses, publicly accessible locations, and multifamily. Simplified program rules. Launched Mountain View adder rebate.	Grow applications from new eligible property types.
Member Agency Grants	\$6.5M	21 member agency projects focused on community engagement and decarb	Selected 8 projects for competitive grant and 13 projects for the noncompetitive grant	All projects underway	Monitor projects
Electrification Rate Discount	\$5.8M	10,000 customers enrolled	Implementation in progress, expected start fall 2026 or later.	Implementation in progress	Go live and enroll first customers.
Zero Interest Financing Pilot	\$5.2M	200 customers finance electrification	All target customers contacted and 20 executed loan agreements.	Completed final home assessments & executed remaining loan agreements. Closed enrollment to new participants.	80% of installations completed and begin supporting initial evaluation phase.
Community Energy Resilience	\$5.15M	13 agencies complete projects, 13 total projects	12 completed agency projects	1 project in progress	Closeout remaining project
C&I Decarbonization Program	\$5M	8,000 metric tons of CO2e removed through carbon saving measures	16 customers enrolled	Hosted Participant Workshop #4 at Commercial Heat Pump Demonstration site	Complete remaining energy models and internal measurement and verification

PROGRAMS PORTFOLIO

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Active Programs

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
Decarbonization Demonstration Grants	\$3.2M	5 local public facing electric projects	3 projects complete	Planning ribbon cuttings for remaining 2 projects	Monitor and reimburse remaining 2 projects as they move to completion
Permit Modernization	\$3.2M	13 member agencies improve electrification permitting	Permitting agencies have action plans. 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 rewiring.	Continue deploying resources in all member agencies. Begin laying groundwork for a contractor certification program.
Emergency Water Heater Replacement	\$2.6M	700 emergency water heaters upgraded	16 emergency water heater installations completed	4 emergency water heater installations completed.	Complete 10 installations.
CALeVIP 1.0	\$2.5M	85 DCFC installed 1,100 L2 installed	26 DCFC installed 338 L2 installed	Pending project remained incomplete. Program closeout began.	Final report review. Program completes July 1.
Customer Resource Center (eHub)	\$2.1M	250K Unique Visits 50% Open Rate - Appliance Promotion has >100 Participants	51K Unique Visits and 11K Returning Visits 51% Open Rate and 1% Click Rate	41K Unique Visits, 624K Unique Opens, Launched eHub Marketing Campaign	125K Unique Visits, 750K Unique Opens, Launch Appliance Marketplace promotion
Existing Building Policy Experimentation	\$1.9M	Spur action on building electrification and reduce building gas combustion	Existing building policies are now understood and momentum is building for implementing various activities to address them.	Agencies are submitting codes to the State and awaiting final approvals	Support agencies to educate customers about codes once they are effective. Consider other ordinances, ex. building performance standards.
Contractor Training	\$1.7M	300 contractors trained 500 graduate incentives	409 contractors completed training 833 approved collaboration bonuses	Completed 18 more trainings and gave out 92 bonuses.	Continue/review W-9 collection, begin drafting new module content, and implement DocuSign IAM platform in Salesforce.
EV Rebates	\$2.5M	975 EV purchase incentives for income qualified customers	451 rebates paid	53 new EV rebates approved. Sponsored first EV Ride and Drive in partnership with Breathe California and Gilroy City.	Continue to promote program to qualified customers. Goal to surpass 500 EVs by next quarter.
Programs Marketing Fund	\$2M	9,000 new program participants	Marketing for 12 programs. Nearly 4,500 program participants added.	Customer.io refined, GovDelivery ended. Annual survey results presented to EC. Citizen Group heat pump campaign	Marketing campaign for heat pumps. Start website refresh design phase.

PROGRAMS PORTFOLIO

JUN 26

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	1,616 EVs enrolled (incl. ChargeWise) 83 charger rebates	Continue EM&V work.	Continue EM&V work.
Go Electric Advisor	\$892K	3,600 customers use hotline, 1,200 use tech assistance, 350 use electrification plans	4,035 customers use service	649 new customer contacts, 196 non-program inquiries. Program extension approved.	Add 650 new customer contacts including 75 non-program inquiries
Business Rebates	\$750K	20-30 SMBs electrified	13 SMBs fully/partially electrified	Awarded 2 new rebates, outreach campaign planned, Ad campaign started, and website revamped.	Complete outreach campaign and electrify 2-3 businesses.
EM&V	\$640K	Evaluate 80% of SVCE programs within 2 years of launch	11 reports completed	Completed analysis of residential programs survey.	Complete billing analysis for residential programs.
SV Building Electrification Stronger Together	\$600K	Educate stakeholders about building electrification	50 stakeholders engaged to date	Hosted contractor working group meeting; Interviewed two community based organization working group members	Begin new commercial buildings contractor focus group.
Decarbonization Engagement Grants	\$442K	5 communities engage residents on climate action topics	5 projects complete	Program complete	Program complete
Natural Gas Phaseout Feasibility	\$300K	Complete 2 whitepapers to inform local, regional, and statewide policies	1 whitepaper (funding requirements) completed, technical feasibility study shared with Air District	Funding & finance research shared with programs working group	Continue engagement with Air District on exemptions
Fleet Electrification	\$300K	Complete fleet electrification and charger install planning for 15 fleets	15 fleets in the program.	9 agencies have completed the planning program. Remaining 6 agencies are actively proceeding.	Two more fleets complete process.
Assisted Home Upgrades (Rock Rabbit)	\$190K	Pilot web app to help homeowners/contractors to apply for multiple incentives simultaneously	215 projects created	Assisted Home Upgrades launches as a primary pathway for claiming rebates	Reach 150 Claims per month
Innovation Onramp (EV Charging Pilot)	\$1M	Demonstrate innovative and scalable solutions to reduce the cost of EV charging for MF residents.	3 multifamily sites with charging installed.	All three vendors completed at least 1 EVSE installation. Two vendors are completing the MDMA software process.	Complete MDMA process with PG&E. Begin implementing virtual submetering. Complete utility upgrades at one site.

PROGRAMS PORTFOLIO

JUN 26

Planning

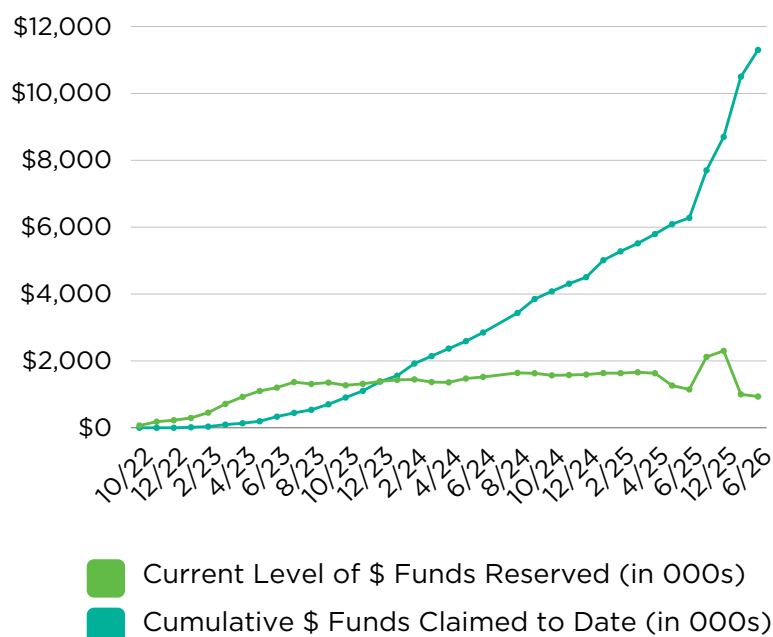
Name	Budget	Potential Impact	Last Quarter (Update)	Next Quarter (Target)
Community Grants	\$3.5M	Fund building/transportation electrification and energy resiliency, engagement, and projects for schools and community orgs	Grant solicitation live, conducting outreach	Select grantees and kickoff Technical Assistance
Neighborhood Electrification	\$1.5M	Test model to electrify buildings within a community. Electrify 15 homes and set plans for 24 homes	Continued to support member agencies with SB 1221 and recruited group of volunteers for neighborhood workshops	Co-host an Amp the Block! event with resident hosts and support member agencies with SB 1221 process.
Workforce Development Partnerships	\$1.3M	Increase capacity to coordinate and train skilled workforce for residential electrification jobs	Continued design with CCA partners for a contractor incentive for new HPWH installers. Presented SVCE contractor initiatives at South Bay contractor event that reached 100+ contractors.	Launch regional contractor incentive program.
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	Explored other options for a battery program. Completed a solar customer survey on their interest in batteries.	Review customer survey responses to inform next steps on the battery program. Surface challenges to internal stakeholders.
E-Bike Rebates	\$500K	200-300 e-bikes	Prepared for program design and implementation.	Complete program design. Target launch in Q3 2026.

PROGRAMS HIGHLIGHTS

JUN 26

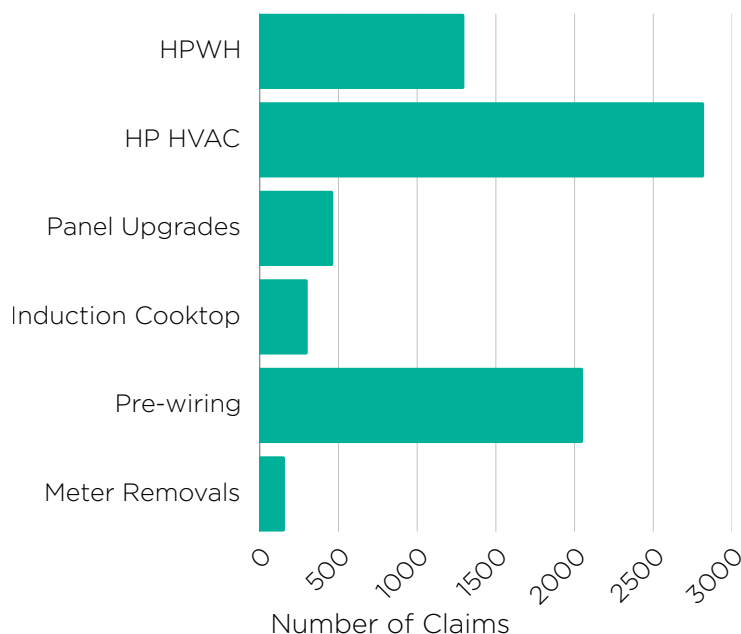
Home Rebates

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.



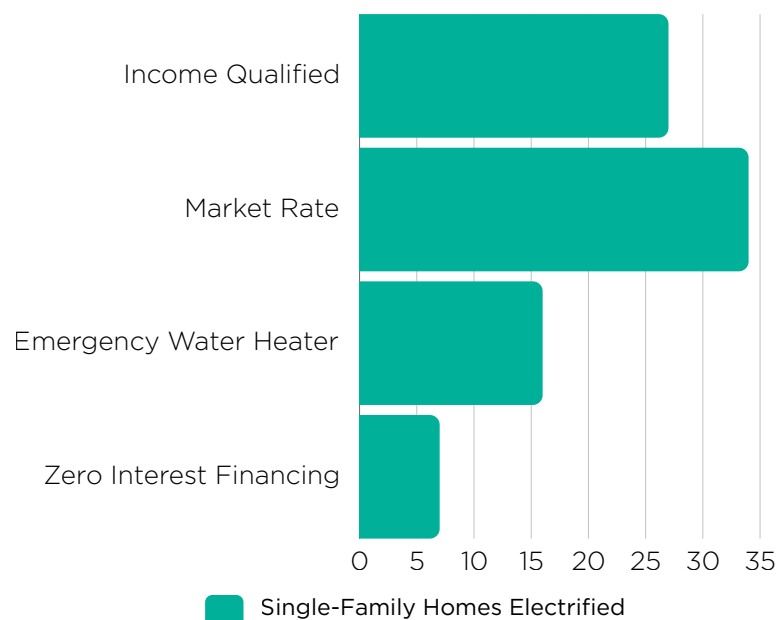
Rebates claimed: \$11.3M

Rebates reserved: \$933k



Direct Installations

Assistance in site assessment, installation, and applying for rebates to electrify single-family homes.



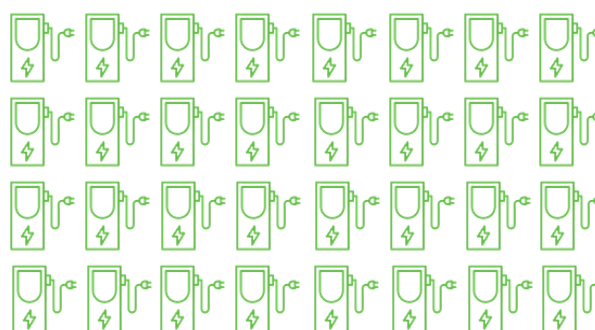
EV Charging Rebates

Rebate program for L1 and L2 EV charging infrastructure at multifamily and business properties.

Funds Reserved: \$2.1M

Funds Claimed: \$1.5M

Ports Installed: 324 L1/L2



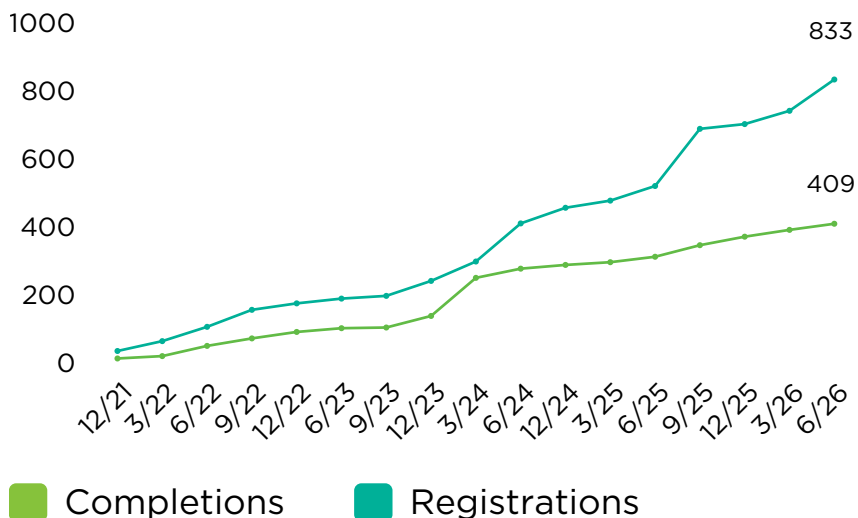
 = 10 Installed EVSE Ports

PROGRAMS HIGHLIGHTS

JUN 26

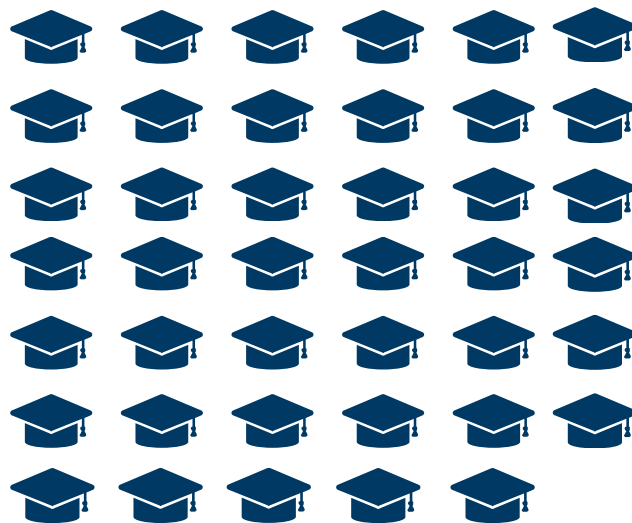
Contractor Training

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



Funding: \$1.5M

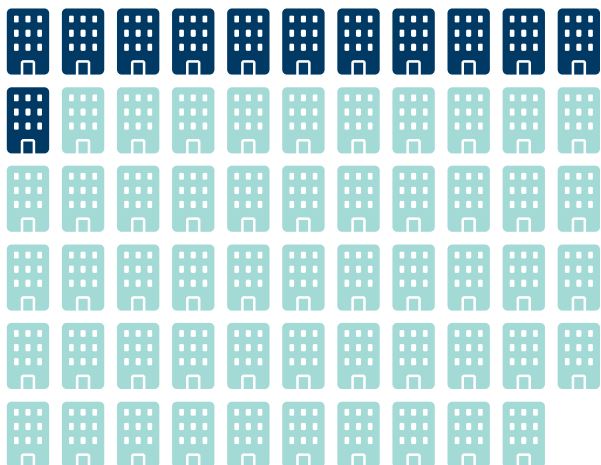
Goal: 300 Participants Complete the Course (Phase 2)



🎓 = 10 Participants Complete Course

Multifamily Retrofits

Goal: 650 multifamily units electrified



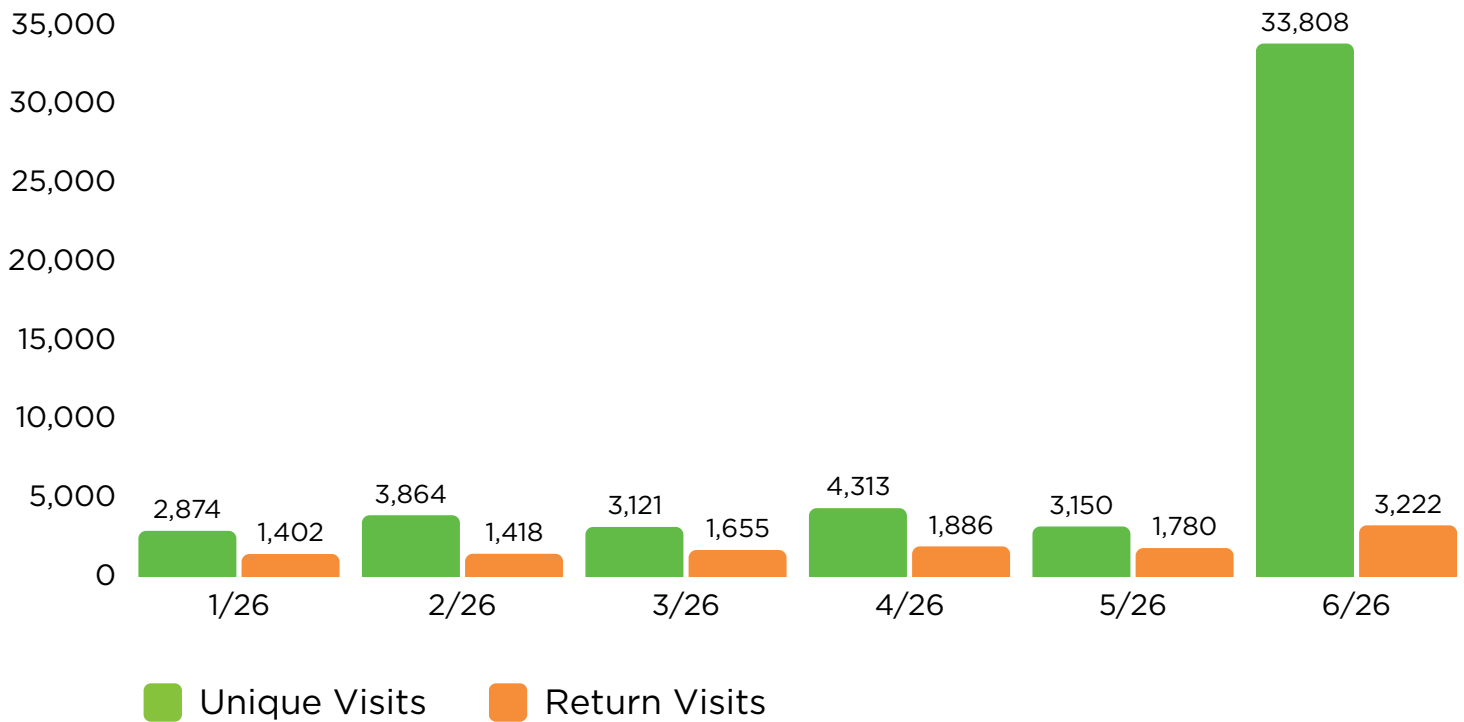
🏢 = 10 Multifamily Units Electrified

PROGRAMS HIGHLIGHTS

JUN 26

eHub 2.0 Report

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



MARKETING HIGHLIGHTS

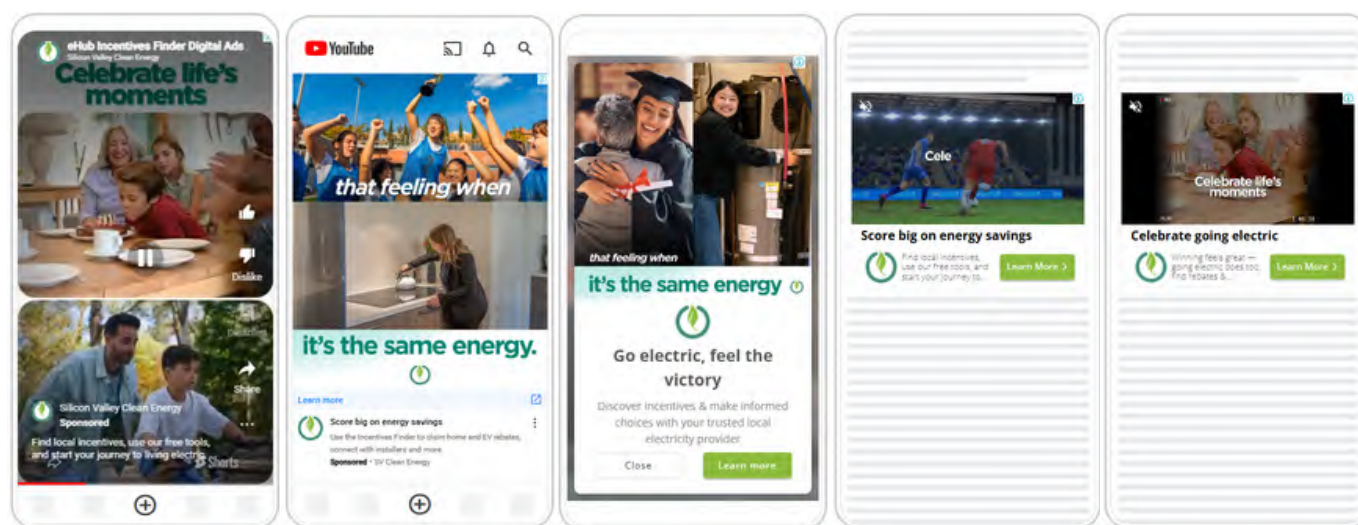
JUN 26

eHub Marketing Campaign

Goal: Achieve 250,000 unique visits and 30,000 returning visits to eHub by December 31, 2026 to inspire and educate customers to go electric and reduce dependence on fossil fuels.

Strategy: Build broad awareness and drive high-volume traffic by pushing large, geo-targeted reach across Google PMax, Meta, and Paramount+ to consistently bring new visitors into the eHub tools.

Creative Concept: That "same energy" — the rush of winning, finishing a race, or celebrating — reframed as the excitement and pride of going electric: a bold, positive choice that feels like a personal victory.



Gilroy EV Ride and Drive

SVCE hosted its first-ever EV Ride and Drive event in Gilroy, which was a significant success. Collaborating with CBO partner, Breathe California, SVCE facilitated nearly 60 test drives over the course of four hours, attracting a little over 100 attendees.

Participants had the opportunity to explore and test drive a diverse selection of EVs (in exchange for free food truck vouchers!) and engage in discussions with current EV owners. Family-friendly activities included arts and crafts, facepainting, a DJ, and free ice cream and portable induction stove raffles provided by SVCE.



MARKETING HIGHLIGHTS

JUN 26

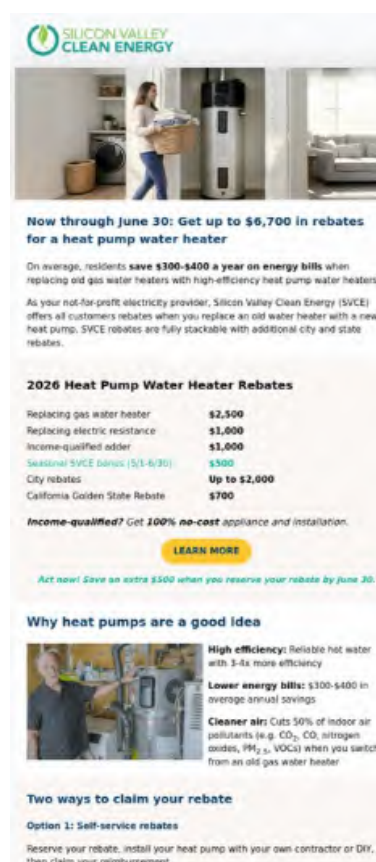
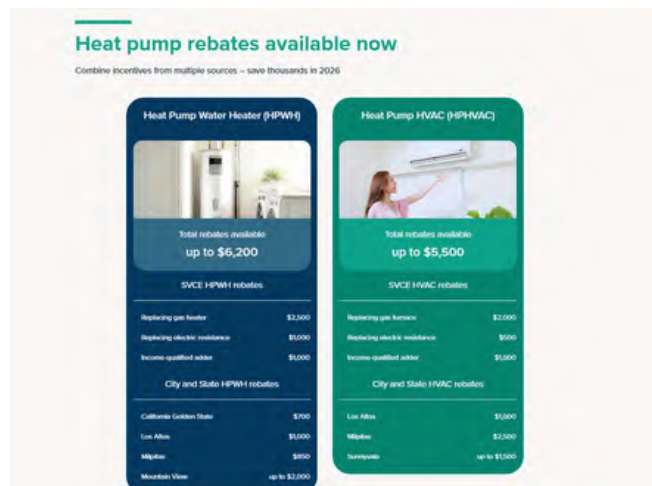
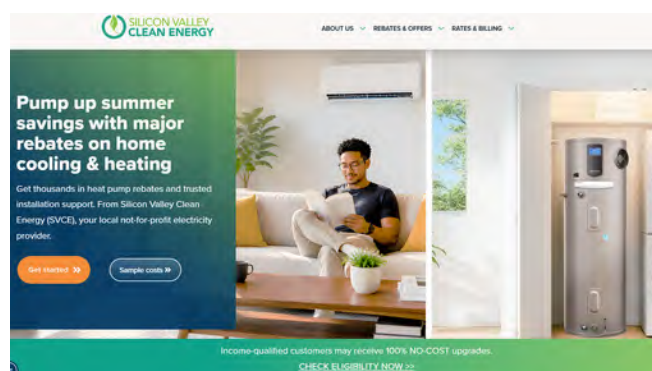
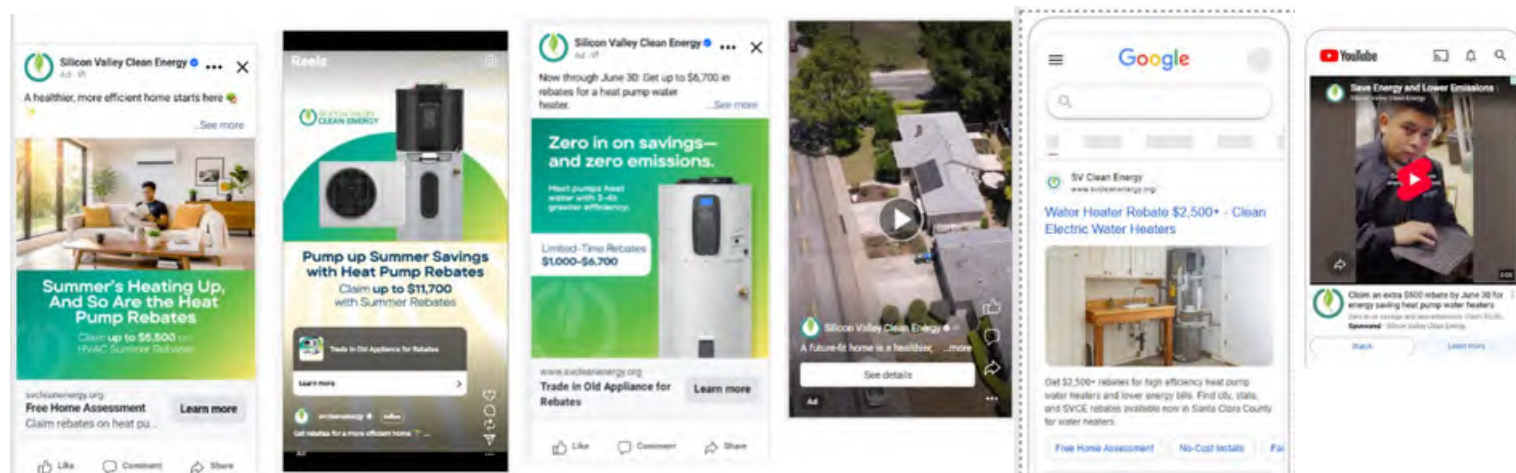
Heat Pump Marketing Campaign May - Ongoing

Goal: Drive participants in Home Rebates and Full-Service Home Upgrades, promote limited time \$500 HPWH adder rebate

Strategy: Dedicated Heat Pump landing page, ads on Google and Meta, email outreach

Results:

- 126 HPWH reservations in May - 2nd highest month ever
- 100 reservations in June (compared to 48 last June)
- 61 FSHU assessments in May
- 78 FSHU assessments in June



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.

Natural Gas Phaseout Feasibility: 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.

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.

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

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 2e

Item 2e: Adopt Resolution Amending SVCE Conflict of Interest Code to Add Associate Power Settlements Analyst; Finance, Risk & Data Analyst; Key Accounts Manager; and Senior Manager of Human Resources as Designated Positions for Filing Statements of Economic Interests

From: Monica Padilla, CEO

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

Date: 8/12/2026

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) Adopt Resolution 2026-13 amending the SVCE Conflict of Interest Code (Code) to add the following titles: "Associate Power Settlements Analyst", "Finance, Risk & Data Analyst", "Key Accounts Manager", and "Senior Manager of Human Resources".

BACKGROUND

Shortly after the formation of SVCE, the Board of Directors adopted a Code as required by the Political Reform Act, commencing at Government Code Section 81000. The Code lists the positions within the Authority that are required to file statements of economic interests (Form 700). As a joint powers authority with members located entirely within Santa Clara County, the County Board of Supervisors is the conflict code reviewing body that is required to approve all changes to the conflict-of-interest code. County Counsel has advised that when positions are added or removed from the conflict code, a new resolution must be adopted approving a new conflict of interest code with the amended, added or removed position(s).

At the September 8, 2021 Board meeting, the Board of Directors adopted Resolution 2021-22 approving the creation of a personnel system to insure equitable and uniform policies and procedures for administering personnel matters in compliance with applicable laws; designating the Chief Executive Officer (CEO) as Personnel Officer; and delegating authority to the CEO to carry out all duties necessary to implement the personnel system.

The last Code amendment was approved at the April 2026 Board of Directors meeting to add the following titles: "Human Resources Operations Manager" and "Senior Forecasting and Planning Analyst".

ANALYSIS & DISCUSSION

SVCE hired a Senior Human Resources Manager and an Associate Power Settlements Analyst in June 2026; a Key Accounts Manager will be starting this month and a member of the finance and data analytics team received a promotion from Associate Finance, Risk & Data Analyst to Finance, Risk & Data Analyst. These roles will be making decisions, recommendations, or have routine tasks that would require disclosure of any financial interests.

With these additions, SVCE staff feel the following positions should be added to SVCE's existing Conflict of Interest Code:

Agenda Item: 2e**Agenda Date: 8/12/2026**

Designated Position	Assigned Disclosure Category
Associate Power Settlements Analyst	1
Finance, Risk & Data Analyst	2
Key Accounts Manager	2
Senior Human Resources Manager	2

In accordance with the requirements of the Political Reform Act and the County of Santa Clara, a new conflict of interest code must be adopted by resolution which includes the newly created or identified positions as well as any changes to the existing Conflict of Interest Code. The attached resolution amends Appendix A to SVCE's Code to reflect the addition of "Associate Power Settlements Analyst", "Finance, Risk & Data Analyst", "Key Accounts Manager", and "Senior Human Resources Manager".

STRATEGIC PLAN

Not applicable.

ALTERNATIVES

None.

FISCAL IMPACT

There is no fiscal impact as a result of adding positions to SVCE's Conflict of Interest Code.

ATTACHMENT

1. Resolution 2026-13 Amending SVCE Conflict of Interest Code to Add Associate Power Settlements Analyst; Finance, Risk & Data Analyst; Key Accounts Manager; and Senior Human Resources Manager as Designated Positions for Filing Statements of Economic Interests

RESOLUTION NO. 2026-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY AMENDING THE AUTHORITY'S CONFLICT OF INTEREST CODE TO ADD ASSOCIATE POWER SETTLEMENTS ANALYST; FINANCE, RISK & DATA ANALYST; KEY ACCOUNTS MANAGER; AND SENIOR HUMAN RESOURCES MANAGER AS DESIGNATED POSITIONS FOR FILING STATEMENTS OF ECONOMIC INTERESTS

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

WHEREAS, the Political Reform Act, Government Code Section 81000, *et seq.*, (the "Political Reform Act") requires each public agency in California, including the Authority, to adopt and promulgate a conflict of interest code; and

WHEREAS, Government Code Section 87306 requires each public agency in California to amend its conflict of interest code when change is necessitated by a change in circumstances, including the creation of new positions and relevant changes to the duties assigned to existing positions; and

WHEREAS, the Board of Directors of the Authority has adopted a conflict of interest code, and has amended this code as appropriate due to changed circumstances, with the most recent code adopted by Resolution 2026-10; and

WHEREAS, the Board of Directors, after consultation with the County of Santa Clara as its code reviewing body, desires to amend the list of designated positions in Appendix A by adding Associate Power Settlements Analyst, Finance, Risk & Data Analyst, Key Accounts Manager, and Senior Human Resources Manager.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Authority rescinds Resolution No. 2026-10 and adopts the following attached Conflict of Interest Code including its Appendices of Designated Positions and Disclosure Categories.

BE IT FURTHER RESOLVED that The Board of Directors of the Authority hereby directs the Secretary of the Board to coordinate the preparation of a revised Conflict of Interest Code in succeeding even-numbered years following notice and instructions from the County of Santa Clara as the code-reviewing body for the Authority, in accordance with the requirements of Government Code Sections 87306 and 87306.5. Future revisions to the Conflict of Interest Code should reflect changes in employee or official designations. If no revisions to the Code are required, the Authority shall submit a response as indicated in the instructions provided by the County of Santa Clara no later than October 1st of the same year, stating that amendments to the Authority's Conflict of Interest Code are not required.

ADOPTED AND APPROVED this 12th day of August 2026, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Hines				
City of Cupertino	Director Wang				
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 Page				
City of Sunnyvale	Director Klein				

Chair

ATTEST:

Clerk

SILICON VALLEY CLEAN ENERGY AUTHORITY CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code § 81000, *et seq.*, hereinafter referred to as the Act) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission (“FPPC”) has adopted a regulation (2 California Code of Regulations § 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing, the standard code may be amended by the FPPC to conform to amendments in the Act. Therefore, the terms of 2 California Code of Regulations § 18730 and any amendments to it duly adopted by the FPPC are hereby incorporated by reference. This regulation and the text here designating positions and establishing disclosure categories shall constitute the conflict of interest code of the Silicon Valley Clean Energy Authority (“Authority”).

The most current version of 2 Cal. Code of Regs. Section 18730 is available on the website of the Fair Political Practices Commission (<https://www.fppc.ca.gov>).

Individuals holding a designated position shall file their Statements of Economic Interests with the Authority’s Filing Official, which will make the Statements available for public inspection and reproduction subject to Government Code section 81008. If Statements are received in signed paper format, the Authority’s Filing Official shall make and retain a copy and forward the original Statements to the Filing Officer, the County of Santa Clara Clerk of the Board of Supervisors. If Statements are electronically filed using the County of Santa Clara’s Form 700 e-filing system, both the Authority’s Filing Official and the County of Santa Clara Clerk of the Board of Supervisors will receive access to the e-filed Statements simultaneously.

**SILICON VALLEY CLEAN ENERGY AUTHORITY
CONFLICT OF INTEREST CODE**

APPENDIX "A"

DESIGNATED POSITIONS

<u>Designated Position</u>	<u>Assigned Disclosure Category</u>
Member of Board of Directors	1
Alternate Member of Board of Directors	1
Audit Committee Member	2
Chief Executive Officer	1
Chief Financial Officer	1
Finance and Administration Committee Member	2
General Counsel	1
Administrative Services Manager	2
Associate Financial Analyst	2
Associate Legislative Analyst	2
Associate Manager of Decarbonization Programs	2
Associate Power Analyst	1
Associate Power Resources Planner	1
Associate Power Settlements Analyst	1
Communications Manager	2
Compliance Manager	2
Decarb Investments Lead	2
Decarbonization and Community Strategies Lead	2
Demand Flexibility Manager	2
Deputy Director of Administrative Services	2

Deputy Director of Marketing and Communications	2
Deputy Director of Power Resources	1
Director of Customer Success	2
Director of Decarbonization Policy and Community Strategies	2
Director of Energy Services & Community Relations	2
Director of Government and Legislative Affairs	2
Director of Human Resources	2
Director of Operations	2
Director of Power Resources	1
Director of Regulatory & Legislative Policy	2
Director of Regulatory, Policy and Planning	2
Director of Risk Management and Analytics	1
Director of Strategic Development	2
Energy Services Manager	2
Energy Trading Planner	1
Financial Analyst	2
Finance, Risk & Data Analyst	2
Human Resources Generalist	2
Human Resources Operations Manager	2
Information Security Manager	2
Key Accounts Manager	2
Management Analyst	2
Manager of Data and Analytics	2
Manager of Decarbonization Programs	2
Manager of IT	2
Manager of Finance	2

Manager of Technical Decarb Strategy	2
Marketing Manager	2
Policy Analyst	2
Power Analyst	1
Power Data Analyst	1
Power Resources Manager	1
Power Resources Planner	1
Power Contracts & Settlements Manager	1
Power Settlements Analyst	1
Power Settlements Planner	1
Principal Policy Analyst	2
Principal Power Analyst	1
Principal Regulatory Advisor	2
Programs Marketing Manager	2
Rates Manager	2
Regulatory Analyst	2
Risk Controls Project Manager	2
Senior Data Analyst	2
Senior Data Engineer	2
Senior Finance and Data Analyst	2
Senior Financial Analyst	2
Senior Forecasting and Planning Analyst	1
Senior Government Affairs Manager	2
Senior Human Resources Manager	2
Senior Management Analyst	2
Senior Manager of Communications	2

Senior Manager of Energy Policy and Regulatory Analysis	2
Senior Manager of Decarbonization Programs	2
Senior Manager of Power Resources	1
Senior Manager of Public Sector Services	2
Senior Policy Analyst	2
Senior Power Analyst	1
Senior Power Resources Planner	1
Senior Quantitative Analyst	2
Senior Rates Analyst	2
Senior Regulatory Analyst	2
Senior Regulatory Analyst & Associate General Counsel	1
Senior Risk Manager	2
Wholesale Energy Markets Manager	1
Wholesale Energy Markets Planner	1
Consultant	3
Newly Created Position	*

* Newly Created Position

A newly created position that makes or participates in the making of governmental decisions that may foreseeably have a material effect on any financial interest of the position-holder, and which specific position title is not yet listed in the Authority's conflict of interest code is included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation: The Chief Executive Officer of the Authority may determine in writing that a particular newly created position, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the broadest disclosure requirements, but instead must comply with more tailored disclosure requirements specific to that newly created position. Such written determination shall include a description of the newly created position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

As soon as the Authority has a newly created position that must file Statements of Economic Interests, the Authority's Filing Official shall contact the County of Santa Clara Clerk of the Board of Supervisors Form 700 division to notify it of the new position title to be added in the County's electronic Form 700 record management system, known as eDisclosure. Upon this notification, the Clerk's office shall enter the actual position title of the newly created position into eDisclosure and the Authority's Filing Official shall ensure that the name of any individual(s) holding the newly created position is entered under that position title in eDisclosure.

Additionally, within 90 days of the creation of a newly created position that must file Statements of Economic Interests, the Authority shall update this conflict-of-interest code to add the actual position title in its list of designated positions and submit the amended conflict of interest code to the County of Santa Clara Office of the County Counsel for code-reviewing body approval by the County Board of Supervisors. (Gov. Code Section 87306.)

SILICON VALLEY CLEAN ENERGY AUTHORITY CONFLICT OF INTEREST CODE

APPENDIX "B"

DISCLOSURE CATEGORIES

Designated positions must report financial interests in accordance with the assigned disclosure categories.

Category 1: Persons in this category shall disclose:

(a) investments and business positions in business entities, and income (including gifts, loans, and travel payments) from sources that contract with the Authority, or that provide, plan to provide, or have provided during the previous two years, facilities, goods, technology, equipment, vehicles, machinery, or services, including training or consulting services, of the type utilized by the Authority; and

(b) all interests in real property located: in whole or in part within the jurisdiction of the Silicon Valley Clean Energy Authority, or within two miles of the borders of any of the parties to the Joint Powers Agreement for the Authority, or within two miles of any land owned or used by the Authority.

Category 2: Persons in this category shall disclose investments and business positions in business entities, and income (including gifts, loans, and travel payments) from sources that contract with the Authority, or that provide, plan to provide, or have provided during the previous two years, facilities, goods, technology, equipment, vehicles, machinery, or services, including training or consulting services, of the type utilized by the Authority.

Category 3: Each Consultant, as defined for purposes of the Political Reform Act and applicable regulations¹, shall disclose pursuant to the broadest disclosure category in the Authority's conflict of interest code subject to the following limitation: The Chief Executive Officer of the Authority may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to comply fully with the disclosure requirements of the broadest disclosure category, but instead must comply with more tailored disclosure requirements specific to that consultant. Such a written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of

¹ As defined in FPPC Regulation 18700.3, "consultant" means an individual who (1) makes governmental decisions, such as whether to approve a rate, rule, or regulation; to issue, deny, suspend, or revoke any permit, license, application, certificate or similar authorization; to adopt or approve a plan, design, report, study; or to adopt or approve policies, standards, or guidelines for the Authority; (2) serves in a staff capacity with the Authority, and in that capacity participates in making governmental decisions by providing information, an opinion, or a recommendation for the purpose of affecting the decision without significant intervening substantive review; or (3) performs the same or substantially all the same duties for the Authority that would otherwise be performed by an individual holding a designated position in this Code.

disclosure requirements. The Chief Executive Officer's written determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.



Staff Report – Item 2f

Item 2f: Receive 2026 Silicon Valley Clean Energy and Electrification Awareness Residential Customer Survey Results

From: Monica Padilla, CEO

Prepared by: Pamela Leonard, Deputy Director of Marketing & Communications
Shawn Orgel-Olson, Marketing Manager

Date: 8/12/2026

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) receive the 2026 SVCE and Electrification Awareness Residential Customer Survey Results.

EXECUTIVE COMMITTEE DISCUSSION

The Executive Committee received a presentation on the survey results on June 26, 2026, which is included as Attachment 1 for reference.

BACKGROUND

On a roughly annual basis, the SVCE marketing and communications team issues a residential customer survey to measure baseline awareness of SVCE and interest in electric technologies. The first survey was sent in fall 2020, just before SVCE began major marketing and outreach efforts to introduce customers to eHub (the online resource center that educates and enables action for electrification). Each subsequent survey is used to gauge how awareness and the likelihood of purchasing the electric technologies SVCE promotes are changing, and to understand customer interest in programs.

Staff utilized its contract with Citizen Group, and their sub vendor, EMC Research, a national full-service opinion research firm, to support this latest survey. The survey was fielded from February 12 to March 2, 2026, and was intended to capture customer perspectives as of early 2026. The survey was sent via email and postal mail, with a link to complete it online. Customers who completed the survey were eligible to win one of 10, \$100 bill credit incentives. The survey was sent to randomly selected customers and made available in English, Spanish, Chinese, and Vietnamese.

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

ANALYSIS & DISCUSSION

The annual survey serves as a useful tool for informing messaging and marketing opportunities, as the questions explore purchasing motivations and where customers go to learn about specific electric technologies. The survey focuses on EVs, heat pump water heaters, solar and battery systems, and induction cooking. This year, the survey also included questions on willingness to pay for clean energy and customer programs.

The results of this year's survey included positive changes in SVCE awareness levels, a reduced likelihood of purchasing many of the technologies SVCE promotes, and a similar set of barriers to adoption. Several key takeaways will inform continued outreach and education efforts to communicate the benefits of electrification and improve customer understanding of SVCE.

Key Takeaways

Staff synthesized the following takeaways from the survey results and present them by topic area, reflecting the different sections of the survey.

Section 1: SVCE Awareness

1. Customers still care most about keeping the cost of electricity low. Followed by electricity generated by clean sources.
 - a. The importance of generating electricity from clean resources increased significantly from the 2024/2025 survey.
 - b. Offering services, such as rebates and installation, also increased from the previous survey.
2. Recall of SVCE is high, with increased awareness of the role of SVCE in purchasing electricity.
3. SVCE has an overall 71% favorable rating. PG&E, by comparison, had a 38% favorable rating and 62% unfavorable rating.
4. Customer favorability increases with greater SVCE engagement.
 - a. Respondents who have visited the SVCE website had an 84% favorable rating, while those who have not visited rated SVCE 57% favorable. Customers who "know" SVCE provided an 89% favorable rating, vs. 62% for those who do not know SVCE.
5. There is an ongoing need to further engage SEVI 4 customers and to continue offering and marketing income-qualified programs.
 - a. Accurate knowledge of SVCE is more common among those in SEVI 1-3 and is notably lower among SEVI 4 customers. Homeowners and higher-income customers are more likely to be informed.

Section 2: Willingness to Pay

Willingness-to-pay questions were added to this year's survey to gain insights that may inform ongoing discussions on financial levers.

1. More than two-thirds of customers indicate they would pay slightly more for clean energy.
2. When it comes to saving money, fewer than 30-34% of customers agree that they would switch to dirtier electric generation to save \$1-10 per month. This number increases to 50% of customers if the savings exceed \$10 per month. (Note that SVCE financial levers discussions have not included savings or premiums at these levels, but these thresholds were used in the survey for ease of customer understanding and simplicity).
3. Most customers prefer to remain automatically enrolled in a cleaner, more renewable energy option, even if it costs a bit more. Support is highest among SEVI 1 and older, homeowner customers.

Section 3: Electrification Trends

1. The results indicate the likelihood of customers purchasing any of the electric appliances/equipment is down from prior years. This may be due to greater market share of some technologies (EVs and solar) having already reached the most interested customers, the loss of tax credits, and broader economic conditions.

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2. Cost was cited in the top 5 barriers for each technology (consistent with all past surveys).
3. **EVs:** 57% of respondents say they are likely to buy an EV for their next vehicle, especially SEVI 1-2 and single-family home residents. That said, the likelihood of purchasing in the next three years appears to be down significantly from 2024. Staff note that this percentage may have changed materially due to the Iran war and increased fuel prices, the survey was distributed prior to the war.
 - a. The top barriers for those who indicated they are likely to purchase an EV include the driving range, cost of purchasing or leasing the vehicle, and not having a place to charge at home. 53% of those in apartments indicated their top barrier is having a place to charge at home.
4. **Heat Pump Water Heaters:** There was a drop in familiarity with the technology from 2024. SEVI 3 and 4 are the least familiar. Likelihood to purchase is essentially flat from the prior year.
 - a. The top barriers include the cost of purchase and installation, that customers do not feel they know enough about the technology, and concerns about the cost of electricity to heat water.
5. **Solar+Battery:** The likelihood of purchasing solar within three years dropped significantly from 23% in 2024 to 12% in 2026. The likelihood of purchasing a battery within three years remains essentially the same.
6. **Induction:** No change in likelihood to purchase from the previous year.
 - a. Of those likely to purchase, customers are most interested in induction cooktop/stove user guides, information on similarities/differences between induction and gas models, and information on health benefits.

Section 4: Marketing and Program Insights

1. Customers show the greatest awareness of SVCE rebates for heat pump water heaters/heat pump HVAC and EVs, as well as the 2025 one-time bill credit. Awareness is lower for the Go Electric Advisor and eHub.
2. 51% of customers surveyed have been to the SVCE website. *A significant increase from prior years.* Most customers reported finding the SVCE website via email, physical mail, or an online search.
3. Customer program interest areas show a ranking of which kinds of programs respondents are most interested in.
 - a. Discounted electricity rates are still the future program with the greatest interest.
 - b. Rebates for home battery storage saw an increase in interest from 40% in 2024 to 61% in 2026.
 - c. Increased interest in low- or zero-interest financing for electric home upgrades and e-bike rebates.
4. When making purchasing considerations for home appliances, cost is the top consideration, followed by health and safety, and then convenience/performance. Environmental impact ranks last.
5. Respondents continue to believe all-electric homes can improve indoor and outdoor air quality, be more efficient, be more reliable, but also be more expensive to operate. There was a jump in the belief that electric appliances and equipment are better for the environment than those that use natural gas.

Caveats & Disclaimers

Some questions were structured differently this year to improve the accuracy of results going forward. This may mean that some year-over-year comparison findings are not always as meaningful or significant. Updated question structures are intended to stay consistent for at least the next few years.

There is a selection bias of customers interested in energy and climate. If a customer is uninterested in this topic, they may abandon the survey before completion, which changes the results. This potential for bias has been present in previous years as well, so all results must be taken with a grain of salt.

What Actions SVCE is Taking in Response

SVCE is implementing adjustments to its marketing approaches for heat pump water heaters while exploring new product options based on the Financial Levers discussions. Ongoing efforts where the survey data will be utilized include building awareness for SVCE and its programs, distributing educational information about various electric technologies, and investigating battery incentives as part of a demand flexibility strategy. Additionally, this data will inform an upcoming refresh of the SVCE website.

Survey results will be utilized to enhance affordability outreach initiatives, including rate pilots, rate comparisons, CARE/FERA enrollment, as well as updates to relevant webpages. The data regarding SEVI 3 and 4 customers requiring additional communication methods and more contact is also being considered as it relates to the income-qualified SVCE programs currently available to customers. Staff are actively analyzing these results and will implement further actions as needed, using the findings to guide ongoing efforts.

STRATEGIC PLAN

The annual customer awareness survey is completed in alignment with the SVCE Strategic Plan, Goal #8: Engage customers and community stakeholders to build trust of SVCE and advance decarbonization.

FISCAL IMPACT

No fiscal impact to receive these results.

ATTACHMENT

1. June 26, 2026 Executive Committee Presentation

2026 Customer Survey Findings

Executive Committee
June 26, 2026

Purpose

- Information item on annual residential customer survey to better understand our customers, which informs marketing and messaging.
- Key takeaways show steady and expected levels of SVCE awareness and high favorability.
- Survey findings will be shared via consent at the board meeting.



Background & Methodology

SVCE runs an annual residential customer survey to measure SVCE and electrification awareness

Goal: Measure SVCE customer awareness and interest in electrification

- Survey conducted February 12 – March 2, 2026
- 854 residential customers responded, overall margin of error ± 3.4 percentage points
- Administered online, outreach conducted via email and mail
 - Offered a chance to win a \$100 gift card to complete

Breakdown of Selected Survey Languages

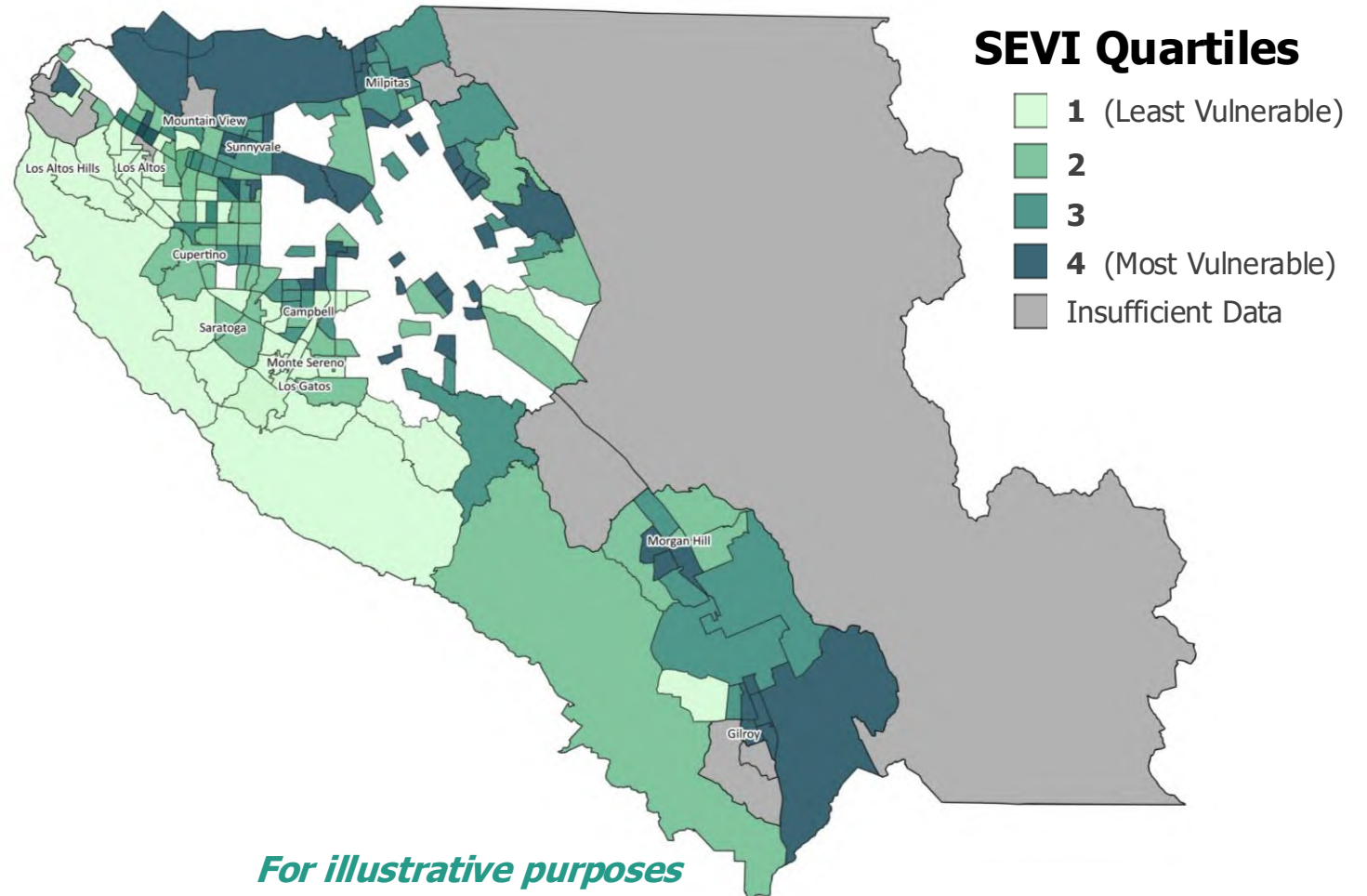
Survey Language Distribution	Number of Completes
English	822
Vietnamese	2
Spanish	8
Mandarin	22
Total	854



Socio-Economic Vulnerability Index (SEVI) base heat map (CES 3.0)

Sample Design

- Stratified sample by SEVI quartile
- Weighted responses to capture overall customer statistics based on the population, adjusting for socioeconomic vulnerability differences.
- Respondents closely resemble the actual service area SEVI breakdown



Source: CalEnviroScreen 3.0

SVCE Awareness





Customers still care most about **keeping the cost of electricity low**

- **The importance of generating electricity from clean resources jumped to 77%** from 58% in 2024*.
- **Offering services, such as rebates and installation, also increased to 68%** from 56% in 2024*.

% Total Important	2026	2024*
Keeping the cost of electricity low	93%	92%
Generating electricity from clean energy sources	77%	58%
Offering services, such as rebates and installation support for efficient electric appliances <i>Previously, "Offering services, such as rebates"</i>	68%	56%

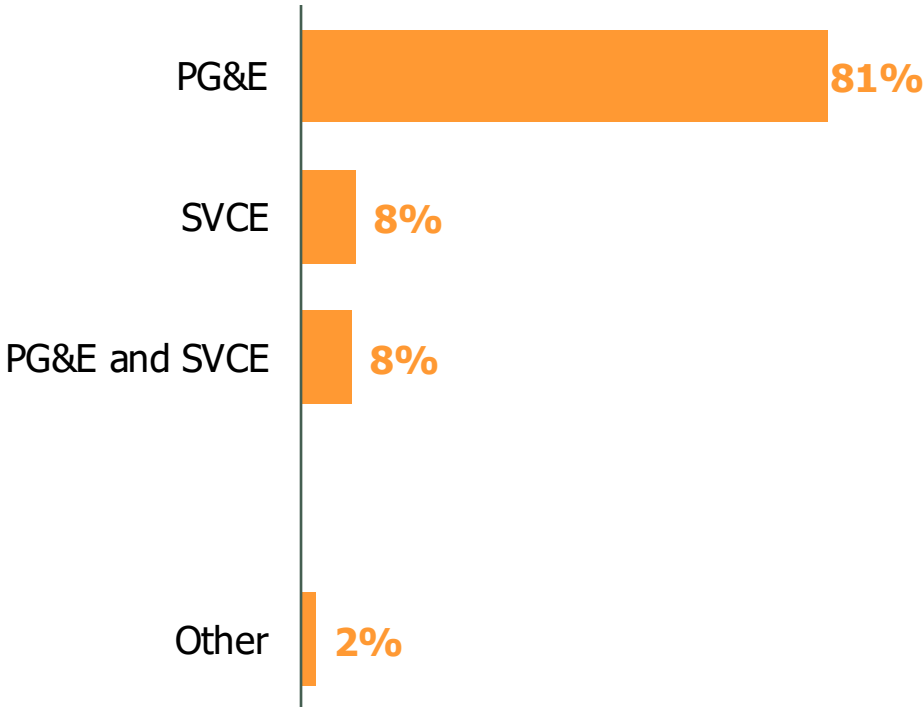
*Previous scale used: Extremely important, very important, moderately important, slightly important and not at all important. Previous n=476

Awareness of SVCE consistent with prior years, with high prompted awareness

- **16%** of respondents believe they purchase electricity from SVCE (and/or mention combo with PG&E) without prompting, vs. 12% in 2024.
- After clarifying that PG&E provides delivery services to those who selected “PG&E only:”

- **33%** of respondents either know SVCE as their electricity provider or name SVCE as their electricity generation service
- In 2024, **21%** of respondents indicated they sourced their electricity from SVCE, and 71% said PG&E

From whom do you currently purchase electricity?



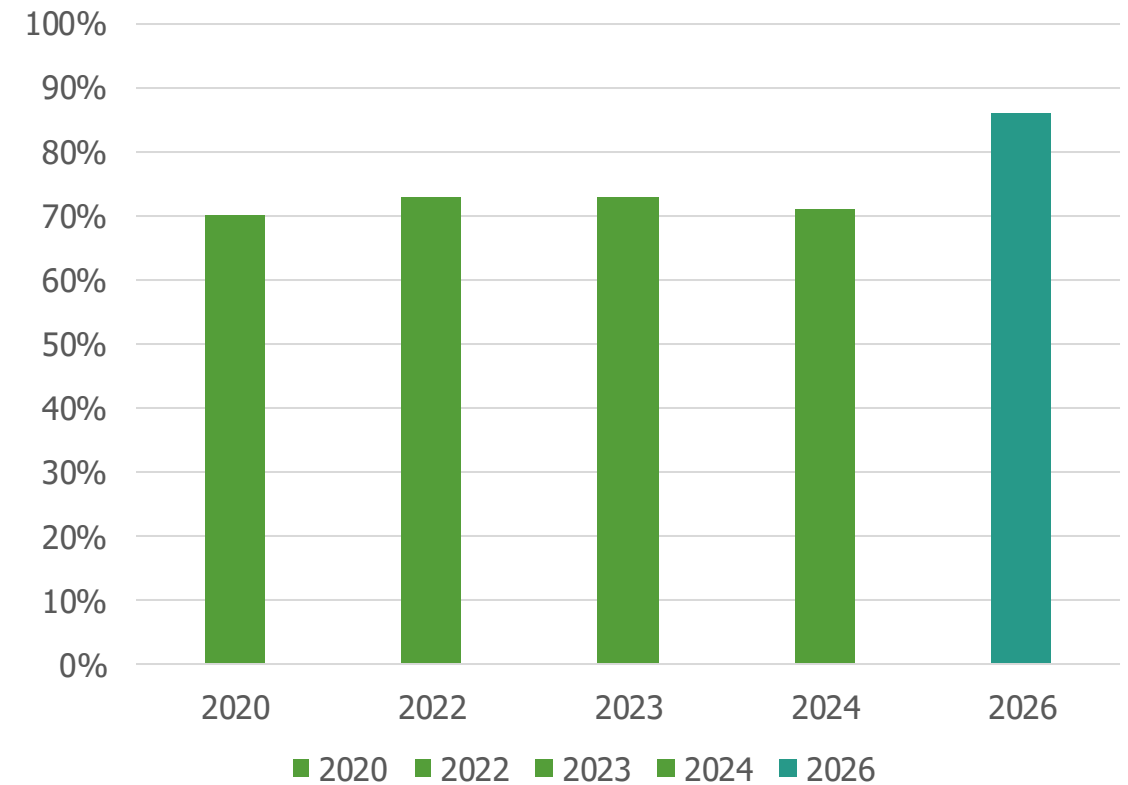


Awareness of SVCE shows higher prompted awareness

- After letting survey respondents know SVCE is an electricity provider in the region:

85% say they had heard of SVCE

Percentage Prompted Awareness

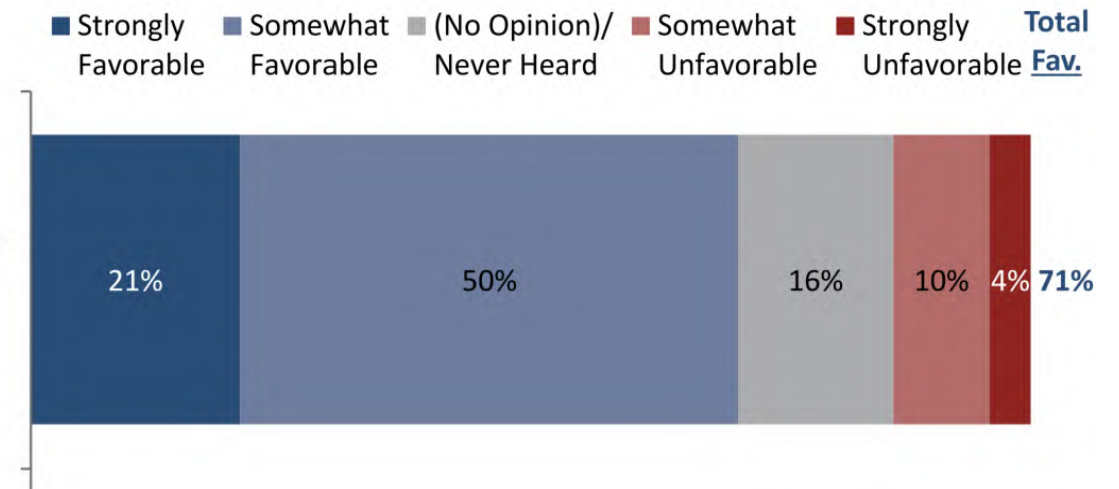




High Favorability of SVCE

- **New question in 2026.**
- **SVCE has an overall 71% favorable rating.**

Silicon Valley Clean Energy, also known as SV Clean Energy, or SVCE

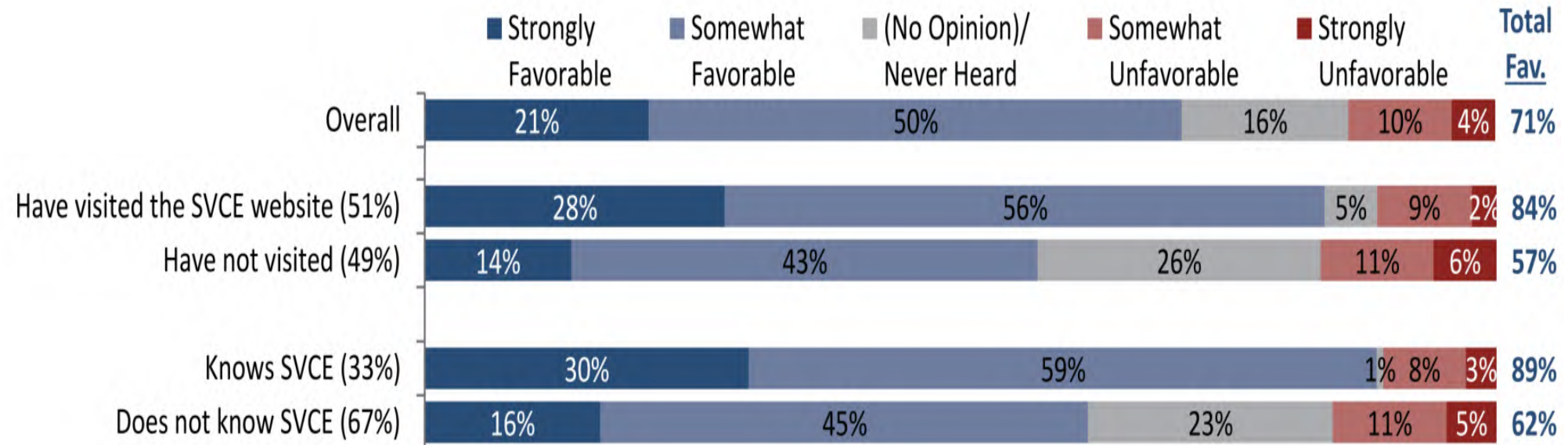




Customer favorability increases with greater SVCE engagement

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Respondents who **have visited the SVCE website or** state that they **know SVCE** have much higher favorability ratings.

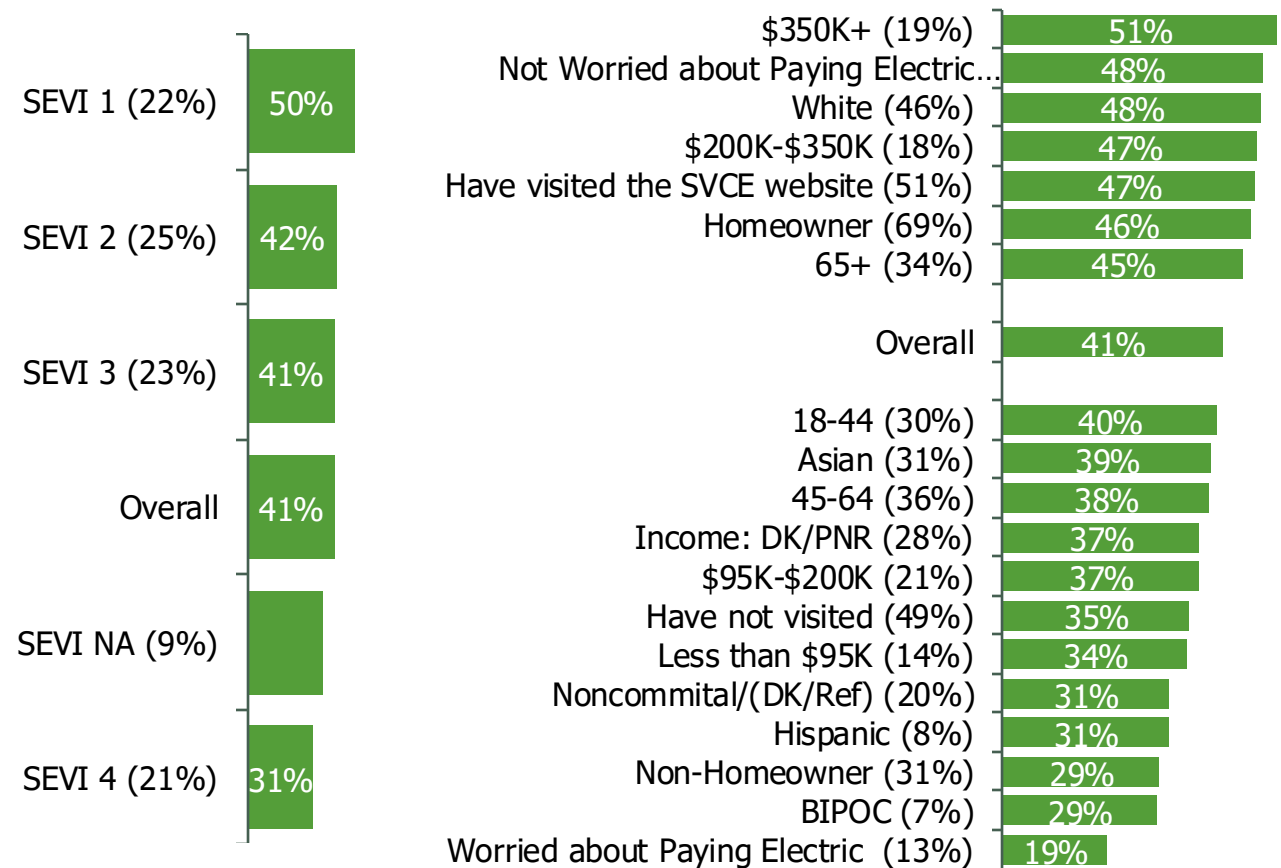




There is an ongoing need to further engage SEVI 4 and to continue offering IQ programs

- **Accurate knowledge of SVCE is notably lower among SEVI 4 customers.**
- SEVI 1 has the most accurate SVCE knowledge (homeowners, higher-income customers, and those unconcerned about paying bills closely track SEVI 1).

SVCE Knowledge Accuracy Segmentation by Subgroups



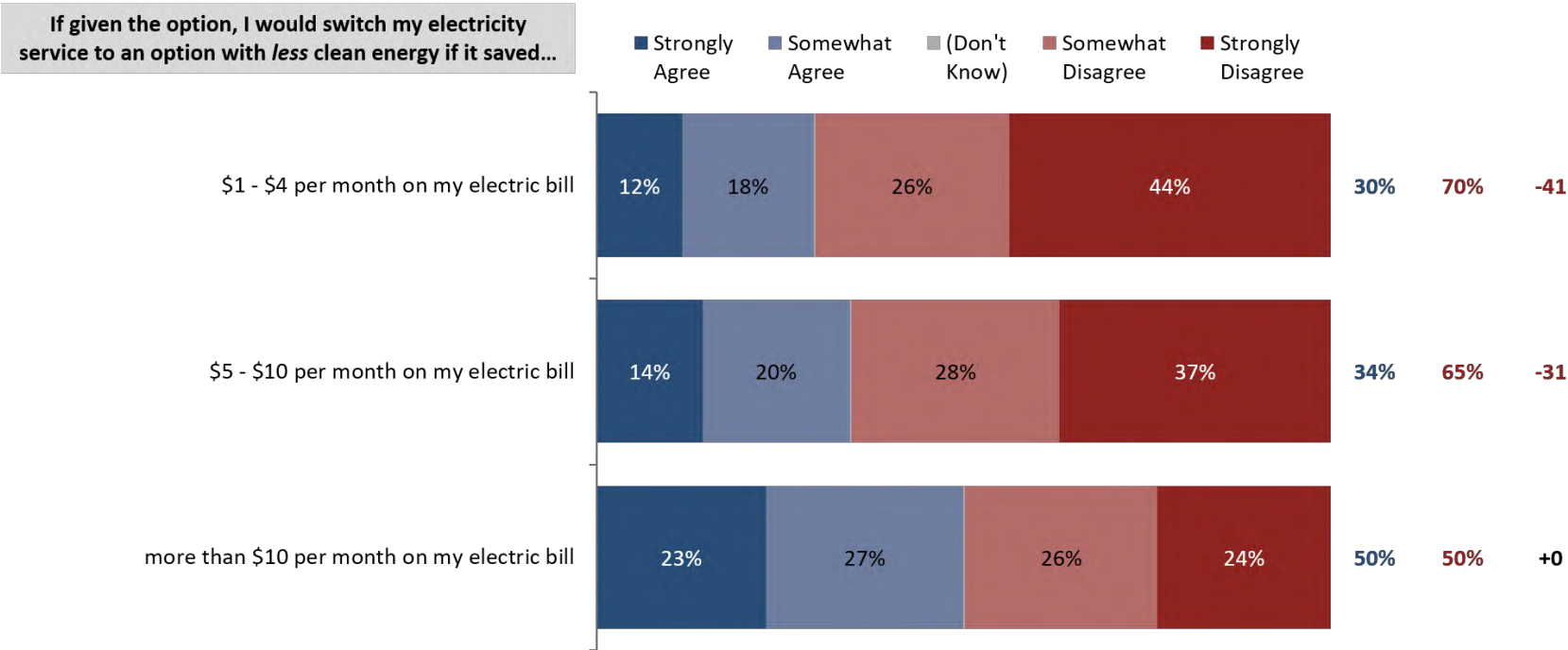
Willingness to Pay





More than two thirds of customers indicate they would pay slightly more for clean energy

- **Only 30-34% customers would switch to dirtier electric generation to save \$1-10 per month.**
- This number increases to 50% of customers if the savings are >\$10 per month.
- For reference, +/- 1% is estimated to be +/- \$0.58 per month based on the average residential customer bill.



Dollar amounts shown were for survey question simplicity and do not reflect any future recommended SVCE rates.



Automatic enrollment is preferred by the majority, even if the cost is a bit more

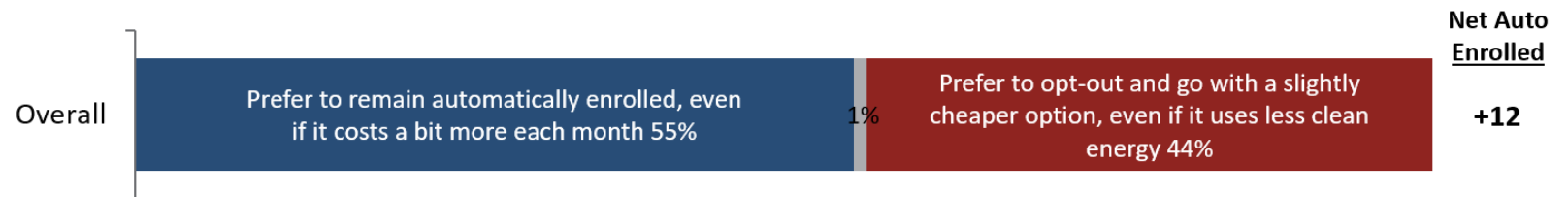
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- **New question in 2026**
- **Most customers prefer to remain automatically enrolled in a cleaner, more renewable energy option, even if it costs a bit more.**
 - Support is highest among SEVI 1 and NA, older, and homeowner customers

Automatic Enrollment Preference

If your city or county elected officials voted to transition your electricity supply to receive a higher percentage of renewable energy, all customers within that jurisdiction would be automatically enrolled to receive this cleaner, renewable energy.

Thinking of this, would you...



Electrification Trends





The likelihood of purchasing all appliances/equipment is down from prior years

- Survey indicates the **likelihood of purchasing all appliances/equipment is down from prior years.**
- This may be due to greater market share of some technologies (EVs and solar), the loss of tax credits, and broader economic conditions.

	Likelihood to Purchase		
	2026	2024*	2023*
Smart thermostat	13%	27%	20%
Electric vehicle	15%	34%	-
Solar panels**	12%	23%	-
Electric yard and garden equipment	7%	13%	15%
Heat pump HVAC	14%	24%	19%
Level 2 electric vehicle charger**	11%	30%	17%
Induction cooktop/stove	16%	17%	15%
Heat pump water heater	16%	20%	-
Battery storage for solar panels**	20%	23%	-

*Previously asked on a different scale, % shown is total likely to purchase in next three years. Asked as a multiple-response question in 2026

**Slight language change between 2026 and 2024

***Survey conducted pre-Iran war. The 2024 survey had a small sample size and a higher margin of error



Cost was cited in the top 5 barriers for each technology (consistent with all past surveys)

Technology-specific barriers that were among the top 5 barriers for each technology:

- **EVs:** Driving range, cost, having no place to charge at home
- **Heat pump water heaters:** Cost, not knowing enough about the tech.
- **Solar/battery:** Cost for battery, cost for solar, can't install at home
- **Induction:** Most (84%) are not interested; want user guides, info about comparison to gas, and some interest in health benefits.

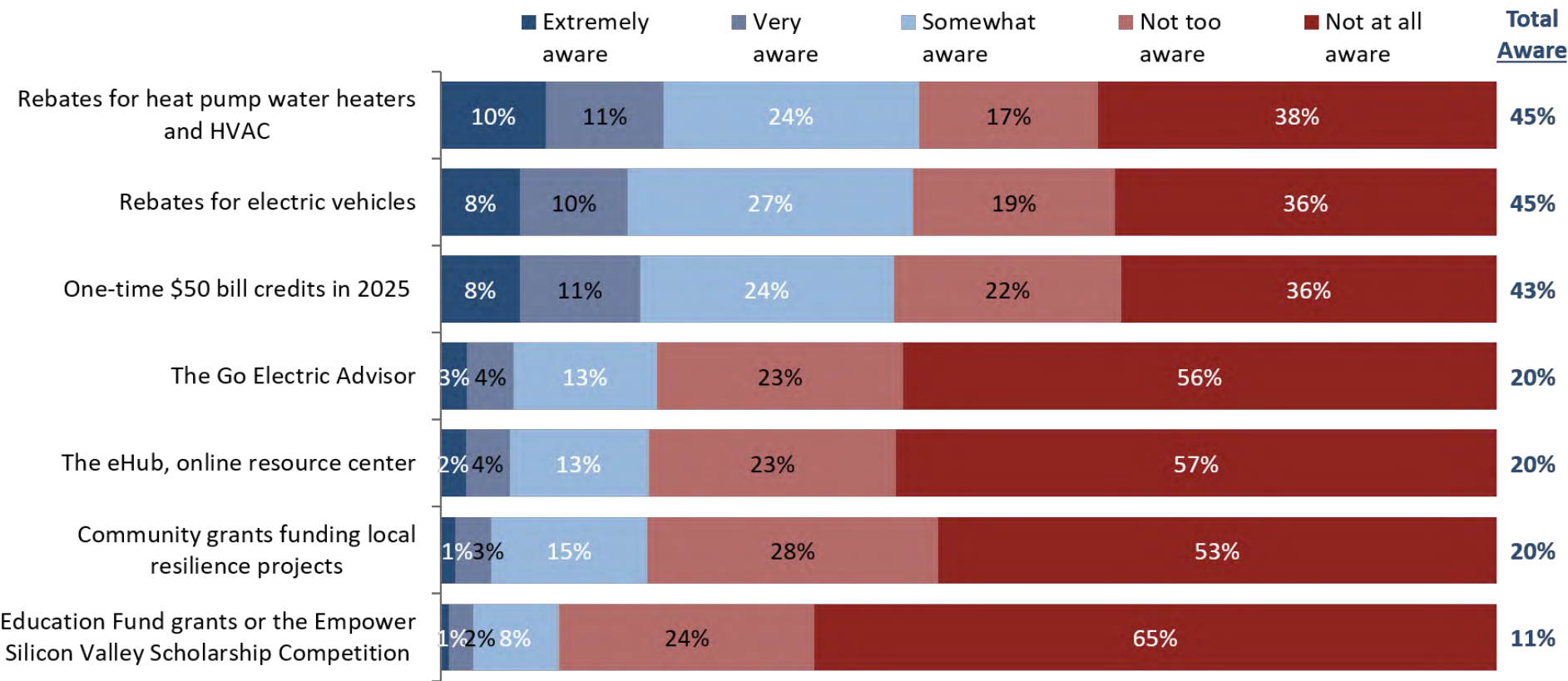
Marketing and Program Insights





Greatest awareness of SVCE rebates for HPWH/HVAC, EV rebates, and the 2025 one-time bill credit

- Greatest increase in awareness of GEA, eHub, grants, and rebates since the last survey.





51% of customers surveyed have been to the SVCE website

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- Represents a **significant increase from 2024** (35%) and 2023 (22%).
- Most report finding the website through an email, physical mail, or online search. (The most popular ways to receive information from SVCE.)
- **Postal mail has a good reach with SEVI 3 and 4.**

Previous rates of website visitation:

- **2026: 51%**
- 2024: 35%
- 2023: 22%
- 2022: 22%
- 2020: 14%

How did you discover the SV Clean Energy website? Please select all that apply.				
	SEVI 1 (22%)	SEVI 2 (25%)	SEVI 3 (23%)	SEVI 4 (21%)
Email	24%	24%	21%	24%
Postal mail	9%	12%	18%	20%
Online search	13%	11%	9%	7%
Community newsletter	9%	7%	7%	9%
Online Ad	3%	3%	4%	7%
Social media	5%	2%	4%	5%
Video Ad	0%	1%	2%	1%
I have not visited the website	51%	54%	50%	41%

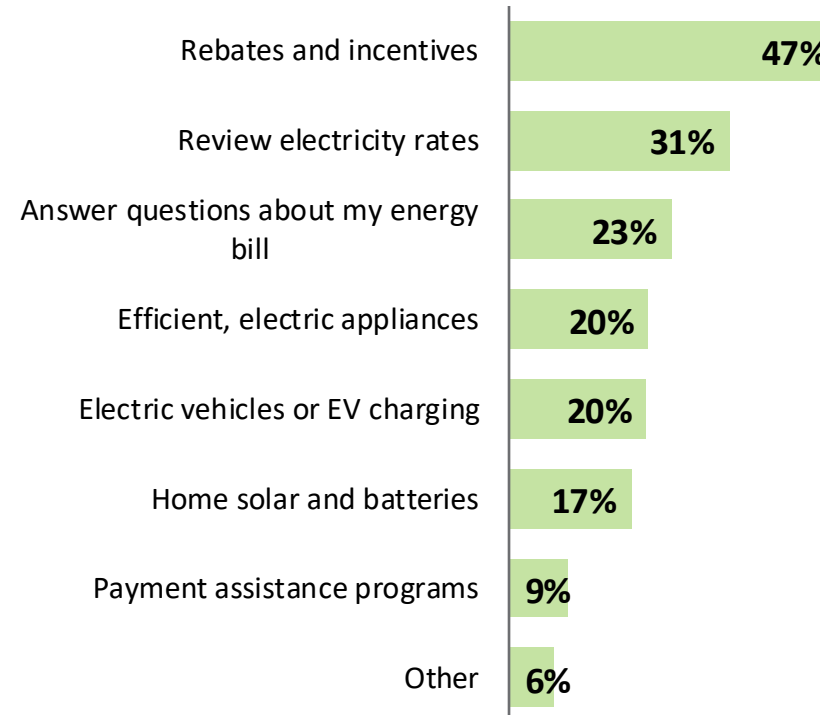


Customers visited the SVCE website for rebate and incentive information the most

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- **Rates came in second most common** this year (rates have always been first in prior surveys).

For which of the following reasons did you visit the SV Clean Energy website?
Please select all that apply. *n=429*





Discounted electricity rates are still the future program with the greatest interest

- **Rebates for home battery storage increased the most from 40% in 2024 to 61% in 2026.**
- Low or zero-interest financing for electric home upgrades (54%) and e-bike rebates (39%) both increased 14%.

Program	2026 %	2024* %
Discounted electricity rates for customers participating in certain programs	84%	92%
Rebates for new home battery storage systems	61%	40%
Low or zero-interest financing for electric home upgrades	54%	40%
Rebates for purchasing e-bikes	39%	25%

*Please note small changes in question wording.

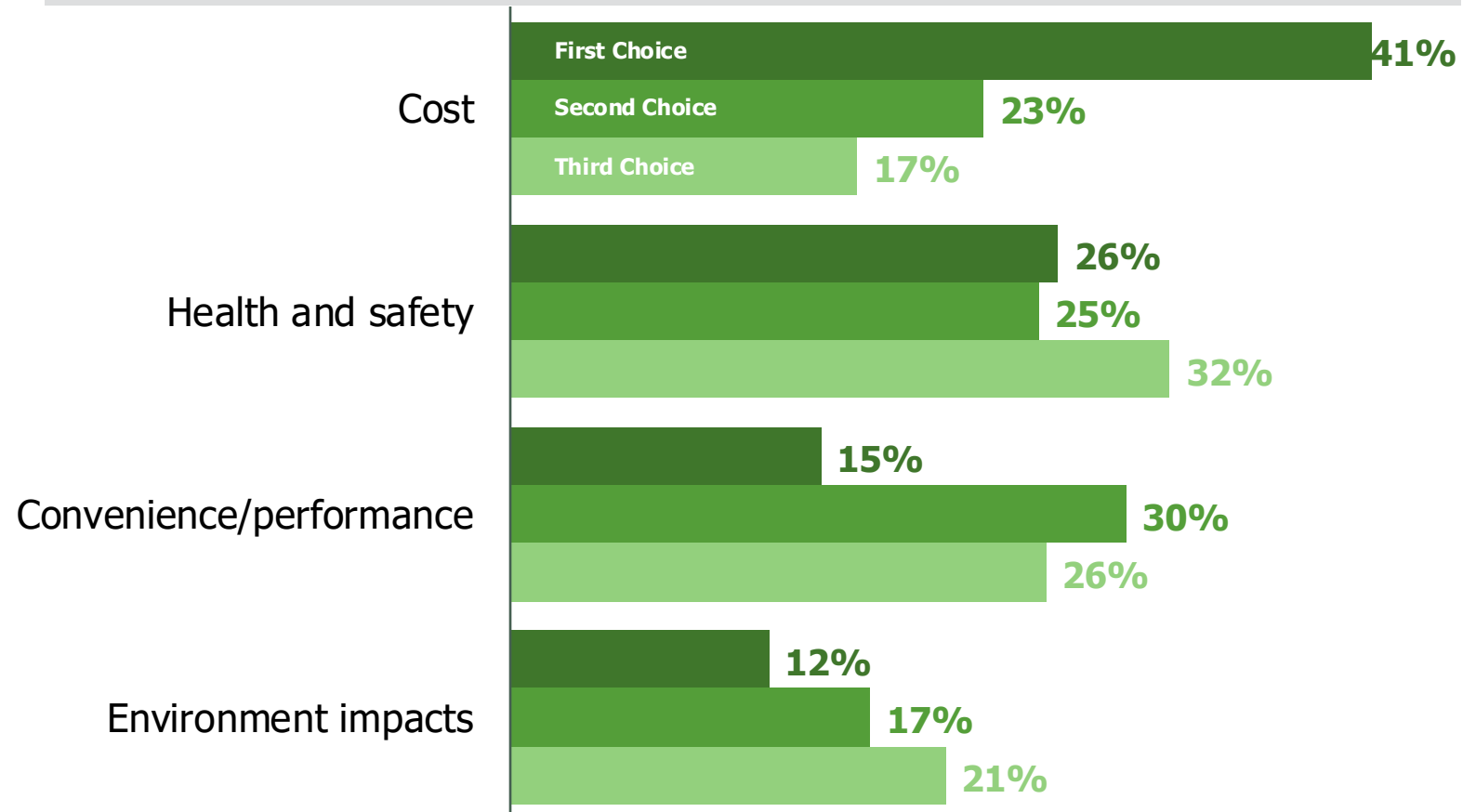


Purchase considerations continue to be dominated by cost

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- When making purchasing considerations for home appliances, **cost is #1, followed by health and safety**, then convenience/performance.
- Environmental impact ranks last again. This does not change our mission but affects our messaging and marketing approaches.

Please rank the following considerations when making decisions about your home and the products you purchase in order from most important to least important.





All-Electric Home Beliefs

- **Seemingly significant increase in belief that electric appliances and equipment are better for the environment.**
- **Respondents continue to believe that all-electric homes:**
 - Can improve indoor and outdoor air quality (78%)
 - Are more efficient (65%)
 - More reliable (55%)
 - But are more expensive to operate (67%).

% Total Agree	2026	2024	2023	2022	2020
All-electric homes have better air quality ¹	78%	83%	73%	73%	75%
Driving EVs is better for the environment than gas vehicles	77%	73%	69%	77%	81%
Electric appliances are better for the environment than those that use natural gas, which is a fossil fuel ²	76%	-	60%	57%	54%
Using an induction cooktop/stove is safer than using gas	75%	70%	-	-	-
Using electricity to power your water heater is better for the environment than using natural gas, a fossil fuel ³	74%	69%	-	-	-
All-electric homes are more expensive to operate than homes with non-electric appliances and equipment ⁴	67%	70%	64%	61%	62%
All-electric homes are more energy efficient	65%	67%	54%	53%	52%
All-electric homes are less reliable	45%	33%	-	-	-

Summary

- More people are visiting SVCE website resources.
- Aided and unaided awareness have improved.
- New findings on favorability are positive.
- Likelihood to purchase is down for all technologies.
- Perceived and real concerns for technology adoption can continue to help inform messaging and education strategies.
- Opportunity to increase outreach to SEVI 3-4 to increase electrification education in more vulnerable groups and continue to implement and improve income-qualified offerings.



Questions?



Staff Report – Item 2g

Item 2g: Receive the 2026 Silicon Valley Clean Energy Integrated Resource Plan

From: Monica Padilla, CEO

Prepared by: Maren Wenzel, Director of Regulatory, Policy and Planning

Date: 8/12/2026

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) receive the 2026 SVCE Integrated Resource Plan (IRP), which will be submitted to the California Public Utilities Commission on August 10, 2026.

BACKGROUND

The California Public Utilities Commission (CPUC) requires all jurisdictional load serving entities (LSEs) file an Integrated Resource Plan on a regular cadence, per SB 350 (De Leon, 2015). These filings are generally due every two years, however the CPUC skipped the 2024 cycle, making this the first IRP SVCE has filed since 2022. The intent of the IRP is to help the CPUC track the development of the electric grid and ensure that collectively LSEs are on track to meet the state’s clean goals while maintaining system reliability. These plans are used for numerous downstream planning activities including in the California Independent System Operators (CAISO) Transmission Planning Process.

At the June 2026 SVCE Board of Directors meeting, the Board adopted Staff’s Recommended action on the 2026 Integrated Resource Plan, specifically:

1. Adoption of the proposed Preferred Conforming and Alternate Conforming Plans (“Plans”) for submission in SVCE’s 2026 Integrated Resource Plan; and
2. Delegate authority to the Chief Executive Officer (CEO) to finalize and submit for approval to the California Public Utilities Commission SVCE’s 2026 IRP by the due date of August 10, 2026.

During that meeting Staff committed to providing the Board of Directors with a copy of the final narrative report as part of the September Board meeting. Due to timing of the filing, SVCE staff can provide that as part of the August meeting materials.

ANALYSIS & DISCUSSION

The public version of the IRP narrative is found in Attachment 1. The accompanying Clean System Power (CSP) tool and Resource Data Template (RDT) will be posted and available on SVCE’s website on or before August 10th1.

STRATEGIC PLAN

Completion of SVCE’s 2026 IRP supports achievement of 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”.

¹ Available at: <https://www.svcleanenergy.org/plans-policies-reports/#irp>

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ALTERNATIVE

Not applicable.

FISCAL IMPACT

Not applicable.

ATTACHMENT

1. 2026 Silicon Valley Clean Energy Integrated Resource Plan Narrative - Redacted

Standard LSE Plan

SILICON VALLEY CLEAN ENERGY
2026 INTEGRATED RESOURCE PLAN
AUGUST 10, 2026

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I. Executive Summary

Silicon Valley Clean Energy (SVCE) is pleased to present herein its 2026 Integrated Resource Plan (IRP). SVCE is a community choice aggregation program (CCA) operated by the Silicon Valley Clean Energy Authority (SVCEA), a California joint powers authority (JPA) composed of twelve cities plus the unincorporated areas of Santa Clara County. As a JPA, SVCEA is a local government agency that operates on a not-for-profit basis and is controlled by, and accountable to, the communities it serves.

SVCE is focused on helping its member communities advance their greenhouse gas (GHG) reduction goals by providing a clean source of energy and supporting economy-wide decarbonization through electrification while maintaining cost competitive rates and furthering system reliability. SVCE appreciates this opportunity to highlight its progress so far and to contribute to the statewide IRP planning exercise.

SVCE will be celebrating its 10th anniversary in 2027. SVCE's accomplishments since its launch include achieving an annual carbon-free¹ content in 9 out of 10 years of operation, which includes successfully offering a voluntary 100% Renewable Portfolio Standard (RPS) product to approximately 4% of its load; demonstrable progress towards meeting Senate Bill (SB) 350 long-term RPS procurement mandates through the successful execution of twenty six long-term power purchase agreements (PPAs); strong performance in meeting California's Resource Adequacy (RA) mandates; and an expansive list of program offerings to promote decarbonization and electrification within SVCE's service territory. All this was achieved while maintaining competitive rates relative to the incumbent investor-owned utility (IOU) and building a financially stable organization. SVCE has an investment-grade credit rating of A with a positive outlook from S&P and A3 with a stable outlook from Moody's. These ratings were awarded because of SVCE's ability to meet all procurement mandates, strong leadership, and the ability to understand and manage risk, as well as SVCE's robust financial liquidity position.

The 2026 IRP is SVCE's fourth IRP. SVCE's planning and electricity procurement efforts will help meet California's aggressive and necessary GHG reduction goals while charting a path towards providing SVCE's customers carbon-free electricity to promote electrification in an affordable and reliable manner. To this end, SVCE has identified three key goals: GHG reductions, affordability and reliability. It is not sustainable or responsible to present a portfolio which merely looks at one of these goals without considering the consequences for the other. This is demonstrated through SVCE's prior and ongoing procurement efforts, which balance aggressive deployment of solar photovoltaics (PV) with paired

¹ Values based upon SVCE's achievement of its Board of Directors adopted definition of clean, which include both RPS and GHG-free eligible resources. Values measured on an annual basis based on actual retail sales plus a 6% margin to cover line losses. *SVCE November Board of Directors Agenda Packet*. (2024). Silicon Valley Clean Energy. <https://svcleanenergy.org/wp-content/uploads/2024-1113-SVCE-November-BOD-Agenda-Packet-scrubbed.pdf>.

storage facilities, wind and additional long-term purchases of new and existing geothermal and long-duration storage resources.

In this IRP, SVCE presents two conforming portfolios, both of which meet SVCE's share of the 8 MMT target. The Preferred Conforming Portfolio reflects SVCE's current board adopted clean targets. These targets require the agency to achieve 75% RPS by 2030 and 100% by 2035 and thereafter on a retail sales basis. In addition to its aggressive RPS targets, the SVCE board has also directed the agency to maintain 100% clean energy, including line losses, each year. To supplement this Preferred Conforming Portfolio, this IRP also provides an Alternate Conforming Portfolio, which studies a scenario in which 50% of SVCE's load opts into a minimum compliance product. This scenario is intended to assess the portfolio impacts of a potential SVCE product offering, which focuses on affordability with less aggressive new build and greater reliance on existing system resources. Each of these scenarios is discussed in more detail in Section II below.

In addition to the two conforming portfolios, SVCE completed analysis of several sensitivities intended to address specific questions posed in this narrative. This includes a review of system reliability under Slice of Day (Section III.f), an analysis of portfolio needs using SVCE's internal load forecast (Section IV.a.xi) and an assessment of procurement needs should Department of Water Resources (DWR) centralized procurement occur (Section IV.a.x.). SVCE presents the results of these sensitivities within this document for the purpose of addressing these planning questions but does not include them as formal conforming or alternate portfolios.

In both its conforming plans, SVCE finds a need for a significant amount of procurement, driven largely by the California Public Utility Commission's (CPUC) assigned forecast. This forecast, which is 68% higher in 2035 than what SVCE was mandated to use in its 2022 IRP, causes a significant departure in portfolio results relative to SVCE's last IRP filing. SVCE also finds a consistent need for both out of state and firm clean resources in its portfolios, suggesting a need to enable greater resource diversity for the state as it reduces reliance on emitting resources.

The modeling and results for this IRP, as described in Sections II and III below, relied heavily on the Automated Resource Selection (ARS) capacity expansion tool developed by Ascend Analytics. This tool developed least cost, best fit portfolios for SVCE which achieve the necessary reliability, RPS and GHG metrics for each portfolio. In Section IV, SVCE discusses its procurement activities to date along with potential barriers, risks and other activities which may impact the viability and likelihood of the Preferred Conforming Portfolio presented herein coming to fruition. Finally, Section V considers additional changes to the IRP process which may improve California grid planning and procurement.

In the coming years SVCE's procurement activities will focus on balancing additional new renewable procurement with existing cost-effective contracts, diversifying its renewable portfolio in order to better match its renewable generation profile to its customers demand curve, and continued review of new emerging technologies which may support the organization's long-term carbon-free goals. SVCE also maintains its commitment to investing heavily in programs to help its communities further decarbonize

via electrification of buildings and transportation while advancing demand flexibility through rate and program design.

II. Study Design

a. Objectives

SVCE's purpose in undertaking this modeling exercise was twofold. First and foremost, SVCE sought to produce an IRP that would represent SVCE's procurement policies as comprehensively as possible while simultaneously meeting the compliance requirements of this IRP process. Second, SVCE sought to undertake analysis that would be internally useful for planning purposes and instructive on how potential changes to product offerings in the future may impact affordability and procurement needs.

In November of 2024, the SVCE Board of Directors adopted long-term clean targets for the agency. These targets were adopted in response to analytical work conducted by SVCE's planning team in conjunction with Energy + Environmental Economics (E3) to assess the potential value and risks of various clean targets including both annual and hourly clean metrics. Due to the cost and risks associated with achieving hourly clean targets the board adopted annual targets but requires the procurement team to include an hourly GHG-reductions assessment as part of PPA evaluation going forward. The Board ultimately adopted a target of 75% RPS by 2030 and 100% RPS by 2035 on a retail sales basis. Additionally, the Board directed staff to continue to achieve a portfolio that is 100% clean on an annual basis, including line losses.

More recently, SVCE staff has held a series of "levers" conversations with the Board of Directors to proactively discuss how to balance its clean goals, program offerings and competitive rates should market conditions negatively impact portfolio margins on a sustained basis. From that discussion, SVCE is exploring the value of expanding product offerings to enable a broader choice of clean products and more affordable rates. The Alternate Conforming Portfolio, reflecting 50% of load on a minimum compliance product, is intended to reflect the potential portfolio and rate impact of pursuing such products. SVCE views the 50% as a high level of load to be on a lower compliance product but used the value to study a more extreme case and highlight potential differences in cost and resource build.

After portfolio assumptions were developed, SVCE began the modeling process as described below. In developing modeling assumptions SVCE utilized the assigned load forecast and built model constraints into its capacity expansion tool to ensure that each portfolio met or exceeded its share of the 8 MMT targets as well as reliability needs as provided by the CPUC.

b. Methodology

i. Modeling Tool(s)

To evaluate the potential future portfolios described in the previous Section II.a SVCE employed the ARS module of the PowerSIMM V modeling platform developed by Ascend Analytics. An overview of the ARS modeling framework employed for development of the 2026 IRP portfolios is shown in Figure 1. Additionally, SVCE evaluated the Preferred and Alternate portfolios developed from the ARS module within PowerSIMM's stochastic capabilities in order to understand the cost at risk aspect of each portfolio. PowerSIMM's model framework for stochastic evaluation corresponds to the diagram below in Figure 2.

ARS is PowerSIMM's capacity expansion module. ARS selects the least-cost resource procurement or retirements which satisfy the model constraints. The models begin with a dispatch of existing and candidate resources to determine variable costs, energy generation, carbon emissions, and renewable generation over the time horizon of the study. SVCE employed the following key model constraints:

1. Resource Adequacy – Requires portfolio to meet reserve margin requirements set by the IRP process, using a Slice of Day logic (not ELCCs)
2. Short-Term Contracts – Requires short-term contracts to supply between 15% and 35% of retail load on an annual basis
3. Emissions Target – Requires SVCE procure carbon-free energy to meet or exceed the 8 MMT target given the expected system emissions each hour from the Clean System Power (CSP) tool
4. Annual Clean Constraints – Requires portfolio supply meet RPS and GHG-free annual targets corresponding to the Preferred Conforming Portfolio and the Alternate Conforming Portfolio, respectively

Outputs from ARS provide the timing and quantity of resources to procure through the study horizon which satisfy the above constraints at the lowest cost. The model considers full resource costs including fixed costs and variable costs. Market sales revenue is treated as a negative cost in the model. The next stage of the planning process is to evaluate ARS output portfolios in both the Resource Data Template (RDT) and CSP tools. Due to discrepancies between the Ascend modeling tools and the IRP compliance tools, cases were post-processed to ensure a least cost fit which achieved the required RPS, RA and GHG metrics². Finally, the portfolios were evaluated to calculate total portfolio costs and gauge portfolio risk.

SVCE selected the ARS module as the primary capacity expansion, production cost and valuation tool for this IRP because it provides deeper insight and precision in valuation relative to a sector-wide capacity

² SVCE ensured that the RA, RPS and GHG metrics for compliance are achieved in all portfolios. In instances where the annual GHG-free percentage of energy from the CSP tool was less than 100%, SVCE relied on the modeling results of the Ascend tool. Due to the deliverability terms of SVCE's contracts, it expects to achieve 100% GHG-free energy with the portfolios presented, even in instances where the CSP tool does not achieve this target. SVCE monitors its contracted energy against its annual GHG-free target and intends to procure additional short-term GHG-free resources to maintain that target, if needed.

expansion model like RESOLVE.³ While ARS does not explicitly check for system reliability as the SERVM model does, it does model LSE-level RA needs. ARS uses a Slice of Day (SOD) RA framework, aligned with current RA program requirements. It calculates the peak demand of SVCE's load in every month-hour of the forecast and applies a PRM to find the RA constraint in each month-hour. It then finds the least-cost combination of resources required to satisfy that RA constraint (amongst others). The RA value of supply resources is based on CPUC-supplied exceedance profiles, and the RA value of storage projects is based on their economic dispatch.

SVCE opted to use the ARS Slice of Day logic over the ELCCs because it believes this represents a portfolio optimization that is best aligned with actual portfolio needs and likely future procurement. As discussed in Section III.f below, there may be a meaningful discrepancy between implied SOD needs and the IRP reliability constraint under ELCCs. While this difference in constraints may diverge from RESOLVE, SVCE ensured its portfolio was compliant with the RDT reliability constraint through use of additional existing natural gas. Therefore, SVCE does not believe its results have any divergences from RESOLVE that would require the CPUC to evaluate the portfolios differently than if SVCE had used RESOLVE for capacity selection.

Modeling Overview

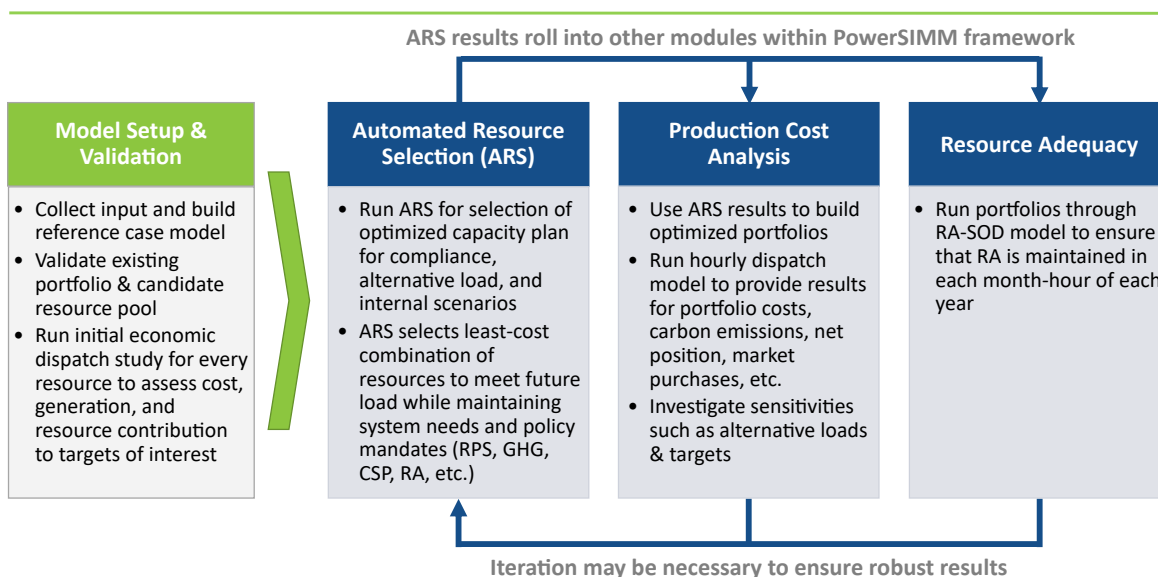


Figure 1. Modeling framework to develop compliant, reliable, and least cost portfolios in PowerSIMM.

³ RESOLVE is a high-level capacity expansion optimization model that selects system level (i.e. WECC or California wide) resources to meet a set of load, emissions, and reliability constraints at minimum cost using a 37-day simplification.

Figure 2 shows PowerSIMM’s modeling framework. PowerSIMM simulates weather based on historical weather observations at National Climate Data Center stations throughout California. It then simulates load and renewable generation as a function of weather, and historical generation/demand. Hourly spot price conditions are simulated as a function of weather, system load, and renewable generation. The simulated spot prices are scaled so that the average of all spot prices equals the simulated on-peak/off-peak monthly forward price. Market forward data in the near term (next 5 years) is blended with Ascend’s long-term fundamental forecasts of gas and power prices driven by supply fundamentals in the Western Electricity Coordinating Council (WECC). With spot price, renewable generation, and load simulations in hand, PowerSIMM operates all dispatchable resources economically, according to price signals and limited by transmission limits. This concludes the simulation and dispatch optimization. PowerSIMM next finds the least-cost buildout, consisting of the existing portfolio and candidate resource options, to satisfy the specified constraints (RPS, GHG-free, RA, emissions, etc.). Finally, PowerSIMM reports all requested outputs.

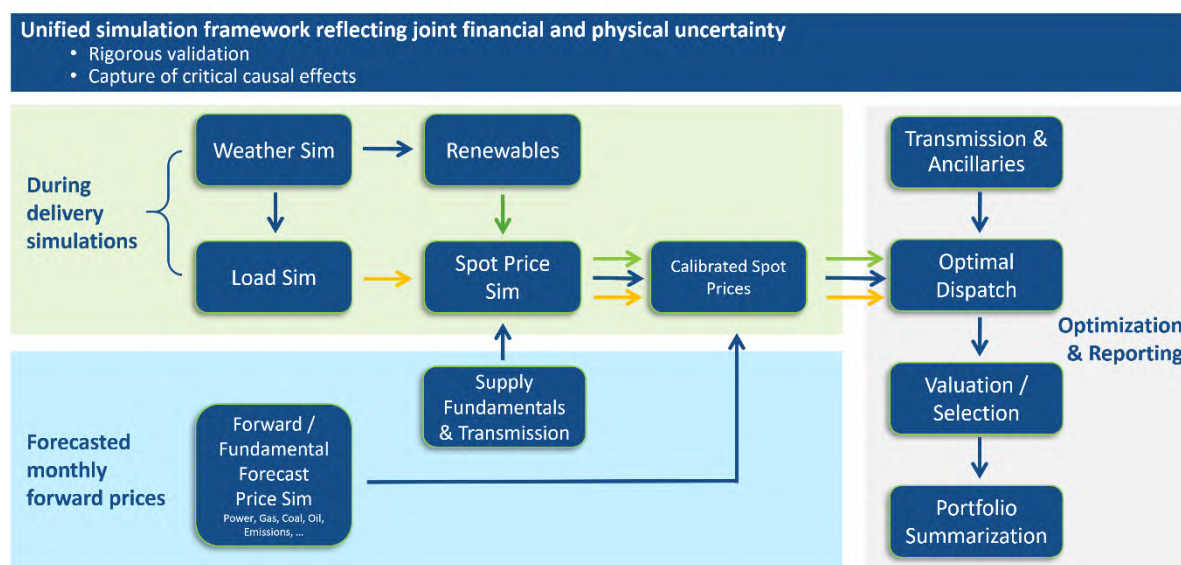


Figure 2. Schematic diagram of PowerSIMM modeling framework.

Following development of the portfolios in ARS and any necessary post-processing SVCE evaluated portfolio risk using PowerSIMM’s stochastic capabilities. PowerSIMM captures and quantifies elements of risk through the simulation of meaningful uncertainty with weather as a fundamental driver. PowerSIMM is a “hybrid model,” meaning it uses both market data and long-term fundamentals to simulate load, renewables, and California Independent System Operator (CAISO) spot market prices against which resources are dispatched and valued. To better capture the uncertainty in future conditions, a stochastic framework enabled simulation over a wide range of different future conditions, where market prices, weather patterns, renewable generation, and load significantly vary. To capture the risk associated with the distribution of portfolio costs (resulting from the stochastic simulation), a “risk premium” metric was calculated that indicates the cost at risk or the actuarial value of a portfolio’s exposure to market price volatility, variation in generation and load, and changes in weather conditions.

This metric is the difference between the mean net present value (NPV) of cost and the 95th percentile of the NPV of cost. The results of this risk analysis are discussed in more detail in Section III.e. below.

ii. Modeling Approach

In developing its models, SVCE first input its existing portfolio, historical generation data, cost projections, and other relevant data into the ARS module. To ensure that model results met the RA, RPS and GHG targets for each model run, Ascend Analytics built relevant constraints into the model to align with IRP compliance tools. After model runs were completed, SVCE added additional capacity in some years to ensure alignment with CSP and RDT compliance. Where additional capacity was needed, staff added it based on the implied marginal emissions value of the resources given CSP assumptions, while accounting for the reasonableness of overall build and expected costs.

Once assumptions were input, staff verified that modeled systems behaved as anticipated under alternative weather and pricing conditions. An economic dispatch study for every resource to assess costs, generation, and contribution to targets of interest was then run. These inputs were fed to the ARS module, which selected new resources based on minimizing the cost of procuring and operating new and existing resources while also meeting the constraints built into the model to ensure system requirements for RA, RPS and GHG constraints were met. After portfolios were selected, they were evaluated in PowerSIMM to understand their operational feasibility, cost, portfolio risk and the overall implications of the portfolio.

In addition to the conforming portfolio runs filed as part of this IRP, SVCE also completed several sensitivities intended to help inform this narrative. First, SVCE completed an additional ARS run utilizing SVCE's internal load forecast. This is intended to highlight the build SVCE expects to need to achieve its portfolio targets based on its own future outlook. Additionally, this highlights the potential impact of load forecast error on long-term planning activities. Because the CPUC does not recognize alternative load forecasts as conforming cases, SVCE is not filing an RDT and CSP to accompany this scenario but rather presents the results solely for the purpose of discussion in the relevant narrative sections below. SVCE also completed a scenario in which its share of the DWR Central Procurement Entity (CPE) allocations is added into its portfolio. Due to timing constraints, SVCE did not run a full ARS model to assess this scenario but rather input the resources in the CSP and removed ARS outputs until the GHG-free targets were met. SVCE describes this in further detail in Section IV.a.x.

Finally, SVCE input the Preferred Conforming Portfolio results into its in-house Slice of Day tool. SVCE completed this analysis initially for 2035, when SVCE's "worst day" allocation is relatively predictable, to compare near-term IRP reliability results with the current RA compliance structure. An additional analysis was done using an estimate of SVCE's 2045 worst day shape and portfolio to assess the ELCCs later in the compliance horizon. Results of this analysis are discussed further in Section III.f below.

iii. Alternative Assumptions

After evaluation of RESOLVE cost assumptions, SVCE staff opted to utilize the cost curves developed by Ascend Analytics which more closely represent prices observed in recent Request for Offers (RFOs). This

price forecast has similar cost decrease trajectories to RESOLVE over time. For offshore wind, where staff did not have internal cost projections, SVCE utilized the ratio of cost between onshore and offshore wind in RESOLVE to develop an offshore wind cost for ARS.

Because ARS is designed to achieve the least-cost build, resource selection is driven largely by the relative price of resources in the model, not the absolute price. For this reason, SVCE expects that the resource build out is largely unaffected by use of Ascend's price curves. The price curves are, however, relevant in assessing cost and risk in the portfolio as discussed below in Section III.e.

ARS also does not utilize ELCCs directly but rather uses an RA Slice of Day framework. It calculates the peak demand of SVCE's load in every month-hour of the forecast and applies a PRM to find the RA constraint in each month-hour. It then finds the least-cost combination of resources required to satisfy that RA constraint (amongst others). The RA value of supply resources is based on CPUC supplied exceedance profiles, and the RA value of storage projects is based on their economic dispatch. SVCE opted to use an RA Slice of Day framework so that portfolios would best align with actual expected procurement practices. SVCE checked resulting portfolios against the reliability procurement requirement, using an ELCC approach, and added additional short-term fossil contracts as needed to ensure compliance with the IRP tools.

III. Study Results

a. Conforming and Alternative Portfolios

SVCE has chosen to submit two conforming portfolios for this IRP:

- **Preferred Conforming Portfolio:** This portfolio explores required resources to meet SVCE's current Board adopted target of 75% RPS by 2030 and 100% RPS by 2035, while maintaining 100% GHG-free power on an annual basis.
- **Alternate Conforming Portfolio:** This portfolio explores a scenario in which 50% of SVCE's load is on a minimum compliance product per SB 1020 guidelines, while the remaining 50% achieves SVCE's current board adopted targets as laid out above.

SVCE's Board of Directors has selected use of its adopted clean targets for its preferred portfolio as it is the portfolio that most accurately reflects SVCE's intended procurement strategy going forward. This portfolio is consistent with SVCE's Board-adopted procurement requirements and provides a diverse and balanced portfolio that achieves results consistent with SB 350's reliability, GHG-reduction, RPS, disadvantaged communities (DACs), renewables integration, and other requirements. SVCE discusses its rationale for selecting this as its preferred portfolio in more detail in Section III.b below.

Portfolios developed by SVCE as part of its 2026 IRP modeling exercise included all the resources SVCE had under contract as of April 1, 2026⁴. In addition to the contracted resources, SVCE included its portion of the Cost Allocation Mechanism (CAM) allocation and assumed such resources would be allocated in similar quantities on a forward-going basis. Per SB 846, SVCE removed its allocation of the Diablo Canyon Power Plant in all years.

The following tables summarize the SVCE long-term resources included in all portfolios:

Table 1. Baseline SVCE contracts for preferred conforming and alternate conforming portfolios (Capacity, MW)

Resources	2030	2035	2040	2045
Hybrid [Generator]	662	662	429	80
Hybrid [Battery]	368	368	288	50
Geothermal	70	70	19	19
Onshore Wind	279	236	133	0
Storage 4h	24	24	24	0
Storage 8h	25	25	25	0

Table 2. Baseline SVCE Contracts by energy, contracted and planned (Energy, GWh)

Resources	2030	2035	2040	2045
Hybrid	1929	2009	1296	241
Geothermal	439	424	131	131
Onshore Wind	859	720	374	1
Solar	72	54	7	5
Biogas/Biomass	8	6	1	0
Hydro ⁵	431	13	10	10

In addition to known contracted resources, SVCE included generic capacity to meet its obligations under Decision 26-02-057 which required the agency to procure an additional 135 MW of net qualifying

⁴ Because SVCE's procurement team was actively engaged in procurement at the time of modeling, SVCE's baseline resources for modeling could not reflect changes to the portfolio after modeling commenced. SVCE has attempted to capture changes to the portfolio between April 1st and August 10th, 2026, including expected changes to its resources under development, in its filed RDTs where possible while still presenting results consistent with its modeling efforts.

⁵ Includes assumed hydro allocation from PG&E.

capacity by 2032 as shown in Table 3. Staff estimated likely quantities and technology types based on initial review of offers from its 2026 New Build Carbon Free Energy & Storage Projects RFO, which closed March 4, 2026, as well as using broad market intelligence. Lacking ELCCs for resources under the new order, SVCE utilized the 2028 ELCCs developed by Astrape Consulting as a proxy for this order. Actual procurement for D.26-02-057 may vary meaningfully from these assumptions depending upon future market offers.

Table 3. Cumulative Generic Resources Added for D.26-02-057 (Capacity, MW)

Resources	2030	2031	2032
Hybrid [Generator]	50	70	70
Hybrid [Battery]	50	70	70
Geothermal	5	15	25
Out-of-State Wind	0	0	110
Storage 8h	0	20	20

Each portfolio also assumed a portion of its procurement needs will continue to be met by short-term contracts from existing resources. SVCE assumed that a minimum of 15% of SVCE load should be met using short-term Index + RPS or Index + GHG-free contracts over the planning horizon. In recognition of tightening market conditions and more irregular hydrological conditions going forward, SVCE also capped the amount of short-term products in the portfolio at 35% per year. Given SVCE has historically procured 50% of its load utilizing such transactions, SVCE believes this represents a conservative view of market potential.

In addition to the resources above, SVCE allowed up to its load share allocation of the existing fossil fleet in the CPUC RESOLVE results to be used as generic RA resources to be procured on a short-term basis each year to meet its RA needs. As a post-processing step, SVCE “right-sized” the total contract amount of these RA resources for each portfolio to ensure that the portfolio was not over-procuring such resources. As discussed further in Section III.f below SVCE’s Preferred Conforming Portfolio requires less than its load share allocation of the existing natural gas fleet.

Table 4 and Table 5 below show the cumulative build for new resources in 2033, 2035, 2040 and 2045 for each portfolio. Across all scenarios, due to on-going activities related to existing procurement orders and the timing of new build, SVCE assumed no additional resources could be added to the portfolio prior to 2033 beyond those forced in for D.26-02-057 compliance.

Table 4. Preferred Conforming Portfolio Cumulative Selected New Resources, excluding D.26 procurement orders (Capacity, MW)

Resource Type	2033	2035	2040	2045
In-state Wind	0	125	400	400
Out of State Wind	120	235	325	338
Solar	0	0	640	1520
Geothermal	0	77	77	300
Storage 4h	0	0	80	680
Storage 8h	0	0	0	0
Storage 12h	0	70	70	95
Total	120	507	1,592	3,332

Table 5. Alternate Conforming Portfolio Cumulative Selected New Resources, excluding D.26 procurement orders (Capacity, MW)

Resource Type	2033	2035	2040	2045
In-state Wind	0	10	400	400
Out of State Wind	25	233	323	325
Solar	0	0	265	1105
Geothermal	0	0	42	254
Storage 4h	0	0	0	550
Storage 8h	0	0	0	0
Storage 12h	0	0	65	70
Total	25	243	1,094	2,704

Figure 3 and Figure 4 below show the annual build-out for the Preferred Conforming Portfolio and Alternate Conforming Portfolio.

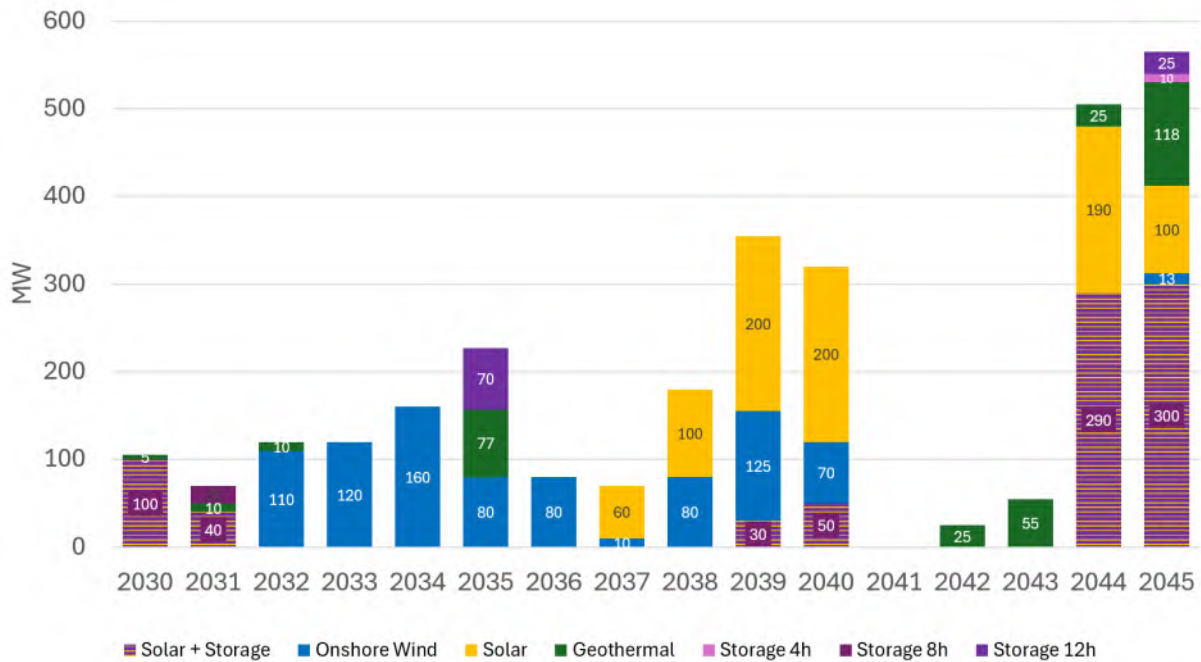


Figure 3. Annual build-out for Preferred Conforming Portfolio

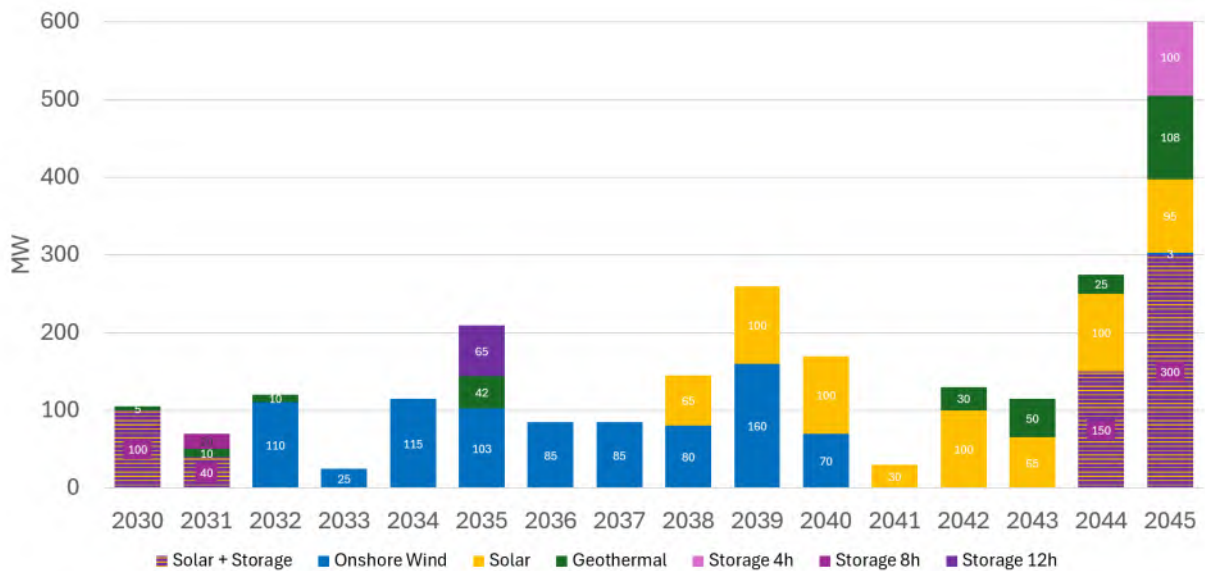


Figure 4. Annual build-out for Alternate Conforming Portfolio

Across both conforming portfolios, the model found a mix of onshore wind, geothermal, solar, storage and hybrid resources to be the most cost-effective way to meet its annual clean targets while also achieving the CPUC mandated emissions and reliability standards. In addition to meeting the model constraints, the diversity in the resource mix helps mitigate cost and market risks for any particular resource type.

In its modelling, the emissions target was generally the most binding constraint, not the annual clean targets. This suggests the CPUC's glidepath to 8 MMT is more binding than SB 1020 targets. Given the binding emissions constraint, the total difference in build out between the two conforming plans was largely driven by different procurement strategies due to different RPS and clean product assumptions. While both conforming plans meet the CPUC emission target for SVCE, the Preferred Conforming Portfolio has a more accelerated timeline to reach 100% RPS and the Alternate Conforming Portfolio assumes 50% of load is served by minimum compliant products. This reduces the Alternate Conforming Portfolio's need for RPS-eligible procurement, thus resulting in lower solar, geothermal, and storage build out compared to the Preferred Conforming Portfolio.

Table 6 below summarizes SVCE's Preferred Conforming Portfolio capacity selection results against its load share allocation of the Preferred System Plan (PSP) Portfolio.

Table 6. SVCE Preferred Conforming Portfolio Cumulative Buildout Compared to Load Share Allocation of 2025 Preferred System Portfolio from RESOLVE (MW)

Resource Type	2035		2040		2045	
	SVCE	RESOLVE	SVCE	RESOLVE	SVCE	RESOLVE
In-state Wind	125	159	400	214	400	283
Out of State Wind	345	179	435	406	448	493
Solar	140	1,358	780	1,680	1,660	2,140
Geothermal	102	82	102	83	325	101
Storage 4h	140	112	220	114	820	175
Storage 8h	20	357	20	361	20	546
Storage 12h	70	100	70	207	95	220
Total	942	2,346	2,027	3,065	3,767	3,958

Summing across all resource types, SVCE's modeling results show less buildout than its load share allocation of the CPUC model results, particularly earlier in the forecast horizon and for solar resources. However, SVCE's portfolio results in higher build for in-state wind, geothermal, and four-hour storage. To ensure portfolio diversity, reduce curtailment risk, and minimize system emissions across all hours, our analysis shows that wind resources provide more consistent emissions reductions value during critical hours while solar has increasingly diminishing value during critical hours. Therefore, disproportionately more wind and geothermal resources are selected to complement the portfolio. While SVCE's results for wind and geothermal exceed load share allocation from RESOLVE results, SVCE's results are within the build limit assumptions for the RESOLVE model, especially when considering potential for Enhanced Geothermal (EGS) in the model.

SVCE notes that if LSEs 2026 individual filings all differ meaningfully from the RESOLVE results, the final CSP tool emissions may vary substantially from those in the 2026 compliance materials. Because SVCE's

portfolios were binding on the emissions target any changes to the CSP results could have meaningful implications for what SVCE's actual least cost, best fit procurement needs may be and would materially impact what the organization should procure to best maintain affordability for its customers.

b. Preferred Conforming Portfolio

SVCE's Preferred Conforming Portfolio is consistent with the clean targets adopted by the Board of Directors in November of 2024. This portfolio best maintains SVCE's goal of being 100% carbon-free on an annual basis while balancing the incremental clean energy benefits of long-term PPAs with customer affordability, portfolio risk, load uncertainty, and the need to reduce reliance on hydro resources over time. SVCE selected this portfolio for the following reasons:

- It is consistent with the SVCE Board-approved RPS target and GHG-free targets.
- It puts SVCE on the most reasonable path toward the State's 2045 emissions targets.
- It has an accelerated timeline to reduce reliance on the existing natural gas fleet, relative to the alternate portfolio.

As explained further below, while SVCE views this as the most likely set of targets the agency will pursue, there remains significant uncertainty in load growth and technology availability which may materially impact actual portfolio development. Moreover, should the Commission continue to issue procurement orders based on load share, LSEs such as SVCE may be limited in what they can procure due to timing constraints and market offers.

In meeting the Board of Director's clean targets, the Preferred Conforming Portfolio necessarily exceeds RPS requirements, including for RPS provided by long-term contracts. In order to meet the GHG-free reduction targets as established by the California Air Resources Board and determined through the CSP tool, SVCE's portfolio also utilizes a diverse mix of resources which provide clean energy in the hours with high system emissions, reducing dispatch of the fossil fleet and thereby improving air pollutant quantities across the state, including within DACs. SVCE provides analysis on how it believes this build out is largely aligned with the 2025-2026 TPP Portfolio, along with potential additional transmission needed, in section III.m below.

In addition to achieving its clean targets, the Preferred Conforming Portfolio also demonstrates SVCE's ongoing commitment to ensuring a reliable and affordable system. SVCE discusses how its Preferred Conforming Portfolio meets both goals in more detail in sections III.f and III.e, respectively, below. While SVCE utilized the default CSP shapes and required load forecast for the purposes of modeling, the organization's commitment to load shaping and demand side energy management is discussed in detail in its Action Plan within this document.

Since 2022, SVCE has adopted new annual clean targets from the board which materially impacted the planning assumptions for this cycle. SVCE compares the 2026 Preferred Conforming Portfolio to the 2022 Preferred Conforming and 2022 100% RPS Alternate Conforming Portfolio below. These results show that on a purely name plate basis, SVCE's 2026 build generally favors out of state wind and

geothermal at higher levels than its 2022 plan. However, it is also important to note that the baseline resource list upon which these results were derived is materially different. Specifically, SVCE has already procured sufficient capacity since 2022 to satisfy all the 2035 build out from its 2022 Preferred Conforming Portfolio, albeit with a moderately different resource mix. In other words, the 2026 IRP build is essentially incremental to SVCE's 2022 IRP. The significant increase in build is due primarily to a 2035 assigned load forecast that is 68% higher in this IRP cycle than in 2022.

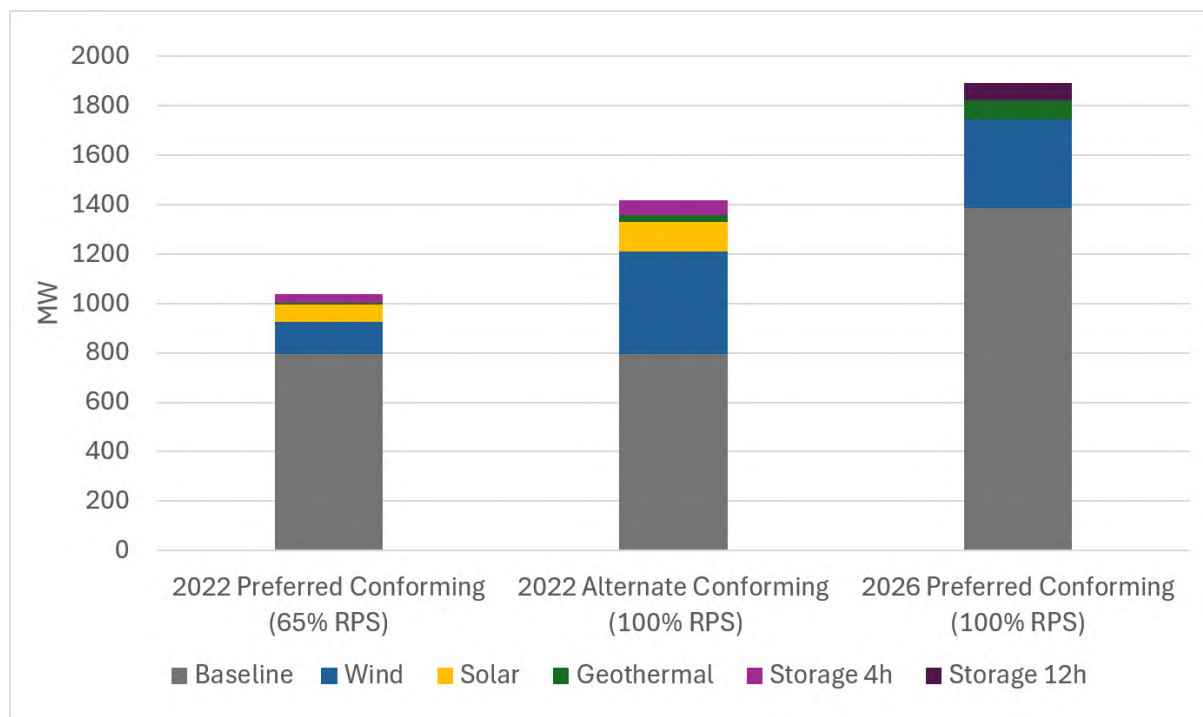


Figure 5. 2035 Results for 2026 Preferred Conforming Portfolio and 2022 Preferred Conforming and 2022 100% RPS Alternate Conforming Portfolio⁶

c. GHG Emissions Results

Both of SVCE's conforming portfolios meet its assigned GHG-benchmarks in the CSP in all years. Because SVCE's modeling generally showed the portfolios to be binding on the emissions constraint, there are limited differences between the emissions results of the two portfolios. However, the agency selected its preferred portfolio in part because it relies less heavily on long-term system power and ensures the agency continues to contribute meaningfully to new renewable project development.

SVCE assessed GHG-emissions results using both the default CSP profiles and internally developed profiles. SVCE developed custom hourly profiles in the CSP for non-commercial & industrial (C&I)

⁶ Graphic does not include generic resources included in portfolio for either D.21-06-035 (20022 IRP portfolios) or D.26-02-057 (2026 IRP portfolio).

baseline, C&I baseline, electric vehicle (EV) load, building electrification (BE), data center load, behind-the-meter photovoltaics (BTM PV), and behind-the-meter storage (BTM storage). These profiles were developed based on SVCE's internal load forecast. SVCE develops 8760 profiles for each load modifier it forecasts as part of its annual load forecast process⁷. This forecast includes expected changes to shapes overtime as various technologies mature and rate and program designs improve to encourage demand flexibility. Ultimately, SVCE found no significant difference between the default profiles and the internally developed profiles and so opted to proceed with the default profiles for better consistency with the CPUC's inputs and assumptions. Table 7 and Table 8 below provide the GHG emissions results for its portfolios as provided by the CSP tool.

Table 7. Preferred Conforming Portfolio GHG Emissions

	Unit	2030	2035	2040	2045
SVCE Target	MMt/yr	0.44	0.35	0.30	0.16
CO2	MMt/yr	0.44	0.34	0.28	0.15
PM2.5	tonnes/yr	30	25	20	12
SO2	tonnes/yr	4	3	2	1
NOx	tonnes/yr	46	41	20	13

Table 8. Alternate Conforming Portfolio GHG Emissions

Emissions Total	Unit	2030	2035	2040	2045
SVCE Target	MMt/yr	0.44	0.35	0.30	0.16
CO2	MMt/yr	0.44	0.35	0.27	0.15
PM2.5	tonnes/yr	30	26	19	12
SO2	tonnes/yr	4	3	2	1
NOx	tonnes/yr	46	43	26	14

⁷ SVCE's forecasting team develops forecasts for Behind the Meter PV, Behind the Meter Storage, Electric Vehicles, Building Electrification and Data Centers. SVCE does not currently model climate change impacts as a unique modifier and for internal purposes uses the CEC's Energy Efficiency profile shapes as provided in the annual Integrated Energy Policy Report (IEPR) process.

d. Local Air Pollutant Minimization and Disadvantaged Communities

i. Local Air Pollutants

SVCE provides the results of the air pollutants for each of its conforming portfolios as shown in the CSP in Table 7 and Table 8 above. All SVCE CO₂ in the CSP tool come from system power and in front of the meter combined heat and power (IFM CHP). SVCE's portfolio also includes small shares of biogas and biomass PM 2.5, SO₂, and NO_x emissions and pollutants which come solely from SVCE's Voluntary Allocation, which the organization is using to help meet its RPS goals in a cost-effective manner. As noted in Section III.b above, SVCE selected its Preferred Conforming Portfolio in part because it best fits SVCE's load to its clean energy supply, thereby reducing reliance on system power.

ii. Focus on Disadvantaged Communities

SVCE used CalEPA's designation of DACs for the purpose of SB 535 to identify DACs that are located within the SVCE service territory. This analysis indicates that SVCE serves 6,241 customers residing in 7 census tracts identified as DACs: 6085512602, 6085505202, 6085512603, 6085512604, 6085512310, 6085503214, and 6085504602. This represents approximately 2.2% of SVCE customers.

Note that census tracts 6085503214, 6085505202, and 6085504602 overlap with areas outside of SVCE service territory. The map below shows all 7 census tracts in red, trimmed to SVCE service territory boundaries. Per 2019 American Community Survey (ACS) population estimates, the population of these 7 census tracts is listed as 34,733, or 16,974 for census tracts completely within SVCE service territory and 17,759 for census tracts partially within SVCE service territory.

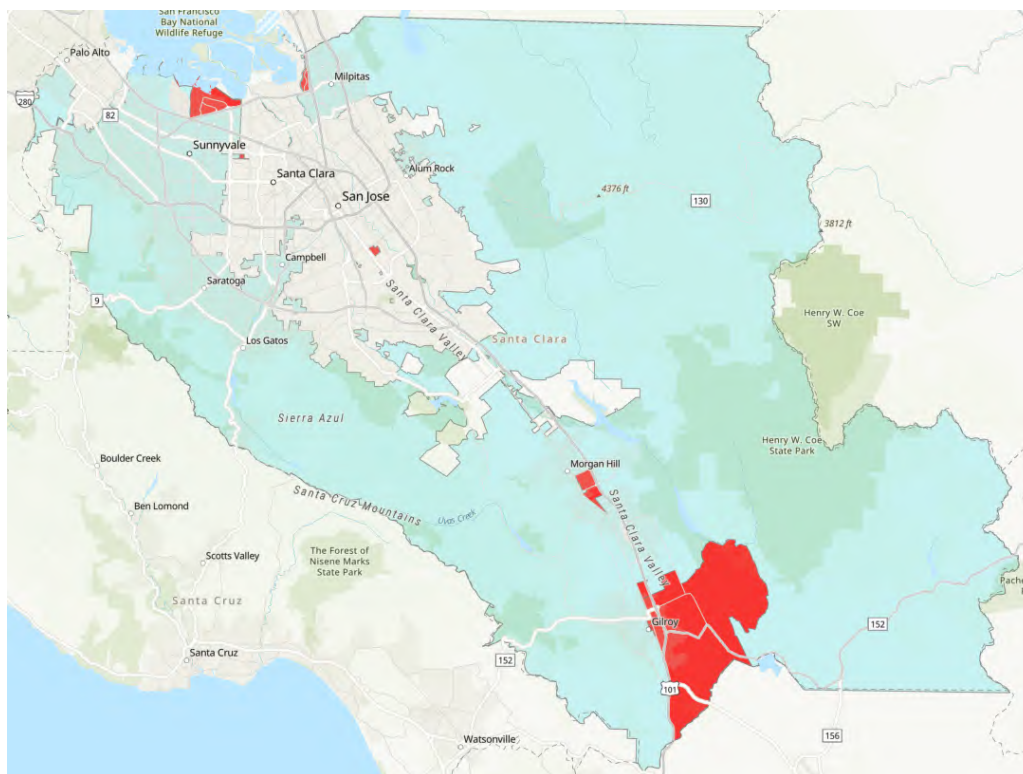


Figure 6. Map of SVCE DAC Census Tracts, trimmed to SVCE service territory boundaries⁸

Outside of its territory and for the benefit of DACs across the state, SVCE’s primary strategy for reducing emissions and contributing to the economic development of DACs in its procurement practices is the aggressive procurement of zero-emissions renewable resources. When selecting power projects, SVCE considers whether proposed facilities are located within DACs or otherwise contribute to DAC economic development (for instance, by increasing employment opportunities for DAC residents).

This strategy is formalized in SVCE’s *Power Purchase Agreement Project Selection Policy* that is applied to SVCE’s procurement efforts. As part of the selection policy, SVCE specifies workforce development, environmental stewardship, and community engagement among the list of SVCE’s procurement goals. SVCE prioritizes projects that support the local workforce, deliver benefits for air, water, and the natural environment, and demonstrate engagement with the local community to identify and address benefits and impacts or projects.

In totality, SVCE has nine projects located within 5 miles of a DAC:

- Angela Solar (solar + storage, Tulare County)
- Aratina (solar + storage, Kern County)
- Cameron Crest (wind, Kern County)
- Darden (solar + storage, Fresno County)

⁸SB 535 *Disadvantaged Communities Map*. (2021). Ca.Gov. <https://oehha.ca.gov/calenviroscreen/sb535>

- Glossy Garlic (solar + storage, Santa Clara County)
- Hanford (natural gas peaker + battery storage, Kings County)
- Mountain View Wind (wind, Riverside County)
- Ormat Portfolio (geothermal, Imperial County)
- Slate 2 (solar + storage, Kings County)

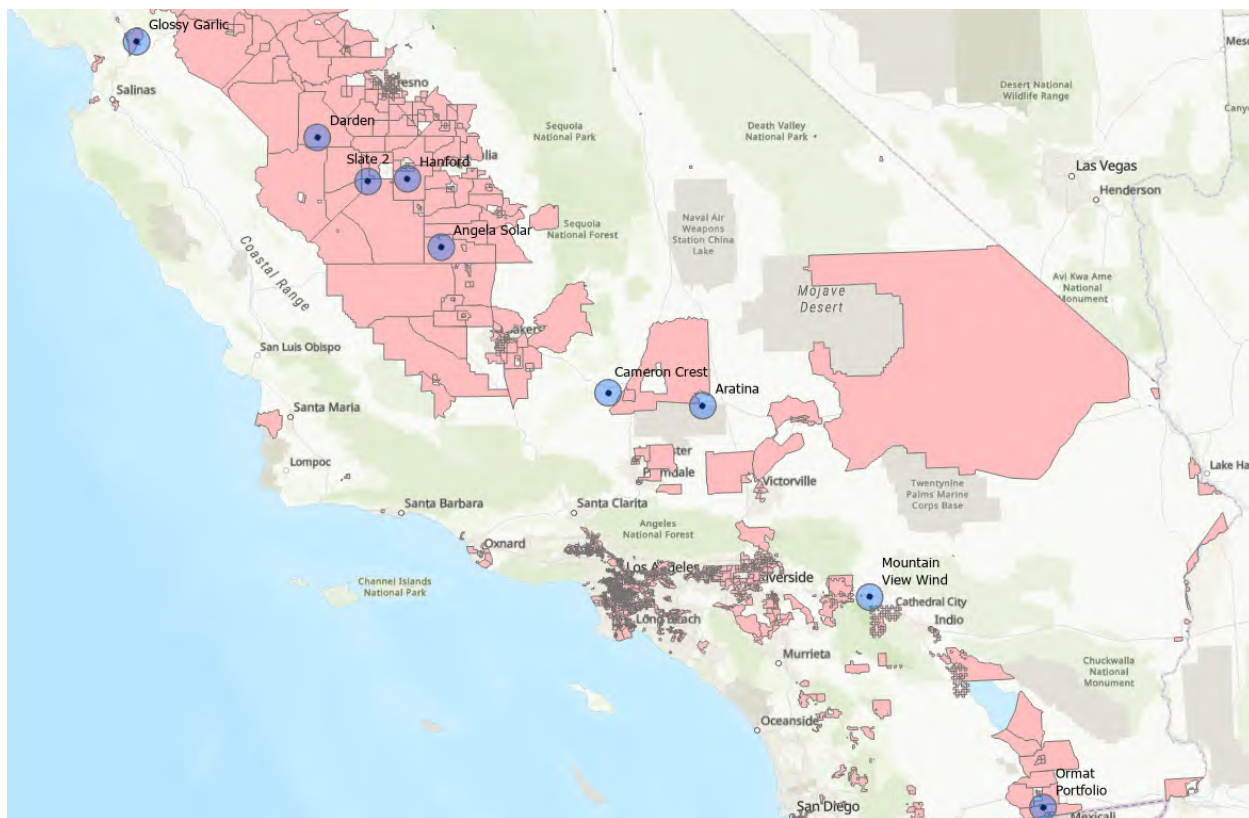


Figure 7. Map of SVCE projects within 5 miles of a DAC⁹

SVCE has signed two PPAs located within a DAC census tract. The first is a solar plus storage facility called RE Slate (“Slate”), which is located in Kings County. In addition to the Slate project, in 2023 SVCE signed a contract for the Hanford Hybrid Power Plant, also located in Kings County. The Hanford Hybrid Power Plant is a hybrid natural gas peaker power plant and battery energy storage system that SVCE contracted to ensure that SVCE can meet its RA program obligations. SVCE’s contract with the facility enabled the addition of the battery energy storage system to the existing gas peaker power plant to reduce the run time of the peaker power plant. This is direct evidence of SVCE’s work to support reduced reliance on fossil-fueled power plants located within DACs.

⁹ SB 535 Disadvantaged Communities Map. (2021). Ca.Gov. <https://oehha.ca.gov/calenviroscreen/sb535>

Although GHG and criteria pollutant emissions from the Hanford project are expected to decrease because of the addition of the battery energy storage system, as part of this contract approval, the SVCE Board of Directors also required staff to establish guidelines for a fund to mitigate emissions from the occasional operation of the peaker portion of the plant to support grid reliability. SVCE discusses the Hanford Hybrid Plant Emissions Mitigation Fund in greater detail in section IV.b below. SVCE's *Power Purchase Agreement Project Selection Policy* and the establishment of the Hanford Hybrid Plant Emissions Mitigation Fund demonstrate SVCE's commitment to thorough evaluation of its procurement impacts and to mitigating impacts when necessary to support improved local air quality and lessen GHG emissions while benefiting DACs.

SVCE's existing RA contracts are primarily from natural gas units which may be located in or near a DAC area. To the extent compatible with RA program requirements and cost-effectiveness, SVCE prefers capacity contracts from generators that do not have emissions impacts on DACs such as those from Distributed Energy Resources (DERs), renewable and carbon-free resources. To this end, SVCE has been aggressively signing new PPAs which provide both energy and capacity to SVCE to help meet its RA requirements.

As discussed more fully in Section IV.b below, SVCE's Board of Directors is made up of elected officials representing each of the thirteen member agencies in the SVCE service area. Decisions related to SVCE's procurement and strategic planning are made by these elected officials in the interest of their constituents, including those in DACs. SVCE staff regularly meets with the Board to discuss matters related to long-term planning for both SVCE and the system at large. SVCE staff utilized feedback from the Board in development of this IRP, which was ultimately reviewed and approved by the Board of Directors on June 10, 2026.

e. Cost and Rate Analysis

As a California CCA operating in an environment where customers have choice, whether it's returning to the incumbent utility, participating in direct access or bypassing SVCE with BTM PV, SVCE is acutely aware of the need to manage cost and maintain competitive rates. SVCE's rates are currently indexed to PG&E's rates for each respective rate offering approved by the CPUC. SVCE's governing board establishes a discount and/or premium to PG&E's rate based on the adopted fiscal year operating budget, assumed commodity cost uncertainty and financial reserve targets. Operating budget and rates may be adjusted at mid-year. Reserves are used to cover costs above budget to maintain rate stability.

SVCE's value proposition since its inception has been to provide affordable and annually carbon-free product offerings to its customers. GreenStart is SVCE's default product offering, comprised of a mix of RPS and other carbon-free resources, which since inception has been offered at a discount to PG&E's bundled generation rates of three percent on average. GreenPrime is SVCE's opt-up product which is made up of 100% RPS eligible resources and is offered at a small premium to GreenStart.

SVCE provides additional bill credits to California Alternate Rates for Energy Program/Family Electric Rate Assistance Program (CARE/FERA) (income qualified) customers. 10% of SVCE's residential

customers are CARE/FERA, and these bill credit amounts from SVCE represent an additional generation rate discount of approximately 20%. SVCE describes its CARE/FERA program in more detail in Section IV.b below. SVCE will continue to pursue affordability to end users along with building a robust green portfolio aligned with SVCE's mission.

Fundamental to achieving SVCE's product and rate objectives is SVCE's ability to procure cost-effective electric supply resources and manage the cost and risk associated with its load and supply portfolio. This starts with the proper evaluation and selection of resources acquired to meet SVCE's long-term renewable needs, which make up a large portion of the supply portfolio. In evaluating the addition of new or existing resources to the SVCE generation portfolio, SVCE utilizes both quantitative and qualitative metrics. SVCE evaluates the resource value as determined by its net energy (including congestion), ancillary service (A/S), RA and RPS/REC value and compares it to the contract cost. In addition, SVCE assigns qualitative metrics including a resource's generation profile, location, workforce development and technology type. SVCE then measures the resource's benefits against its costs to determine whether it is cost-effective and to assess an implied REC cost.

After a resource has been analyzed to be cost-effective, it is then incorporated and modeled with SVCE's existing portfolio to determine the overall portfolio's return/risk ratio. The return/risk ratio analysis will account for portfolio dynamics including:

- Resource performance against SVCE's hourly load obligation;
- Basis locational price differential between the resource and SVCE Default Load Aggregation Point (DLAP); and
- Variability in production from resources and forward and spot price uncertainty.

Resources that increase the portfolio's gross margin NPV while decreasing the gross margin at risk (as measured by the mean gross margin NPV minus the P5 gross margin NPV) are considered resources for further consideration.

In addition to the process described above, SVCE also assesses the compliance and strategic value a resource may provide. Resources are evaluated on their ability to:

- Meet California mandated procurement requirements;
- Contribute to system wide emissions reductions by contributing clean energy in hours where carbon emissions are the highest;
- Provide local benefits to its member communities;
- Mitigate portfolio concentration risk (price, technology, counterparty and/or location); and
- Provide for overall grid reliability.

SVCE is subject to significant cost volatility and uncertainty in meeting its energy load obligations within the CAISO. To manage this cost, SVCE's governing board has adopted an Energy Risk Management Policy (ERMP). Included in the Policy are tolerance bands for minimum and maximum amount of load to be met through forward purchases of fixed-price energy (Table 9). These transactions are carried out with Board-approved counterparties and for the most part are sourced through generic resources priced at the PG&E EZ-Gen Hub or NP15 delivery point. In 2025, the SVCE Board adopted changes to its ERMP

to account for the hedge value that PG&E's portfolio provides by way of the PCIA. Without the recognition of the inclusion of the PCIA as a hedge, SVCE runs the risk of being long relative to load and thus increasing risk to its customers.

Table 9. SVCE Board Approved Energy Risk Management Tolerance Bands (Fixed Price Supply as a % of Load)

Period	Minimum	Maximum
Current Balance of Year	80%	110%
Year 2	70%	90%
Year 3	55%	80%
Year 4	50%	80%
Year 5	50%	80%

Taking a portfolio approach of varying new and existing projects, technology, location, contract tenor, counterparties and contract pricing structures in its pursuit of long-term RPS resources along with having a rigorous energy risk management program to manage load obligations and supply portfolio cost and risk ensures that SVCE can meet its near and long-term cost, rate, and financial objectives.

In development of this 2026 IRP, the SVCE team completed cost and risk analysis for both the Preferred Conforming Portfolio and Alternate Conforming Portfolios. The results of this evaluation are included in Figure 8 below. The Preferred Conforming Portfolio is expected to result in marginally more expensive power supply costs than the Alternate Conforming Portfolio, with an approximately 4% higher expected cost. This is largely driven by additional procurement of resource build out at prevailing new asset build expected prices that are strong in spite of a fundamental expectation future spot prices for the resource revenue stacks. Cost assumptions for each of these categories are subject to uncertainty. However, the costs are similar across portfolios and subject to variance dependent on future RFO offer prices and market conditions. In spite of modestly higher cost for the procurement, the Preferred Conforming Portfolio yields lower cost at risk than the Alternate Conforming Portfolio due to fewer short-term market transactions and creation of more price certainty through higher contracting levels. This tradeoff between cost and risk, when combined with the system value of the clean energy build, was deemed to be more desirable in the Preferred Conforming Portfolio.

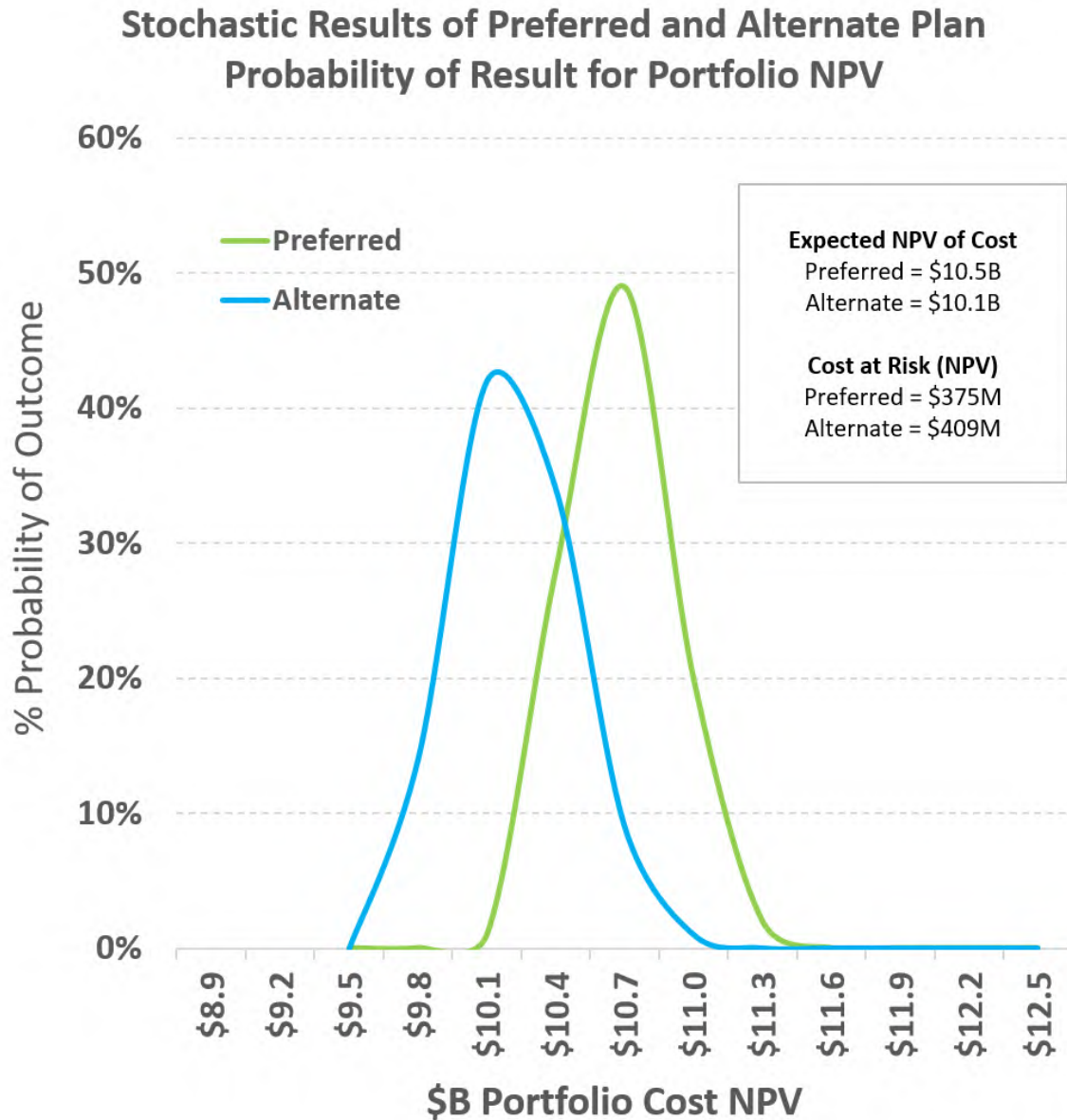


Figure 8. SVCE Expected NPV Cost and Risk for Preferred and Alternate Conforming Portfolios

Given the potential differential between model assumptions and actual market conditions, SVCE will continue to evaluate offers as solicitations occur in the future. In signing actual contracts, SVCE will balance both clean energy attributes with affordability measures to ensure cost effectiveness for the portfolio in order to maintain affordability for our customer base.

f. System Reliability Analysis

As noted in Section III.a.ii above, SVCE “right sized” short-term RA contracts to meet the RA needs of the portfolio each year. For this reason, SVCE achieves a near net zero position in both conforming plans. The results of each conforming portfolio’s RA supply stack by contract status are below.

Table 10. Preferred Conforming Portfolio RA Results

	2030	2035	2040	2045
SVCE reliability need (MW)				
ELCC by contract status (effective MW)				
Online				
Development				
Review				
Planned Existing				
Planned New				
BTM PV				
SVCE total supply				
Net Position	1	2	1	0

Table 11. Alternate Conforming Portfolio RA results

	2030	2035	2040	2045
SVCE reliability need (MW)				
ELCC by contract status (effective MW)				
Online				
Development				
Review				
Planned Existing				
Planned New				
BTM PV				
SVCE total supply				
Net Position	7	7	4	4

SVCE’s RA requirements are met by proportionally fewer existing resources in later years in both portfolios, however the higher new resource build in the Preferred Conforming Portfolio ensures lower reliance on existing resources in that scenario. In its preferred scenario SVCE utilizes less than its load share allocation of the existing fossil fleet to meet its RA requirements. Part of the reason SVCE views

the Preferred Conforming Portfolio as more suitable than the Alternate Conforming Portfolio is because of its lower reliance on the existing fossil fleet.

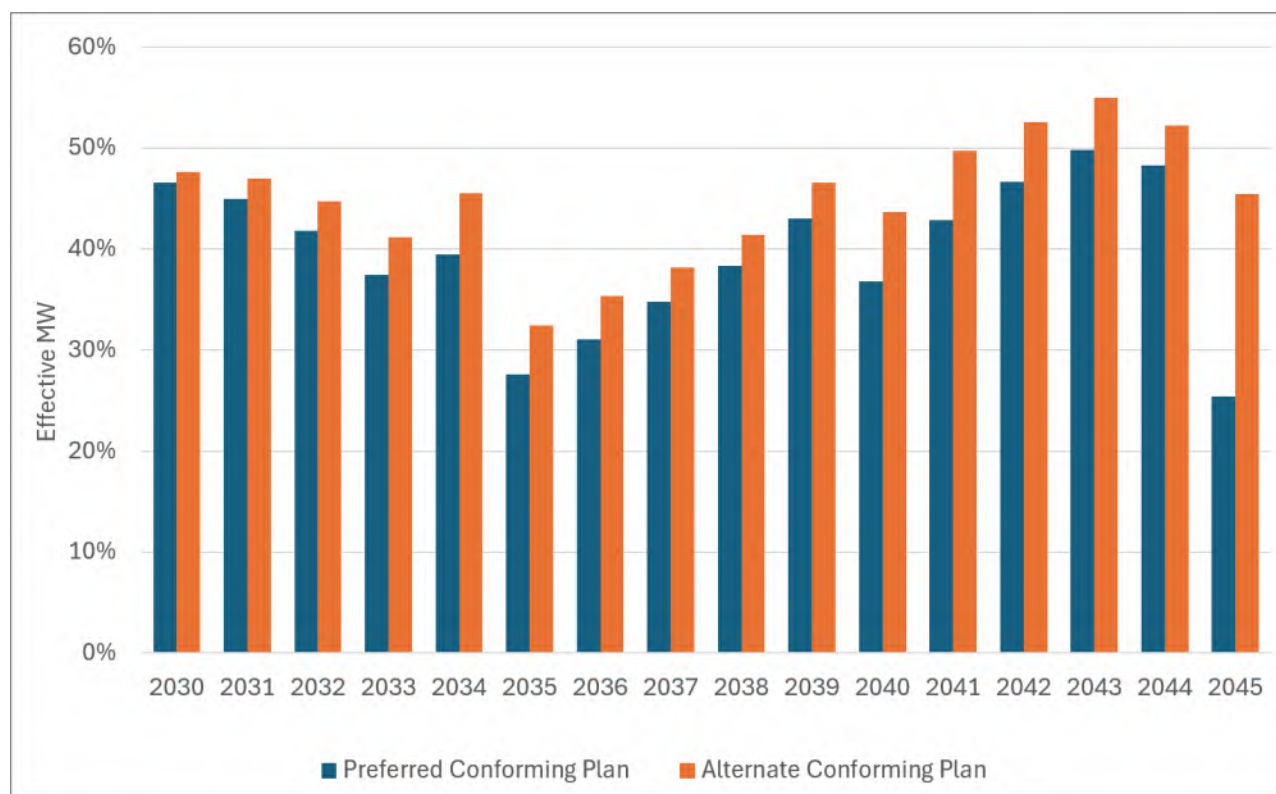


Figure 9. Share of reliability needs met with natural gas fleet

In addition to assessing reliability compliance with the IRP RDT, SVCE conducted analysis to compare the outputs of the IRP compliant reliability portfolio with its own Slice of Day tool. For this, SVCE modelled two study years: 2035 and 2045. SVCE did not attempt to alter the overall “worst-day” shape given the uncertainty in future peak and so applied a scaler to its current obligation based on the total change in load and assumed an 18% PRM.

As shown in Figure 10 below, SVCE found that despite the RDT showing sufficient capacity in 2035, the model results indicate that the portfolio may be short capacity by approximately [REDACTED]. This suggests a potential misalignment between the IRP ELCCs and likely SOD accounting rules within the next decade.

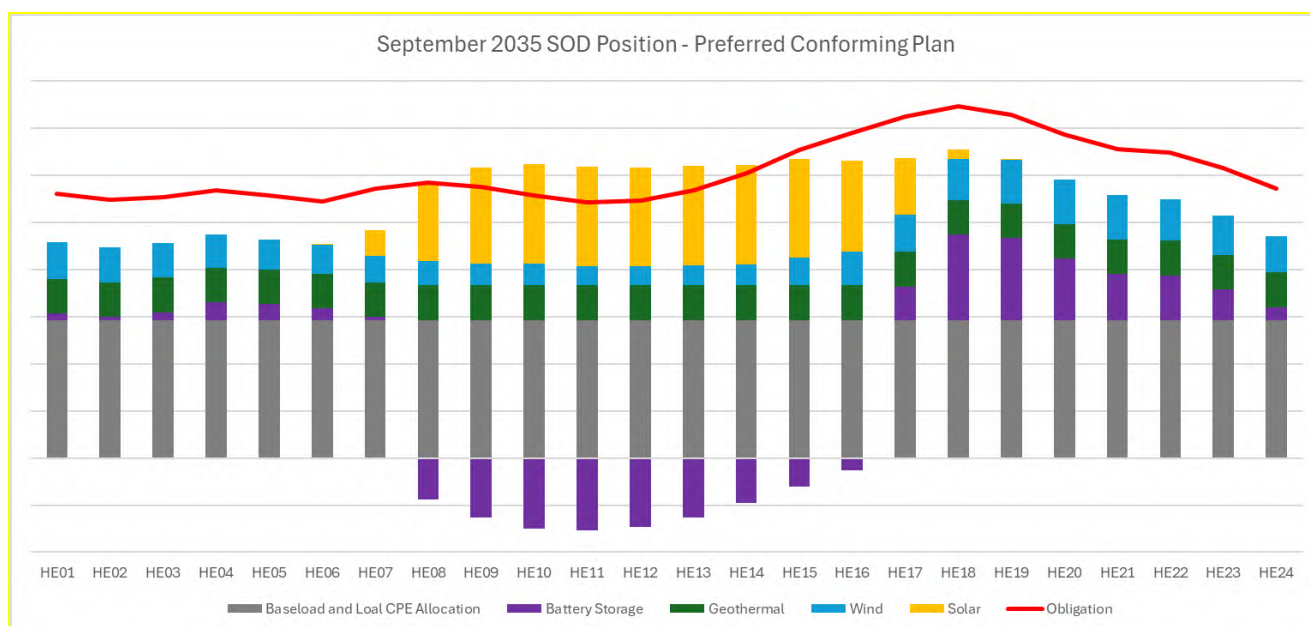


Figure 10. Summer 2035 SOD analysis for Preferred Conforming Portfolio

In reviewing the 2045 results, as shown in Figure 11 below, SVCE found that by the end of the forecast horizon the ELCCs may be too conservative. Specifically, SVCE found that while its RDT results showed a nearly perfect net zero position, under SOD the portfolio was slightly long in many hours following the battery optimization.

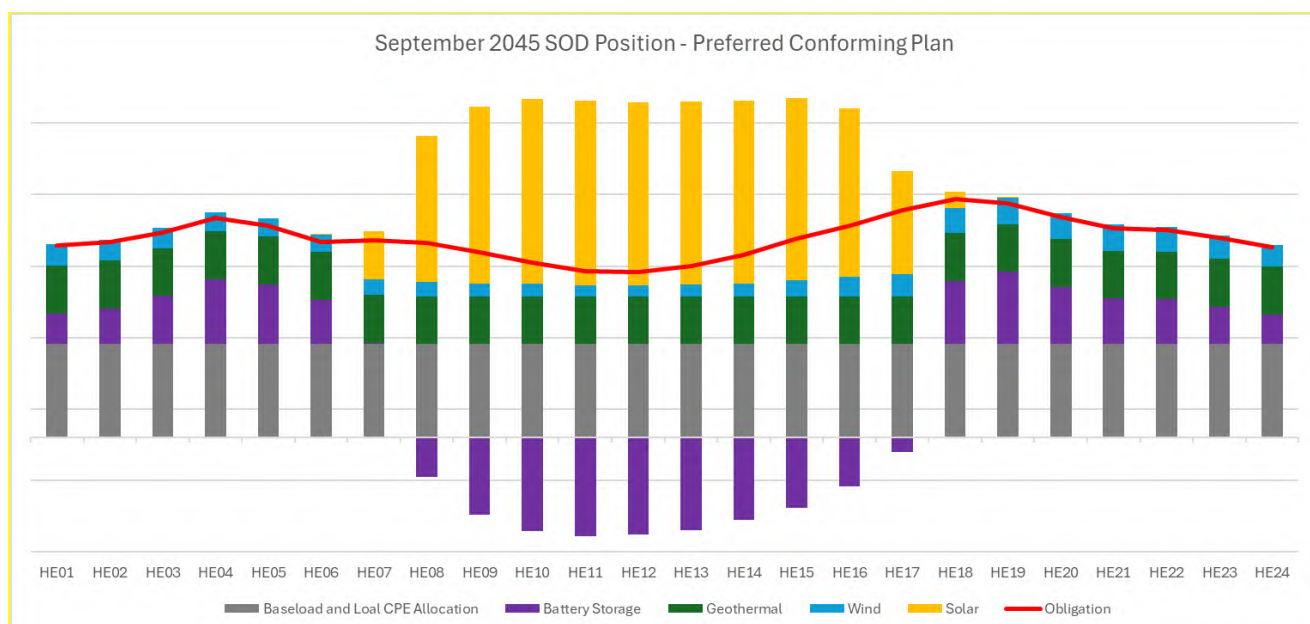


Figure 11. Summer 2045 SOD analysis for Preferred Conforming Portfolio

While SVCE found inconsistencies in how ELCCs and SOD metrics vary across the time horizon, the broader lack of alignment speaks to potentially meaningful issues with using differing metrics across RA,

IRP planning and IRP procurement. 2026 LSE IRP plans will, by necessity, meet the IRP planning reliability targets. However, actual procurement activities will depend on LSE evaluation of best fit to its portfolio given the LSE's needs under slice of day, and, as long as they are in place, the ELCCs used for procurement orders.

SVCE strongly advocates for the use of one reliability metric across RA and IRP procurement and planning. As discussed in SVCE's Reliable Clean Power Procurement Program (RCPPP) proposal, each new constraint introduced into a procurement team's portfolio optimization necessarily reduces the feasible solution set and removes lower cost portfolio solutions for our customers. While marginal ELCCs may speak to the marginal value of resources to the system needs, SOD already captures the marginal value of a resource to an LSE's portfolio. So long as the rules of the RA program are sufficient to create the desired level of system reliability, there is no need for an additional metric in the IRP space.

g. Existing Resource Planning

In developing its inputs and assumptions, SVCE worked to create a defensible balance of resources utilizing existing and new resources based on its experience transacting in the market and in procuring new resources. In all portfolios, the majority of SVCE's energy and capacity needs were met by resources already under contract or added into the portfolio as planned new resources. However, it is an important part of SVCE's risk management strategy to balance its portfolio with a mix of new and existing resources as well as short and long-term contracts.

For the purposes of this IRP cycle, SVCE required that each year the portfolio meets its energy needs with a minimum 15% and a maximum of 35% short-term product in all years post-2030. In post-processing of model results, SVCE allowed a violation of the short-term product cap in 2030 given likely challenges in achieving additional new build in that time combined with an aggressive near-term load forecast and in recognition that allocations from Diablo Canyon, which were not modelled per SB 846, will likely satisfy a portion of the portfolio's clean energy needs. The model selected either Index plus PCC1 contracts or energy only hydro contracts to meet this requirement, depending on what it found most cost effective given the forecast price for the resource and the portfolio's RPS targets. Across all scenarios, the model generally found it cost effective to utilize short-term products to the extent allowable. This strategy of procuring short-term resources is consistent with SVCE's Board directive to diversify procurement tenors to manage risks. SVCE believes the resources to meet this procurement objective may be sourced from other LSEs portfolios and/or merchant renewable resources.

Relative to its 2022 IRP, SVCE is meeting approximately the same share of its energy needs with short-term products in 2035 as shown in Table 12 below.

Table 12. Comparison of energy needs met by short-term existing contracts across different portfolios

	2030			2035		
	2022 IRP Preferred	Preferred Plan	Alternate Plan	2022 IRP Preferred	Preferred Plan	Alternate Plan
PCC 1	12%	11%	11%	12%	22%	11%
Hydro	22%	33%	33%	25%	13%	23%
Total	34%	44%	44%	37%	35%	33%

SVCE finds these assumptions to be reasonable given the total REC purchases amount to less than 20% in 2030 and 40% of in 2035 of its implied load share of the assumed 2026 renewable generation in the RESOLVE results. As discussed further in Section III.h below, the total utilization of the hydro fleet also was deemed reasonable. SVCE also discusses use of the existing fossil fleet for reliability purposes in Section III.f above. Taken in totality SVCE deemed the results reasonable given the organization has historically been able to procure more than 35% of its energy needs through the short-term market and more than 50% of its RA needs from existing fossil.

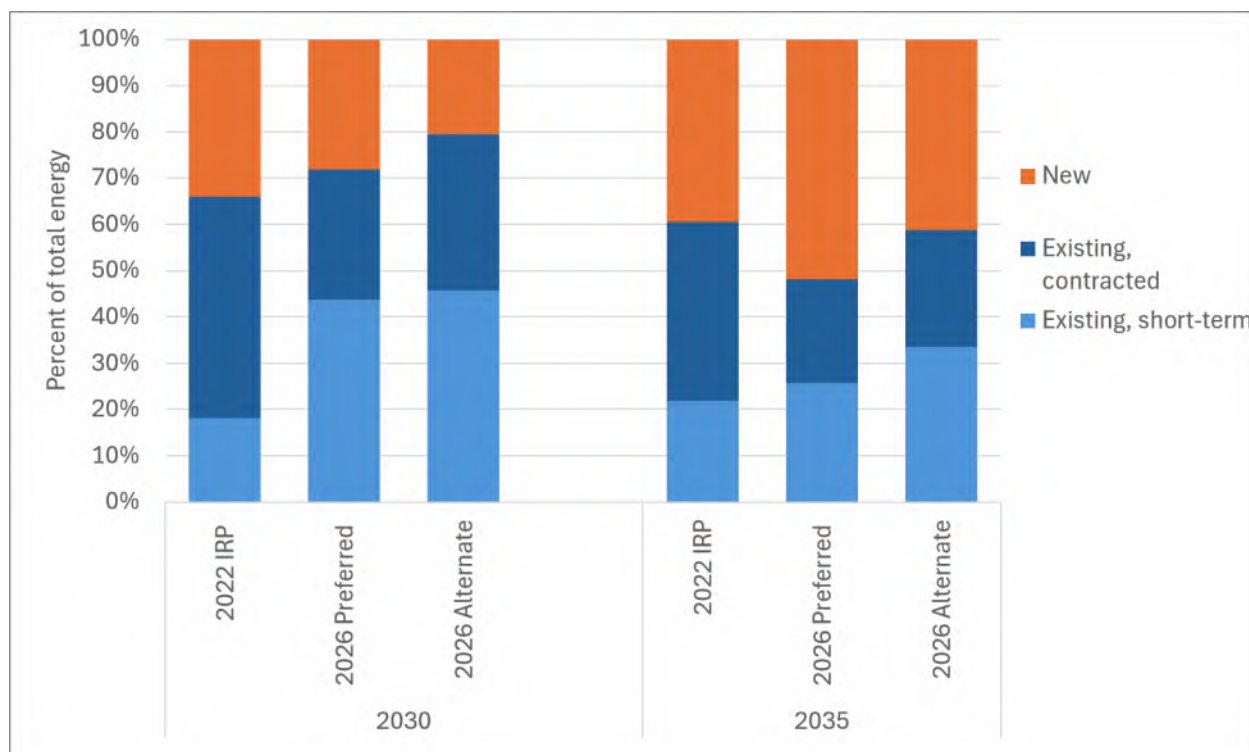


Figure 12. Comparison of contracted existing, short-term existing capacity to new capacity across portfolios

Per SB 846, SVCE ignores its allocation of the Diablo Canyon Power Plant in all years. As described in Section III.h below, this means SVCE is likely to utilize attributes guaranteed to it via SB 846 through at least 2030, reducing its reliance on other system resources and resulting in lower market purchases of GHG-free and PCC1 products.

h. Hydro Generation Risk Management

Historically, SVCE has relied heavily on a significant amount of purchases of GHG-free energy from hydro generators to maintain its Board approved goal of being carbon free on an annual basis. Since its 2022 IRP, SVCE has actively worked to reduce its reliance on short-term purchases of GHG-free energy through its growing portfolio of long-term contracts for renewable resources. This portfolio includes both geothermal resources that can deliver baseload generation and long-duration storage which can effectively utilize renewable energy during peak hours. Additionally, in adopting its current clean targets, staff highlighted the value of emphasizing RPS resources as a means of reducing long-term hydro reliance. SVCE's current board adopted target of 100% RPS by 2035 on a retail sales basis, means the organization will rely on hydro resources solely to cover line losses to meet its clean targets.

Currently, SVCE receives a significant portion of its hydro power from its allocation of PG&E's fleet. Staff monitors the snowpack and expected hydro conditions in California throughout the year and adjusts its forecast of expected allocations accordingly throughout the year and issues RFOs for additional GHG-free attributes to meet its clean goals as needed. For the purposes of this IRP, SVCE did not assume that PG&E would continue allocations past 2030, as SB100 becomes binding, and instead assumes market purchases of other in-state or Pacific Northwest Hydro past that point. In pursuing such contracts SVCE attempts to execute firm contracts to provide certainty on hydro deliveries from suppliers who will only sell specified quantities of resources versus a unit contingent contract that is subject to the vagaries of hydrological conditions. SVCE is able to mitigate its hydrological delivery risk by diversifying the regions from which it procures large hydro. In addition, SVCE is inserting language into contracts that specify that the supplier provide hydrological statistics (storage levels and acre/ft conversions) at certain times of the year for SVCE to better forecast future deliveries. For the portion of hydro supply provided from non-firm resources, SVCE will assess the variability of the resources under various precipitation and hydrological conditions and will rebalance its portfolio with firm carbon-free and/or RPS resources to meet its 100% carbon-free annual goal.

SVCE contracts for hydro resources through a mix of counterparties and for varying terms to manage risk associated with counterparty default on hydro resources. SVCE's goal is to secure a large portion of its large hydro needs under short-term contracts typically of a maximum of three- to five-year tenures; however, it continues to explore longer-term contracting for small hydro facilities.

Figure 13 compares the amount of hydro generation in each conforming portfolio against SVCE's load share allocation of the 2025 PSP hydro assumptions. Though the organization utilizes more than its implied load share allocation of the resource fleet, its share of energy needs met by hydro fall over time. This reliance on hydro is driven in part by the significantly higher load forecast used in this IRP cycle

relative to the prior IRP, which increases the amount of GHG-free energy needed to maintain the agency's clean goals and meet GHG emissions targets. In all scenarios, SVCE uses less than its historical reliance on hydro to meet its clean goals.

SVCE recognizes that imported hydro has risks around the changing hydrological conditions of the Western US, deliverability constraints during peak periods, and market competition. As such, SVCE is actively managing these risks through diversified procurement, deploying other clean firm resources when available, and hydrological monitoring. Additionally, in adopting its annual clean targets the Board allowed for some margin of error in instances where supply cannot be found or is deemed unreasonably costly to procure.

SVCE notes that as part of its 2026 IRP assumptions, it does not include any allocations from the Diablo Canyon Power Plant despite them being expected at least through 2030, per SB 846 (Dodd). Given the organization expects to receive both RA and GHG-free value from the plant, actual hydro needs in the near-term to meet its GHG-free goals are likely to be about 10% lower than shown in Figure 13 below for 2030. The 2035 results may differ significantly depending on whether the plant sees a further extension and upon the mechanism(s) for attribute allocations.

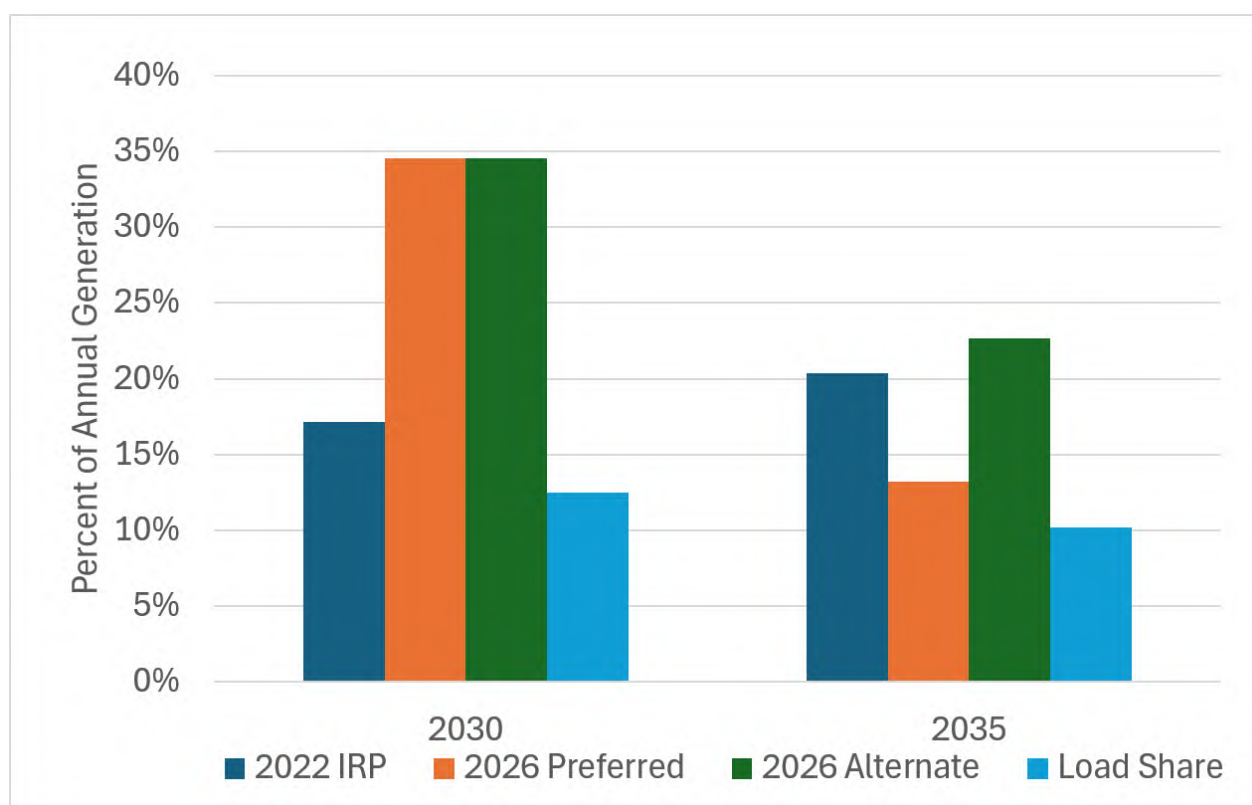


Figure 13. Comparison of hydro generation for 2022 and 2026 IRP portfolios and SVCE's load share allocation of the 2025 RESOLVE results

i. Long-Duration Storage Planning

SVCE included long-duration energy storage (LDES) as a candidate resource in the modeling exercise to develop conforming portfolios this cycle. Modest quantities of 12-hr LDES were selected by the model starting in 2035 and included in both portfolios. As noted in Section IV.a.ii below, SVCE has contracted long-duration storage to meet its requirements under D.21-06-035. Based on the results from recent solicitations and the order requirements SVCE also assumed LDES would satisfy a portion of the recent procurement order (D.26-02-057) and forced generic LDES into the portfolio prior to 2032.

In 2025 SVCE signed the Willow Rock Compressed Air Energy Storage project through its partnership with California Community Power (CC Power). The 500 MW facility is expected to come online in 2030. SVCE signed this contract in part in recognition of the value of supporting emerging technologies and increasing technological diversity on the system, especially non-lithium ion-based storage technologies.

SVCE continues to assess the value of long-duration storage as part of its portfolio planning process and included it as a candidate resource in its capacity expansion modeling. A primary benefit of LDES is its ability to be sited far more broadly than either geothermal or wind resources. If insufficient transmission capacity is made available for the wind and geothermal assumed in SVCE's portfolio, the agency may procure more LDES than shown in its preferred plan in order to meet its procurement needs.

SVCE's 2022 IRP did not include any long-duration storage beyond what was required to meet its obligations under D.21-06-035. Selection of LDES in the portfolio this cycle is likely driven not only by the significant increase in the forecasted load, but also due to use of the Slice of Day framework for its modeling efforts this cycle.

j. Clean Firm Power Planning

As part of its 2026 IRP planning efforts, SVCE included both geothermal and biomass as candidate resources. Despite the relatively high costs of the resources, the model consistently selected high levels of geothermal to meet its procurement needs due to its ability to reduce reliance on system power and provide RA.

SVCE's Preferred Conforming Portfolio selected 325 MW of additional geothermal by 2045, more than two-thirds of which come online after 2040. While this exceeds SVCE's implied share of the CPUC's RESOLVE results, only 101 MW¹⁰, SVCE has consistently seen value in clean, firm resources in its

¹⁰ While RESOLVE selected approximately 4 GW of geothermal by 2045, the CPUC's I&A allowed for more build, especially when including advanced geothermal resources. *2024 – 2026 Integrated Resource Planning (IRP) Inputs and Assumptions*. (2026). California Public Utilities Commission. https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2024-2026-irp-cycle-events-and-materials/2025_inputs_and_assumptions_report_20260210.pdf

portfolio and supports the State in developing the infrastructure to accommodate development of such technologies, including potentially reserving deliverability for geothermal projects in the transmission planning process (TPP).

Given the only “clean firm” resources provided to the model were geothermal and biomass, SVCE views their selection in the later years of the planning horizon as a proxy for generic clean firm resources. While the organization may use geothermal and biomass to meet these needs, SVCE also continues to monitor and explore the portfolio value emerging technologies may be able to provide going forward, as discussed further in Section IV.a.ii below.

SVCE currently satisfies approximately 18% of its energy needs with geothermal resources and has long recognized the diversity benefits of these clean firm resources. These geothermal resources will help SVCE meet its decarbonization and electrification goals by providing a 24x7 source of carbon-free energy, which can help reduce reliance on natural gas resources.

SVCE is a member of CC Power, a joint procurement agency comprised of nine CCAs. CC Power recently announced Geothermal Exploration, Offtake and Development Engagement (GEODE) agreements with three geothermal developers with innovative approaches to development targeted at unlocking scale-up of in-state geothermal capacity¹¹. CC Power sees these proactive relationships between off takers and industry as pivotal in overcoming the commercial and infrastructure challenges geothermal opportunities face. Additionally, as a joint procurement entity representing 30,000 GWh of collective annual load, CC Power is able to engage with a larger diversity of developers and opportunities with different risk profiles than what could be pursued by an individual load serving entity. While total geothermal capacity values in the Preferred and Alternate Conforming Portfolios represent modelled results, SVCE has mapped that capacity in its RDT to several potential GEODE agreements to help ensure the projects are prioritized in CAISO’s TPP. These projects are principally focused on development opportunities in Northern California to avoid import constraints.

Despite the high portfolio value of geothermal resources, SVCE has seen significant challenges with site development due to limited locations and costly transmission upgrades required. EGS may provide opportunities for geothermal development more broadly, but it remains an emerging technology with increased risks. SVCE will also continue to monitor the characteristics of EGS offerings, specifically whether facilities can provide dispatchability and flexibility akin to natural gas plants. Depending on contract structure, such facilities could provide a valuable energy hedge to the portfolio.

Following the issuance of the MTR order, SVCE has consistently sought geothermal resources through its solicitation processes, both on its own and through CC Power. SVCE has procured additional

¹¹ *CC Power Signs 3 GEODE Agreements to Incentivize California Geothermal Development*. (2026). Ccommunitypower.Org. <https://ccommunitypower.org/cc-power-signs-3-geode-agreements-to-incentivize-california-geothermal-development/>.

Geothermal since its 2022 IRP to meet this order. SVCE has seen significant increases in geothermal prices following the MTR order which the agency suspects is due to developer market power. Uncertainty around the actions of the CPE may also impact the market as some developers could be holding sites from the market in anticipation of a new order. Additionally, increased demand from large corporations, including technology companies seeking to power data centers, is impacting available supply. SVCE continues to view clean firm resources as a necessary component of a clean, reliable electricity system, but cautions the Commission on including similar resource carve-outs in future procurement orders due to the impact on affordability for customers.

SVCE's 2026 Preferred Conforming Portfolio selects significantly more geothermal than its 2022 plan, which ranged from 7 to 27 MW depending on the scenario. This is likely driven by the significant increase to the load forecast relative to 2022 as well as the expanded time horizon and lower allowable emissions in later forecast years.

k. Non-CAISO, including Out-of-State, Wind Planning

As with other resources selected in the PSP, SVCE modeled out-of-state wind (OOS wind) as a candidate resource for its 2026 IRP portfolios. In both conforming plans, OOS wind was selected. To ensure alignment with the IRP modeling assumptions, SVCE created candidate resources for Wyoming, New Mexico and Pacific Northwest wind. SVCE staff limited the wind build out based on observations from the market and review of the IRP inputs and assumptions. The Preferred Conforming Portfolio selected nearly 850 MW of wind, both in- and out-of-state by 2045. Of this, just over half, 448, was OOS wind. This is slightly less than SVCE's implied load share of the RESOLVE results. This does mean that SVCE assumes more than its load share allocation of in-state wind development but notes it may be viable given likely repowers on the system in the coming years. If SVCE cannot find sufficient in-state wind to meet its obligations, it may ultimately procure more out-of-state wind, if available, given the overall similar contributions to energy, emissions, and capacity. Across all model runs, SVCE consistently found OOS wind to be a beneficial resource for its portfolio due to its ability to offset evening emissions, provide reliability and contribute to annual clean targets at a relative discount to full firm clean resources such as geothermal.

SVCE has had bilateral discussions with developers for OOS wind resources, however transmission and cost continue to be a major barrier. Such opportunities are evaluated alongside others and are not penalized for being out-of-state as long as they can deliver to the CAISO. The viability of the project given the development stage of the transmission project and the ability to acquire import capacity rights is factored into the evaluation especially if the project is needed to meet specific procurement targets such as SB 350. SVCE discusses its evaluation of transmission availability more thoroughly in Section III.m below.

Given the substantial barriers to development of out of state wind, and the timelines associated with development of transmission, SVCE encourages the CPUC and CAISO to explore means to also enable development of the remaining wind sites within California, which may include reserving deliverability for

the technologies such as wind and geothermal that have site specific fuel requirements in the TPP. Additionally, SVCE urges the Commission to ensure that LSEs have proper incentives to repower existing California wind sites by ensuring they are given compliance value in the RCPPP. Despite potential barriers, given the potential cost effectiveness and diversity benefit of OOS wind to the CAISO system, SVCE supports the inclusion of OOS wind in the 2026-2027 IRP PSP as a means to help assess the pathway toward building sufficient transmission to allow these resources in the CAISO's TPP.

Since its 2022 IRP, SVCE signed 125 MW of the SunZia wind project located in New Mexico. This 3,650 MW project came online in May of 2026. The capacity of SunZia satisfies nearly all of the 130 MW selected by 2035 in SVCE's 2022 IRP. SVCE's 2026 IRP selects 448 MW of OOS wind in this year's Preferred Conforming Portfolio by 2045, incremental to the SunZia project. This shows a consistent pattern of wind being a desirable resource for the portfolio. The primary factor driving the overall increase in the portfolio is the load forecast, which is 68% higher in 2035 in this 2026 IRP than it was in 2022. SVCE continues to find that OOS wind is more desirable due to its higher capacity factor than in-state wind, but as noted above, recognizes long-term transmission development may meaningfully impact resource availability.

I. Offshore Wind Planning

In its 2026 modeling for the IRP SVCE included offshore wind as a candidate resource, utilizing the wind profiles provided by the CPUC in the RESOLVE and CSP tools. Because Ascend has no cost projections for offshore wind, SVCE developed costs by scaling the Ascend onshore wind costs in the ARS model based on the ratio of on and offshore wind costs provided in RESOLVE. The ARS capacity expansion tool did not select this resource in any of the scenarios modeled, likely due to its cost relative to out of state wind resources which provide many of the same attributes. This finding is consistent with SVCE's modeling efforts in its 2022 IRP. In addition to modeling results, SVCE staff also considers offshore wind in California to have significant development risk which makes it an unfavorable resource for the portfolio.

SVCE did consider the impact of offshore wind procurement by DWR on its portfolio as discussed in Section IV.a.x below. Should the Commission order offshore wind, it would likely have significant impact on LSEs actual procurement activities going forward. Given the risk of delay or failure of emerging technologies such as offshore wind, SVCE encourages the Commission to carefully consider how to ensure LSEs collectively balance ongoing procurement of both proven and emerging technologies to manage risks and help ensure affordability for California ratepayers.

m. Transmission Planning

Transmission needs for contracted resources

SVCE summarizes known transmission upgrades for its resources under contract in Table 13 below.

Table 13. Known transmission upgrades for SVCE contracted resources.

Project Name	Resource Type	Location	Queue Position	Station or Transmission Line	Interconnection Agreement?	Known Transmission Upgrades	Estimated Online Date
Aratina	Solar + Storage	Kern County, CA	1604				
San Luis West	Solar + Storage	Fresno County, CA	1389				
Fish Lake	Geothermal	Esmerelda County, NV					
Ormat Nevada	Geothermal	Various (CA & NV)					
Ormat Nevada - Dogwood	Geothermal	Imperial County, CA					
Ormat Nevada - Truckhaven Phase 1	Geothermal	Imperial County, CA					

Grace	Solar	Riverside, CA	1761	
Yellow Pine III	Storage	Clark County, NV	1654	
Garden Green	Solar + Storage	Santa Clara County, CA	2358	
Darden	Solar + Storage	Fresno, CA	1949	
Willow Rock	Compressed Air Energy Storage	Kern County, CA	1782	

SVCE has developed its 2026 Preferred Conforming Plan resource portfolio to ensure consistency with the transmission planning assumptions and framework established by the CPUC in its IRP proceeding and by the CAISO in its annual TPP.¹² Although the CPUC requirements identify the CAISO 2024-2025

¹² *2026 Narrative Template*. (2026, January 16). California Public Utilities Commission. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term->

Transmission Plan and the 2025-2026 TPP busbar mapping results as the most recent reference points, SVCE has elected to apply a more conservative benchmark by also evaluating consistency against the most recent CAISO 2025-2026 Transmission Plan¹³ and CPUC Recommended Base Case Portfolio for the 2026-2027 TPP, as reflected in the busbar mapping dashboard dated January 14, 2026.¹⁴ This forward-looking benchmark provides additional assurance that SVCE's portfolio remains consistent with the most current resource and transmission expectations.

Consistent with CPUC guidance, SVCE has reviewed and relied upon the following sources in developing this discussion:

- CAISO Transmission Capability Estimates White Paper, Version 2024 (August 2024)¹⁵
- CAISO 2025-2026 Transmission Plan (most recently approved Transmission Plan)¹⁶
- CPUC Assumptions for the 2026-2027 TPP – Final Modeling Assumptions Report and Final Busbar Mapping Results (February 2026)¹⁷
- CAISO Data Transparency Matrix and Points of Interconnection (POI) Heat Map¹⁸
- CAISO Transmission Development Forum materials¹⁹

procurement-plan-irp-ltpp/2024-2026-irp-cycle-events-and-materials/2026-narrative-template.docx
Transmission Planning Section, 2026 IRP Filing Requirements.

¹³*2025-2026 Transmission Plan*. (2026). California Independent System Operator.
<https://stakeholdercenter.caiso.com/InitiativeDocuments/Board-Approved-2025-2026-Transmission-Plan.pdf>.

¹⁴*Dashboard for the Busbar Mapping of the 2026-2027 TPP Base Case Portfolio*. California Public Utilities Commission. Retrieved July 16, 2026, from <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2024-2026-irp-cycle-events-and-materials/assumptions-for-the-2026-2027-tpp/final-full-dashboard-for-the-decision-26-27-bc.xlsx>

¹⁵*Transmission Capability Estimates for use in the CPUC's Resource Planning Process*. (2024). California Independent System Operator. <https://www.caiso.com/documents/transmission-capability-estimates-white-paper-2024.pdf>.

¹⁶*2025-2026 Transmission Plan*. (2026). California Independent System Operator.
<https://stakeholdercenter.caiso.com/InitiativeDocuments/Board-Approved-2025-2026-Transmission-Plan.pdf>.

¹⁷*Resource-to-Busbar Mapping & Other Modeling Assumptions for the 2026-2027 Transmission Planning Process*. (2026). California Public Utilities Commission. https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2024-2026-irp-cycle-events-and-materials/assumptions-for-the-2026-2027-tpp/report_redline.pdf.

¹⁸*Points of interconnection heatmap*. (2026). Caiso.Com. <https://www.caiso.com/poi-heatmap/>.

¹⁹Senate Bill 1174 requires the CPUC, CEC, and CAISO to assess and report on transmission system delays and constraints impacting clean energy development. To facilitate this, CAISO hosts biannual Transmission Development Forums to provide actionable, project-by-project status updates on approved transmission projects

- CPUC Transmission Project Review Process

Where information from these sources was not directly applicable to SVCE's Preferred Plan, the rationale is explained below. SVCE's 2026 IRP filing also builds on its prior 2022 IRP transmission discussion, which demonstrated consistency with the CAISO 2022-2023 TPP.

Transmission Needs for Planned Resources

SVCE's Preferred Conforming Portfolio, as reflected in the RDT and supporting data includes the new build resources between 2027 and 2045 as shown in Table 14 below.

Table 14. SVCE Planned Resource Build 2027 through 2045

Resource Type	Total New Build (MW)		Mapped CAISO Study Area
	Through 2036	Through 2045	
Solar – Northern CA	0	500	PG&E NGBA / GBA / Fresno/Kern
Solar – Southern CA	0	350	SCE Eastern / SCE Northern
In-state Wind – Northern CA	125	250	PG&E NGBA / GBA
In-state Wind – Southern CA	0	150	SCE Eastern / EOP
OOS Wind – Wyoming	35	47.5	via SCE interties
OOS Wind – New Mexico	350	360	via SCE interties
OOS Wind – Pacific NW	40	40	via PG&E NGBA intertie
Hybrid Solar+Storage – N. CA	0	380	PG&E NGBA / GBA / Fresno/Kern
Hybrid Solar+Storage – S. CA	140	430	SCE Eastern / SCE Northern
Geothermal	102 (77 by 2035)	325	PG&E NGBA, SCE Eastern, SCE NOL
Storage (4h)	0	10	Multiple
Storage (8h)	20	20	Multiple
Storage (12h)	70	95	Multiple

The portfolio is deployed gradually beginning in the early 2030s, with material additions of solar, in state and OOS wind, geothermal, and storage resources continuing through 2045. Aggregate quantities are

and network upgrades. *California ISO transmission development forum*. (2025). Caiso.Com.
<https://stakeholdercenter.caiso.com/recurringstakeholderprocesses/transmission-development-forum>.

modest relative to the multi-gigawatt system-wide resource additions reflected in the 2026-2027 TPP base case portfolio and generally require less than SVCE's implied load share of the TPP assumptions except as noted below.²⁰

Given SVCE cannot predict the site locations offered in its future RFOs, it has no strong preferences for generic (uncontracted) resource location and followed the PSP distribution of solar/storage hybrid, Northern California wind, OOS wind, and most geothermal resources. For the CC Power geothermal projects (see below), SVCE has specified zonal locations in the RDT that reflect the projects' known interconnection points and requests these not be relocated by staff during busbar mapping. This spreads resources in many transmission zones throughout California and CAISO border. For resources with CODs after December 31, 2029, SVCE does not specify a location, with the exception of some geothermal resources noted below. However, SVCE uses multiple sources of information on transmission upgrades, interconnection, and resource planning. For instance, the Northern California wind is a proxy for generic wind resources in Northern California, Solano, and the Carrizo area.

For planned resources, SVCE evaluated transmission deliverability using three layers of information: (i) the CAISO Transmission Capability Estimates published in August 2024,²¹ which identify FCDS and EODS capability and known upgrade pathways across CAISO study areas; (ii) the busbar mapping results of the CPUC Recommended Base Case Portfolio for the 2026-2027 TPP,²² which inventory expected resource development across each CAISO study area; and (iii) the CAISO Data Transparency Matrix and POI Heat Map²³, which provide visibility into substation-level interconnection capacity.

SVCE's in-state solar and wind procurements are mapped to PG&E NGBA, PG&E Greater Bay, PG&E Fresno, PG&E Kern, SCE Eastern, and SCE Northern study areas. Comparison against the 2026-2027 TPP base case mapping confirms that:

²⁰ 2026-2027 Transmission Planning Process Draft Transmission Plan. (2026). California Independent System Operator. <https://stakeholdercenter.caiso.com/InitiativeDocuments/Presentation-2026-2027-Transmission-Planning-Process-Feb-24-2026.pdf>.

²¹ Transmission Capability Estimates for use in the CPUC's Resource Planning Process. (2024). California Independent System Operator. <https://www.caiso.com/documents/transmission-capability-estimates-white-paper-2024.pdf>.

²² 2026-2027 Transmission Planning Process (TPP) Proposed Decision Modeling & Analysis. (2026). California Public Utilities Commission. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2024-2026-irp-cycle-events-and-materials/assumptions-for-the-2026-2027-tpp/26-27-tpp-pd-resolve-and-servm-analysis.pdf>.

²³ Points of interconnection heatmap. (2026). Caiso.Com. <https://www.caiso.com/poi-heatmap/>.

- SVCE's Northern California solar and wind volumes fall well within the FCDS/EODS capacity envelopes assumed in the 2026-2027 TPP base case for PG&E NGBA, GBA, Fresno and Kern study areas.
- SVCE's Southern California solar and hybrid resources are aligned with the substantial solar buildout in SCE Eastern and SCE Northern areas assumed in the 2026-2027 TPP, and benefit from upgrades already under construction or approved by the CAISO Board through prior TPP cycles.
- Storage resources (4-hour, 8-hour, and 12-hour) are assumed to be co-located or sited at substations with sufficient interconnection capability identified through the POI heat map.

While SVCE's planned solar and storage build fall well within its implied share of the 2026-2027 TPP base case assumptions, the SVCE Preferred Conforming Plan includes more than its implied share of the expected in-state wind capacity in the TPP portfolio. In its 2021-2022 Transmission Plan, the CAISO approved a new 500/230 kV substation (Collinsville) in the solano county creating access to wind resources.²⁴ The Collinsville project is expected to be highly effective in addressing several deliverability constraints to facilitate full capacity deliverability of the Solano area wind generation. The Commission's Modeling Assumptions also confirm this for the CAISO 2026-2027 TPP. Therefore, the base portfolio provided by the Commission for the CAISO 2026-2027 TPP assume 780 MW and 244 MW of wind resources in the PG&E North of Greater Bay Study and PG&E Greater Bay Study Area zones, respectively, adding to more than 1,000 MW in Northern California by 2036, as they can likely be accommodated on the existing and approved CAISO transmission.²⁵ Given this information, SVCE assumes that its procurement of Northern California wind resources in 2030-2036 is not expected to trigger any transmission delivery network upgrades (DNU). Furthermore, SVCE also estimates that approximately 4 GW of in state wind resources on the CPUC baseline resource list are likely to reach end of life and require repowering by 2045. Such resources, if eligible for IRP procurement mandates, may satisfy a portion of SVCE's going forward in-state wind needs. As noted above in Section III.k, SVCE encourages the state to consider means to ensure development of in-state wind and geothermal resources, including potentially holding deliverability for location limited resources in the CAISO TPP process.

SVCE's planned procurement of 102 MW and 325 MW of geothermal by 2036 and 2045, respectively aligns with 5,105 MW of CAISO-wide procurement assumed in the 2026-2027 TPP portfolios.²⁶ Table 15 shows

²⁴ *ISO Board Approved 2021-2022 Transmission Plan*. (2021). California Independent System Operator. <https://stakeholdercenter.caiso.com/InitiativeDocuments/ISOBoardApproved-2021-2022TransmissionPlan.pdf>. Page 6.

²⁵ *Compact dashboard for the PD 26-27 TPP base case*. California Public Utilities Commission. Retrieved July 10, 2026, from <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltp/2024-2026-irp-cycle-events-and-materials/assumptions-for-the-2026-2027-tpp/compact-dashboard-for-the-pd-26-27-tpp-base-case.xlsx>. Summary by CAISO Zone tab

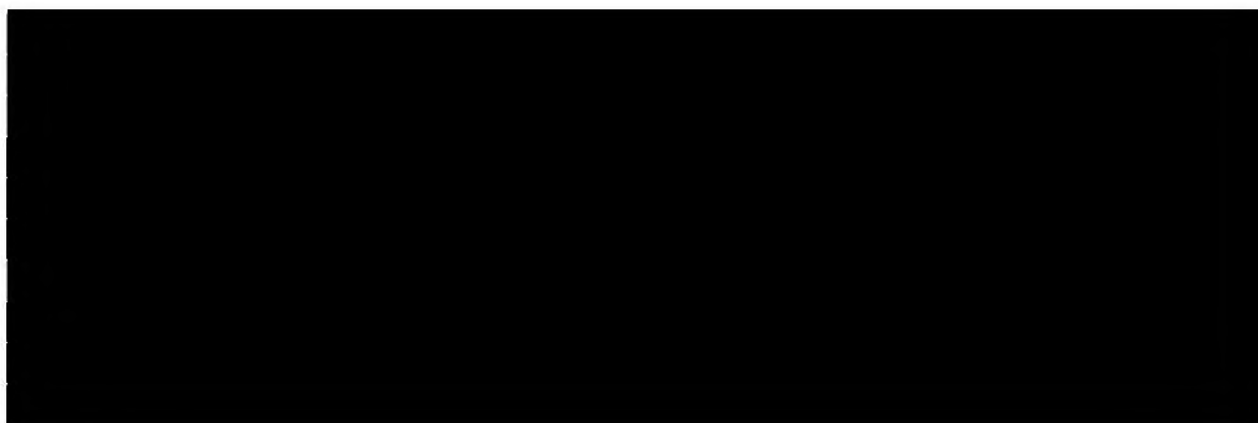
²⁶ *Ibid*.

a comparison of assumed geothermal resources in Base Portfolio assumed in the 2026-2027 TPP versus in the 2025-2026 TPP.

Table 15. A Comparison of Assumed Geothermal Resources in Base Portfolio: 2026-2027 TPP vs. 2025-2026 TPP

CAISO Study Area	2026-2027 TPP	2025-2026 TPP
PG&E North of Greater Bay Study Area	3,065	123
PG&E Greater Bay Study Area	29	-
PG&E Fresno Study Area	265	-
SCE Metro Study Area	-	389
SCE North of Lugo (NOL) Study Area	303	10
East of Pisgah Study Area	908	517
SCE Eastern Study Area	7	500
SDG&E Study Area	529	100
Total (MW)	5,105	1,639

Given the higher level of geothermal resources assumed in the 2026-2027 TPP Base portfolio relative to the 2025-2026 TPP Base portfolio, SVCE expects additional policy-driven transmission triggered in the 2026-2027 TPP than those identified in the CAISO 2025-2026 Transmission Plan. For example, the Collinsville-Tesla 500 kV Line constraint in the PG&E North of Greater Bay Area was exceeded by the mapped 2035 portfolio in the 25-26 TPP. The full TPP analysis is necessary to confirm if the White Paper upgrade is the optimal solution or if a potentially different solution is applicable. However, the CAISO Transmission capability estimates for CPUC's resource planning process indicate that the existing CAISO transmission has adequate buffer to accommodate a significant portion of this geothermal portfolio. As noted in Section III.j above, SVCE views the geothermal capacity in the later years of the portfolio as a proxy for firm, clean resources, meaning that ultimately a portion of this need may be satisfied by emerging technologies, such as carbon capture and storage, in the future.



SVCE's Preferred Plan includes approximately 447.5 MW of out-of-state wind (Wyoming, New Mexico, and Pacific Northwest), modeled as delivered to the CAISO border via existing interties. The 2026-2027 TPP base case includes substantial volumes of out-of-state wind delivered into PG&E GBA, SCE Metro, SCE Eastern, and East of Pisgah study areas,²⁷ indicating that the planning framework anticipates MIC expansions and/or transmission upgrades to support these imports. SVCE's quantities are a subset of the modeled OOS wind buildout and are expected to be accommodated within the MIC expansion and intertie upgrades being studied through the CAISO TPP.

A portion of SVCE's procurement of the OOS wind procurement can be accommodated within the CAISO-wide procurement of these resources as described below.

- New Mexico wind accessed via SunZia Transmission Project: CAISO has secured deliverability (MIC) of 2,131 MW thru Palo Verde.²⁸ SVCE understands that Sunzia will deliver the power to the CAISO grid at Palo Verde, and CAISO has approved in-CAISO transmission upgrades to ensure deliverability of 2,131 MW between Palo Verde and the CAISO load centers.
- Wyoming wind accessed via Transwest Express Transmission Project: 1.5 GW of the 3 GW HVDC line from Aeolus to IPP is allocated to CAISO, delivered via a second 1.5 GW HVAC line from IPP to Harry Allen. 900 MW of wind resource at Aeolus is under development with an estimated COD by 2030.²⁹
- Pacific Northwest Wind is accessed via existing transmission.

SVCE's planned New Mexico wind resources beyond those that can be accessed via SunZia Transmission Project are assumed to be delivered on new transmission. The CAISO is currently investigating transmission solution options for integrating these additional New Mexico wind resources.³⁰ SVCE's selected wind in New Mexico would necessitate use of roughly double its implied load share of the TPP resource allotment by 2041. If other LSEs plans report similar levels of New Mexico wind resources additional transmission capacity may be necessary to study. SVCE model results generally found New Mexico wind to have significant value, suggesting that even with additional transmission costs they may still be a cost-effective resource for California. Ultimately SVCE may consider alternative

²⁷ *Ibid.*

²⁸ *Proposed Updates to the Busbar Mapping Methodology*. (2026). California Public Utilities Commission. https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltp/2024-2026-irp-cycle-events-and-materials/assumptions-for-the-2027-2028-tpp/mag-webinar_final_slides_20260616.pdf.

Page 21

²⁹ *Ibid.*

³⁰ Board Approved 2025-2026 Transmission Plan Appendix F Policy Assessment. (2026). Retrieved July 21, 2026, from <https://stakeholdercenter.caiso.com/InitiativeDocuments/Board-Approved-2025-2026-Transmission-Plan-Appendix-F-Policy.pdf>. See Section F.16. *Exploring options for integration of out-of-state wind resources* pp.203-205.

resources for procurement if no viable wind projects are offered to the organization through RFOs or bilateral negotiations.

Relatively small quantities of geothermal resources from Nevada and New Mexico are assumed to be imported via existing transmission, with the SVCE MIC delivered to PG&E NGBA and SCE Eastern areas, respectively.

Consistent with the CPUC's principle of maximizing utilization of existing transmission capability, SVCE has prioritized locations where existing FCDS or EODS capacity is available, or where upgrades are already under construction or CAISO board approved. To SVCE's knowledge, SVCE's Preferred Plan does not include resources that would require entirely new, unstudied transmission corridors that have not been previously evaluated in the CAISO TPP.

Consistent with the CPUC busbar mapping methodology, which incorporates LSE scoring of CAISO interconnection queue projects as a commercial interest signal, SVCE has reviewed the active interconnection queue projects in the study areas where its planned resources are located. SVCE's scoring of interconnection projects was informed by:

- Whether the project corresponds to a resource type SVCE intends to procure,
- The project's interconnection study status (e.g., Phase I/Phase II completion, IA execution),
- The project's location relative to areas with available FCDS or EODS capability, and
- The project's expected commercial operation date relative to SVCE's procurement timeline.

SVCE has reviewed active CAISO interconnection queue projects in the study areas where its planned resources are located, considering project status, COD, location, and resource type. SVCE's commercial procurement strategy has been informed by these factors. SVCE's scoring results were incorporated into its commercial procurement strategy and reflected in the RDT to the extent applicable.

SVCE's 2026 Preferred Plan is necessarily materially different from its 2022 plan given the CPUC has increased the agency's 2035 load forecast by 68%. However, like its 2022 plan, SVCE has endeavored to ensure there are reasonable pathways to map its selected resource portfolio to the 2025-2026 and 2026-2027 TPP base case portfolios. As with past IRPs, SVCE reiterates that ultimately the resources procured to meet the portfolio needs will be dependent on market offers received through RFPs and bilateral negotiations. Where SVCE has refined its resource locations relative to prior filings, the refinements reflect (i) updates to SVCE's commercial procurement activity (notably the CC Power geothermal contracts), and (ii) the most recent transmission capability information published by CAISO.

In summary, SVCE's Preferred Conforming Plan resource portfolio is consistent with the CPUC IRP base transmission planning framework and with the CAISO 2024-2025 and 2025-2026 Transmission Plans and using a more conservative benchmark of the 2026-2027 TPP Recommended Base Case Portfolio busbar

mapping results.³¹ SVCE's contracted and planned resources are sited within transmission capability envelopes that have been studied or are being studied through the CAISO TPP. The CC Power geothermal projects represent investment-grade information appropriate for CAISO transmission planning purposes; all other resources are appropriately treated as flexible for staff mapping and modeling. SVCE will continue to monitor and update its transmission deliverability analysis as new CAISO and CPUC materials become available. Further, consistent with CAISO's TPP, SVCE supports the consideration of advanced reconductoring and other grid enhancing technology where they can cost-effectively improve deliverability, reduce congestion, and leverage existing transmission infrastructure.

IV. Action Plan

a. Proposed Procurement Activities and Potential Barriers

As a community-driven LSE, SVCE works with its governing board to set policy, strategies, and directives. In addition to establishing clean energy targets in 2024, in 2018 SVCE's board approved a Decarbonization Roadmap³² which set a path for achieving economy-wide decarbonization goals. SVCE's decarbonization approach consists of four central tenets that are all necessary to achieving deep decarbonization: procure and maintain a sustainable, affordable and carbon-free power supply; electrify the built environment; electrify mobility; and promote energy efficiency and successful grid integration. SVCE staff is actively reviewing and updating this Decarbonization Roadmap and expects to take the 2026 update to the Board by the end of the year.

At the outset of this Action Plan, SVCE also reiterates that both of its conforming plans rely on an aggressive load forecast which may not come to fruition. SVCE's internal load forecasting team is closely monitoring both electrification and data center developments in its service territory to ensure it is able to meet its customers' needs in a cost-effective manner. If the assigned load forecast in this IRP does not materialize, SVCE's actual necessary procurement activities may differ significantly from its Preferred Conforming Portfolio. Relatedly, enforcement of this, or future IRP plans, may have significant costs and risks for SVCE's customers.

As in past cycles, SVCE continues to view the CPUC's "order by order" based approach to procurement as detrimental to the implementation of LSEs IRP plans. Each order establishes strict timelines and new resource accounting methods that fundamentally alter viable procurement decisions for LSEs. As such

³¹ *Ibid.*

³² *Decarbonization Strategy Programs & Roadmap*. (2018). Silicon Valley Clean Energy. <https://www.svcleanenergy.org/wp-content/uploads/2019/03/Decarbonization-Strategy-Programs-Roadmap-Dec-2018.pdf>.

any future CPUC procurement orders may meaningfully alter SVCE's procurement activities. SVCE strongly encourages the CPUC to act expeditiously to finalize the RCPPP to ensure LSE IRP plans can be made as accurate as possible going forward. This is discussed in further detail in Section V below.

As SVCE's efforts to help the local community decarbonize continue to expand and scale, it hopes to drive non-linear increases in DERs, EVs, all-electric buildings, and customer literacy on Time of Use (TOU) rates. These changes will significantly impact not only the load, but also the load shape over time, resulting in changes to both our RA needs and hourly emissions. SVCE's decarbonization approach prioritizes innovation and experimentation. This approach, and the continuously evolving nature of the regulatory and planning space, necessarily results in some degree of uncertainty of the impact and timing of its efforts. SVCE will continue to monitor and forecast the impacts of its decarbonization approach and its impact on SVCE's supply side needs, but views flexibility in planning going forward as necessary to best serve its customers.

SVCE will continue to monitor its procurement needs and the marketplace to assess when to time new solicitations. While SVCE may indicate preferred resource types in such solicitations SVCE generally reviews offers from any clean generator or storage resource and expects to continue to do so. SVCE expects to issue one to three Requests for Offers (RFOs) for long-term projects each year going forward. Staff will evaluate all offers based on the best fit for the portfolio given its open position, outlook and compliance obligations at that time. SVCE discusses financial and viability considerations for specific resource types in the sections below.

i. [Resources to meet IRP mandated procurement requirements, including D.21-06-035 and D.23-02-040:](#)

SVCE has included all resources contracted as of April 1, 2026 in its IRP portfolio, including those being used to meet its obligations under D.21-06-035 and D.23-02-040. As described in its bi-annual remediation plans submitted to the CPUC, the agency has worked diligently to address project delays and cancellations when they have occurred. Should any additional projects intended for IRP compliance have similar issues going forward, SVCE will work to address such problems with the developers and will keep the CPUC and its staff informed of the status of the project.

As described in Section III.a.i, SVCE also included generic resources in its portfolio which it views as a proxy for its obligations under D.26-02-057. SVCE included a mix of geothermal, LDES and hybrid resources based largely on the results of its first RFO intended to meet this order which was closed on March 4, 2026. SVCE expects to issue one to three RFOs for new long-term contracts each year on a forward-looking basis to address both the needs of the recent procurement order and any future orders along with procurement needs as established in the RCPPP.

ii. Plans for resources that are currently non-candidate in CPUC's IRPs not described above

SVCE did not model candidate resources beyond those assumed in the CPUC's candidate resource pool given both timing constraints and a desire to align with the CPUC's inputs and assumptions.

SVCE encourages offers of emerging technologies into its RFOs for long-term resources. In its first long-term RFO in 2026 SVCE expressed a preference for certain technologies including bioenergy carbon capture, advanced nuclear, linear generators, other clean internal combustion engine technologies and non-lithium-ion battery technologies.

SVCE has historically been willing to explore and contract with developers of emerging technologies as evidenced by its contracting of the Willow Rock CAES facility and Tumbleweed LDES, the first operational eight-hour lithium-ion battery project in California. Given many of these technologies may carry more development risk than more standard renewable technologies, SVCE has found benefits in its membership in CC Power, a joint powers authority which has enabled its 10 CCA members to do joint procurement, particularly for emerging technologies.

iii. Other renewable and/or zero carbon resources not described above

As discussed in Section III.j above, SVCE views the inclusion of significant quantities of geothermal in its Preferred Conforming Portfolio as a proxy for clean, firm capacity more broadly and may ultimately procure such resources to meet the needs of its portfolio in lieu of only geothermal. While the timing for this IRP cycle did not allow for SVCE to model additional resource types beyond the candidate resources provided by the CPUC, the SVCE planning team intends to further explore the value proposition of emerging technologies, such as carbon capture and storage and small modular reactors, for its portfolio in more detail in 2027.

iv. Other energy storage not described above

As noted in the response to Section IV.a.v above, SVCE did not allow any candidate resources beyond those in the IRP modeling tools. SVCE's procurement team continues to assess offers and opportunities as they are presented. In particular, SVCE sees potential diversification value from procuring nonlithium-based batteries in the future, such as its Willow Rock CAES storage project, and will continue to explore the potential of such technologies.

v. Other demand response not described above

Ensuring system-wide affordability and reliability is of particular importance to SVCE. For this reason, SVCE has several initiatives underway to shape demand that are part of its broader demand flexibility and demand response strategy. New, flexible end-use loads, including EVs, BTM batteries, heat pumps, and smart controls have introduced new challenges, but also opportunities for SVCE to help shape demand in ways that could benefit our customers and SVCE's operations.

SVCE is currently evaluating the potential costs and benefits of numerous demand response initiatives, and the market mechanisms that will allow SVCE to transact for their value. These potential programs include battery storage, C&I demand response, as well as new rate structures. SVCE is actively exploring the possibility of becoming a CAISO Demand Response Provider, by developing a market-integrated DR program for C&I customers.

SVCE views the primary opportunities in demand shaping as being in load-modifying programs that shift load every day, and market-integrated demand response programs that can generate RA and energy revenue. SVCE views load modifying programs as a best-fit option for daily load shaping, but also as a solution when market barriers limit or prohibit their use as a proxy demand resource. Conversely, event-based demand response may also provide customers with the opportunity to reduce demand charges, while also generating qualified RA.

SVCE considers its portfolio of demand response activities to include demand flexibility and efforts to test dynamic rates. Per the CPUC's definition, dynamic rates are a type of demand response.³³ In response to Load Management Standards regulations set at the California Energy Commission (CEC) in 2023, SVCE began developing a strategy for offering its customers the option to either enroll in a program or rate that is tied to an hourly real time price. Since then, SVCE has partnered with PG&E to offer customers the option to enroll in a dynamic rate pilot. As part of this pilot, SVCE hopes to learn how its customers respond to dynamic rates and whether dynamic rates are better suited to certain types of customer classes over others. Mid-term evaluation data on pilot results will be available in the Summer of 2026, with final evaluation data available Spring of 2028. This data will inform aspects of SVCE's demand response and broader load shifting strategy.

This work layers on top of pilots and programs SVCE has already tested in previous years, such as the GridShift: EV Charging app (1,500+ EVs enrolled in a managed charging app, including a cohort testing hourly price signal response), Lights On Silicon Valley (a partnership with Sunrun to aggregate local behind-the-meter batteries to provide daily load shaping for SVCE), and an E-ELEC pilot (an SVCE-specific time-of-use rate built on E-ELEC that had a higher peak price signal and a 30% lower off-peak price signal for generation). These programs have led to some load shifts and customer savings, but have not led to major, countable adjustments to SVCE's load shape to date. However, the learnings thus far have been pivotal in understanding the potential and barriers to widespread demand flexibility that influence SVCE's current strategy.

Because SVCE's active demand response programs and rates are in development or pilot stage, SVCE did not explicitly include any expected change to its load shape when modeling the IRP portfolio or in developing its CSP. SVCE will continue to explore what programs and rate structures best balance the

³³ *Guiding Principles for Demand Response in California. (2025). California Public Utilities Commission.*
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M582/K074/582074542.PDF>, Page 3.

value of load shaping against program costs and expects to use these findings to inform its next Load Management Standards plan due to the CEC in 2027.

vi. Other energy efficiency not described above

Energy efficiency is an essential part of SVCE's four tenets to decarbonization, providing real customer value as well as emissions reductions. At a high level, SVCE has long envisioned its role in energy efficiency as being additional to the role that the IOU, Regional Energy Network (REN), and CCA energy efficiency administrators already play. SVCE has therefore focused most programmatic offerings on electrification or decarbonization initiatives since they have historically played a relatively small part of the statewide energy efficiency portfolio. At the same time, SVCE also encourages customers to leverage all PG&E, REN, or state programs that are available via active outreach to customer and resource links on SVCE's website.

One of the benefits of SVCE's self-funded programs is that they do not operate in competition with the ratepayer funded PG&E programs. SVCE's electrification and decarbonization programs are very closely related to traditional energy efficiency programs, although SVCE's programs can be assessed outside of the broader energy efficiency portfolio given SVCE's mission statement.

SVCE delivers both residential and non-residential programs, including a C&I Decarbonization Program, a small/medium business heat pump program, and a number of programs for residential customers designed to support a shift away from natural gas appliances and equipment, in favor of high efficiency electric equivalents.³⁴ Some of these programs also provide incentives for switching from inefficient electric equipment to high efficiency electric alternatives.

While SVCE does not currently expect to apply to administer dedicated energy efficiency programs, SVCE continues to advance energy efficiency with existing decarbonization programs, and through coordination with BayREN and PG&E.

vii. Other distributed generation not described above

As mentioned in Section IV.a. above, SVCE's VPP strategy involves developing programs to enroll and control behind-the-meter distributed generation resources. SVCE has contracted with a Distributed Energy Resources Management System (DERMS) software company to provide infrastructure technology services to support load modification or flexibility operations for program designs (e.g. battery storage, C&I demand response), and to engage flexibility service providers.

Additionally, SVCE supports the development of distributed generation projects directly in its service territory through its Community Grants Program. Since inception, SVCE has awarded grants to 9 member agencies for solar photovoltaic plus battery, and battery only projects. These grants help SVCE's

³⁴ *Appliance Marketplace*. (2026). Svccleanenergy.Org. <https://ehub.svccleanenergy.org/products>.

member agencies identify, prioritize, and implement resilient energy strategies by contributing a portion of the total project's costs.

Table 16. SVCE solar + battery, and battery only community resiliency projects

Jurisdiction	Project Type	Location
Los Altos Hills	Battery to existing solar	Town Hall
Morgan Hill	Battery to existing solar	Recreation Center
Los Gatos	Battery to existing solar	Library
Mountain View	Battery to existing solar	Community Center
Milpitas (Project 2 of 2)	Solar + battery	Community Center
Unincorporated Santa Clara County	Solar + battery	South County Fire Station
Milpitas (Project 1 of 2)	Solar + battery	Senior Center
Sunnyvale	Solar + battery	City Hall
Los Altos	Solar + battery	Community Center
Monte Sereno	Solar + battery	City Hall
Sunnyvale	Solar + battery	Fire Station

Beyond the Community Grants Program, in SVCE's territory, approximately 15% of SVCE's customers generate solar. Almost all of these solar customers are residential customers who installed solar under Net Energy Metering tariff NEM1 and NEM2. Approximately 12,000 customers are under NEM1, 27,000 customers under NEM2, and 4,000 are under Net Billing Tariff (NBT). Since the transition to NBT, there has been an 83% decrease in new NEM customer applications year over year, suggesting the IEPR forecast for the IRP for BTM PV may be too aggressive.

SVCE's solar rate structures (NEM, NEM 2.0 and NBT) and Net Surplus Compensation currently mirror the IOU's. SVCE offers a more attractive net surplus compensation rate (2.5X) for CARE/FERA customers who generate an annual surplus. SVCE continues to actively promote pairing of battery storage with solar, and to the extent possible, solutions that enable alignment of BE loads with solar production.

An essential part of identifying solutions is modeling the monetary value of BTM storage for SVCE and customers. At the start of 2026, SVCE, in partnership with our DERMS provider, conducted a thorough Net Economics Solar and Storage Analysis of the value of BTM storage to SVCE and end customers across dozens of residential scenarios. The scenarios included 8760 load profiles of customers with and without solar and storage, different NEM tariffs, and various charging and discharging patterns based on market price signals. The monetary value to SVCE was inclusive of energy, capacity, GHG, and other attribute costs SVCE considers when procuring power, as well as costs offset by a VPP program.

SVCE found that from a customer's bill savings perspective, installing solar and storage under NBT is likely the best scenario due to reduced generation and delivery charges. However, the value to SVCE is not as straightforward. Current market and regulatory dynamics introduce challenges that prevent SVCE

from accessing the full benefits of BTM storage. These dynamics include inability to access the grid's distribution benefits and inability to be compensated for energy exported for market-integrated resources. Although SVCE found that the benefits of developing an upfront storage incentive program currently do not outweigh the costs, SVCE looks to innovate pathways to decarbonization and will continue to research and advocate for solutions that support distributed generation. Part of the advocacy effort includes advocating for proxy demand response (PDR) battery resources to receive credits for exports as part of the changes the CAISO is considering in the Demand and Distributed Energy Market Integration (DDEMI) stakeholder initiative. Concurrently, in the CPUC's RA proceeding, SVCE, through its trade association, has advocated for the CPUC to develop a qualifying capacity (QC) methodology for PDRs capable of exports. Receiving the full RA program and energy market value of BTM storage is essential to fully unlocking the cost and reliability benefits of distributed generation and storage. Both for SVCE to be able to offer incentives at a level commensurate with the true value of these assets to the grid, and to ensure that end customers are getting the most value possible from their investments.

viii. [Transportation electrification, including any investments that correspond to different levels than what is included in Integrated Energy Policy Report \(IEPR\)](#)

Emissions from transportation comprise the largest source of GHG emissions in SVCE's territory, and SVCE has created programs to tackle some of the hardest challenges in this sector. SVCE's transportation electrification focus continues to be on scaling accessible EV charging infrastructure to support rapid and widespread adoption of EVs. Silicon Valley already has some of the highest EV penetration in the state, and SVCE expects to see this trend continue. However, given the number of early adopters and recent federal policy changes, SVCE views the likely growth of EV demand in the territory to be closer to 39% over the next decade versus the IEPR's 56% assumption.

SVCE has a portfolio of transportation electrification programs to accelerate EV adoption and EV charging deployment. To date, these programs have incentivized the installation of over 700 EV charging ports, 68% of which are installed in multifamily housing. In 2020, SVCE partnered with four other LSEs across San Mateo and Santa Clara Counties on the California Electric Vehicle Infrastructure Project (CALeVIP 1.0), which is a regional deployment of a statewide program co-funded by the CEC. The CEC and SVCE each contributed \$6M, for a total of \$12M to incentivize new EV charging installed in SVCE territory in the 2020-2026 timeframe.

SVCE funds several of its own programs to address EV adoption barriers for multifamily property tenants, who adopt EVs at disproportionately lower rates than single-family property residents with home charging access. Since 2022, SVCE's Multifamily EV Charging Incentive Program has provided rebates for Level 1 and Level 2 Electric Vehicle Supply Equipment (EVSE) and allows charging equipment to be installed in both shared and assigned parking spaces, addressing the needs of a wider range of property types. SVCE has also provided no-cost technical assistance to multifamily property managers to demystify the charging installation process, including customized site plans and contractor bidding support. For deed-restricted affordable housing properties, which often lack funding for capital improvements, SVCE's Multifamily Retrofits program provides no cost direct installation services to fully

electrify properties and add EV charging for residents and staff. From 2022-2024, SVCE also ran a pilot program, Priority Zone DC Fast Charging, which provided incentives for three fast-charging stations near dense multifamily neighborhoods, recognizing that convenient and reliable fast charging is also an important solution for renters with EVs. Most recently, in 2025 SVCE funded three Innovation Onramp pilots to test solutions to reduce charging costs at multifamily properties through virtual submetering and a novel direct-to-meter wiring device.

To help address high upfront cost barriers to EVs, SVCE launched an income-qualified EV Rebate Program available at the point of sale at participating dealerships or post-purchase. Since late 2024, this program has helped more than 400 eligible customers with their EV purchase or lease. SVCE recognizes the importance of educating customers about the benefits of electrification, and partners with community-based organizations to offer EV education opportunities via webinars, EV discount campaigns, and in-person EV Ride & Drive events.

SVCE also partners closely with member agencies to support smart policy and strategic decarbonization projects. In 2022, SVCE and its member agencies renewed efforts to adopt local building codes that would exceed the state code in promoting decarbonization benefits. These Reach Codes included requirements for installing EV charging access to reach 100% of multifamily resident parking spaces in new construction, which was later incorporated into the 2025 state code. SVCE provides no-cost technical assistance for fleet electrification planning to 15 public fleets in the territory, as well as multiple rounds of municipal and community decarbonization grants to help fund the implementation of these plans.

Despite the rollback of federal support and funding for transportation electrification, SVCE remains committed to advancing programs and policies that further state and local EV adoption goals. SVCE's programming seeks to fill gaps and remove barriers to ensure that all customers have access to clean transportation options. In the coming year, SVCE plans to expand the EV Charging Incentive Program to workplaces and public sites and launch an income-qualified e-bike voucher program to promote alternative e-mobility solutions.

A challenge SVCE continues to see affecting transportation electrification is with energization timelines and permitting processes that drive up project costs, delay EV charger installations, and ultimately limit the state's ability to meet its economy wide GHG goals. As mentioned below, SVCE is working with its member agencies to reduce friction in permitting processes but will look to CPUC action to accelerate the energization process that IOUs control. Although the CPUC has adopted timelines by which IOUs such as PG&E must complete energization services, the timelines remain overly extended and have not alleviated customer dissatisfaction with delays.

- ix. Building electrification, including any investments that correspond to different levels than what is included in Integrated Energy Policy Report (IEPR)

In 2018, SVCE published the Decarbonization Strategy & Programs Roadmap, a strategic guiding document outlining actions SVCE could pursue towards decarbonization of power supply, buildings, and transportation. A series of additional strategic documents were developed in the following years, including Joint Action Plans for decarbonizing the building and transportation sectors, and the Clean Pathways long-term supply strategy. Key program areas were identified, along with areas for additional innovation and research. These guiding documents are shown in Figure 14 below.



Figure 14. Strategic documents informing decarbonization strategies for power supply, buildings, and transportation.

Building on these initial strategic documents along with 7 years of implementing programs, collecting data, and learning from SVCE's and other program implementers' experiences, SVCE is drafting an updated strategic planning document known as the Integrated Decarbonization Roadmap. This updated guiding document will identify key electrification barriers, articulate SVCE's role in the broader decarbonization landscape, establish electrification targets, and provide strategic recommendations to guide action over the next 3-5 years.

BE strategy in the Integrated Decarbonization Roadmap is informed by the SVCE Market Segmentation Study, performed in 2022. The goal of the study was to better understand the number of natural gas-fueled residential and commercial appliances throughout Santa Clara County, and to estimate the cost of electrifying them. The study leveraged survey data, particularly the ACS and Residential Appliance Saturation Survey (RASS), to estimate the number of residential natural gas devices in the SVCE Service

Territory. Nonresidential equipment data was informed by additional data sources including Co-Star, NEEA surveys, and IOU surveys across California. A summary of residential and nonresidential fossil-fuel machines estimated across Santa Clara County can be seen in Figure 15 below.

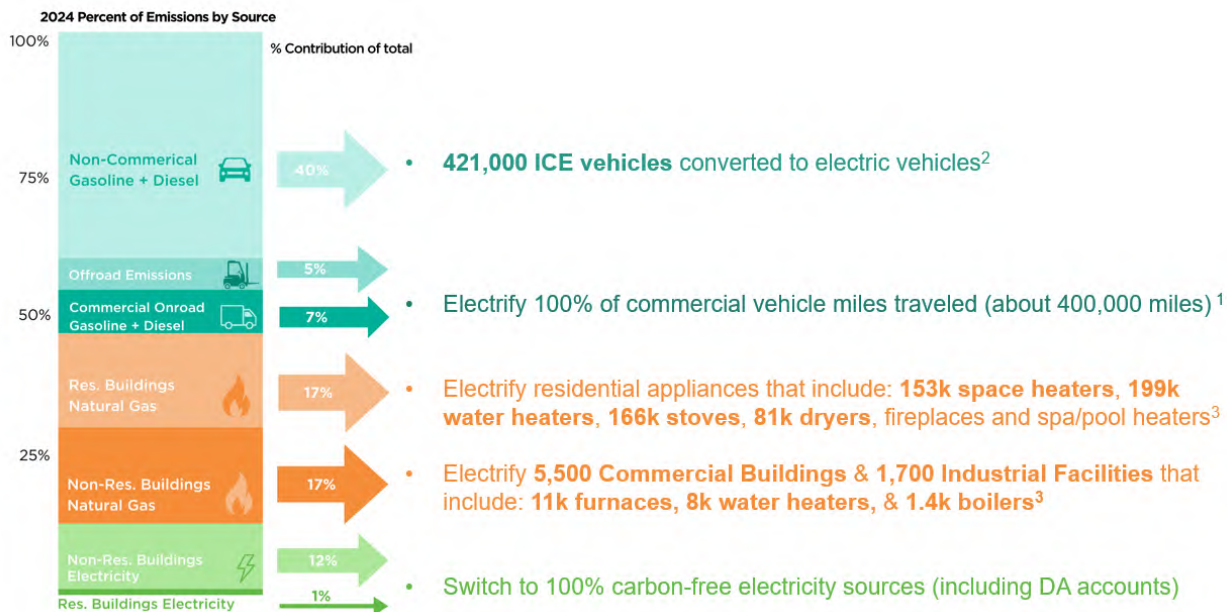


Figure 15. Summary of fossil-fuel consuming equipment across Santa Clara County based on the SVCE Market Segmentation Study.

Electrification adoption scenario pathways were evaluated for key equipment types, including residential heat pump HVAC, heat pump water heaters, induction cooking, and EVs. Best available market data was used along with local jurisdiction permit and incentive data to forecast natural market adoption as well as installations driven by state, regional, and local building codes and policies. The technology adoption scenario modeling was used to inform electrification targets for 2030 and 2035 toward the goal of 100% electrification in 2045. Adoption scenario models informed BE strategy by highlighting technology with lower natural market adoption in need of greater supplemental investment and programmatic support. An example of Heat Pump Water Heater (HPWH) adoption scenario modeling can be seen below in Figure 16.

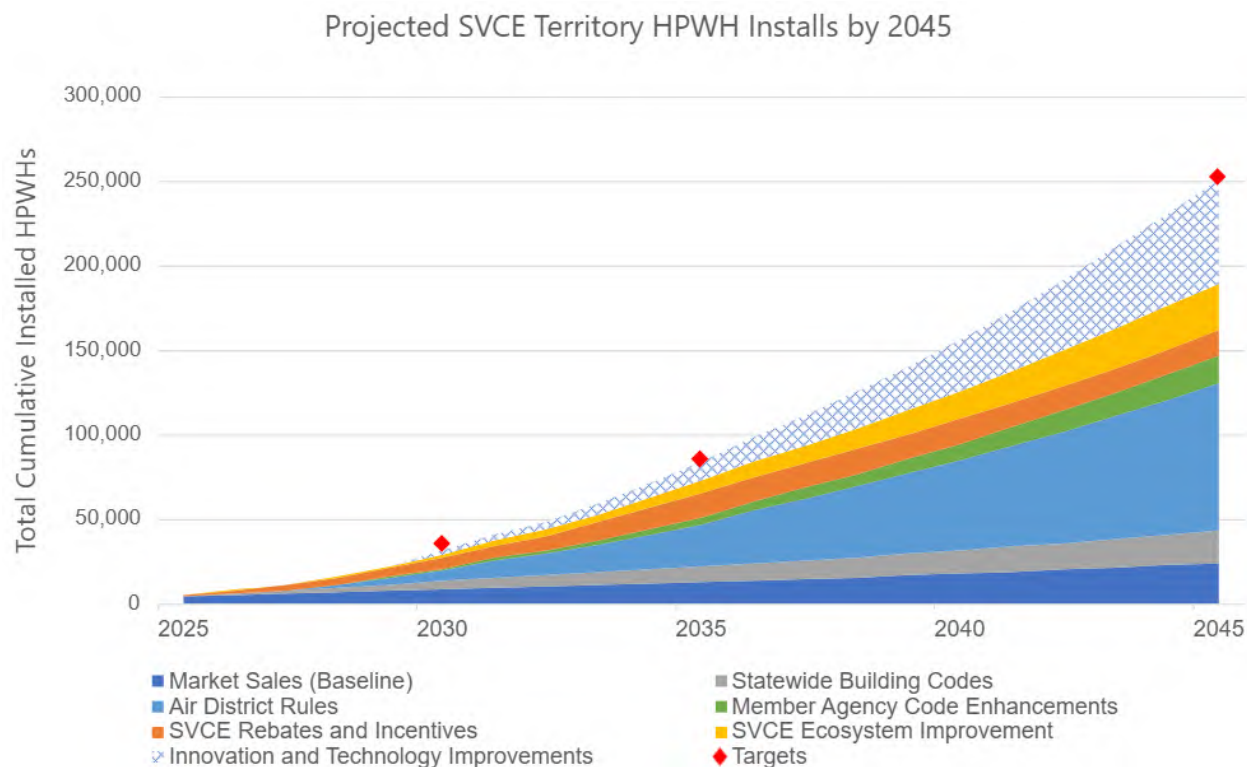


Figure 16. Example HPWH electrification adoption scenario model results

To maximize impact on decarbonization, SVCE pursues a joint programs and policy strategy for decarbonization. Policy efforts supporting member agencies include technical support for building officials and sustainability staff, support with reach code development and adoption, permitting streamlining, and general education and awareness.

In addition to supporting its member agencies' activities, SVCE has several specific programs targeted at BE. Launched in October 2022, SVCE's Home Rebates Program has supported residential customers by providing rebates for HPWHs, heat pump space heating and cooling systems (Heat Pumps), dryers, induction cooktops, and prewiring and electrical infrastructure upgrades. These incentives support the growth of the local all-electric market and contractor network, in addition to the equipment directly incentivized by SVCE. To date, the program has been very successful, having served more than 3,500 customers, and incentivized more than 1,200 HPWHs and 2,600 Heat Pumps. 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. SVCE aims to continue this program to support the local market for electric technologies ahead of the Bay Area Air District's Rules 9-4 and 9-6, which will

begin phasing out NOx-emitting appliances starting with a prohibition on the sale of gas water heaters in 2027.³⁵

SVCE also developed a FutureFit Fundamentals Contractor Training program for workforce development, which aims at impacting deployment of a variety of BE technologies across resource categories. Eligible contractors can receive \$500 for completing a five-hour online training course covering a variety of electric technologies. Once contractors complete the training course, they can earn up to \$5,000 per year by installing qualifying all-electric heat pump equipment for customers participating in SVCE's Home Rebates program (up to 10 installs per year). Eligible contractors may also receive up to \$5,000 to install a qualifying electric technology in their home or business. Through this program, SVCE hopes to increase the size of the local contractor pool, help educate customers, and expand awareness of the benefits of all-electric heat pump equipment. The online training and stipend are available to contractors throughout Santa Clara County and is offered in both English and Spanish language.

Additionally, to help reduce the upfront costs associated with BE retrofits and allow more customers to be able to participate in the benefits of decarbonization, SVCE has deployed a financing program to augment its customer offering. In spring 2025, SVCE launched its Zero Interest Financing program,³⁶ offering 0% interest loans to help cover the cost of heat pumps for water heating, space heating, and air conditioning with loan repayments being offset by energy savings from the new efficient equipment. The program targets customers with high bill savings-potential from electrification upgrades and provides direct install services paired with financing and incentive layering to lower out-of-pocket costs for home upgrades. The innovative finance offering, implemented with support from the TECH initiative,³⁷ is a learning opportunity to inform future Tariffed On-Bill Financing programs, including SCE's tariffed on-bill pilot recently approved by the CPUC in December 2025 as part of the Clean Energy Financing proceeding.³⁸ SVCE's timeline to deploy its own CPUC-approved tariffed on-bill program is uncertain because it depends on the progress of the SCE pilot and PG&E's billing system modernization effort. Meanwhile, SVCE and TECH are sharing the finance program learnings with stakeholders and will publish reports evaluating the attractiveness of the offer, marketing strategies, customer bill impacts, the potential to scale the finance model, and possible adjustments and modifications to the original design to enable even greater scaling.

35 *Rules 9-4 and 9-6 Building Appliances*. (2023). Baaqmd.Gov. <https://www.baaqmd.gov/rules-and-compliance/rule-development/building-appliances>.

36 *Hassle-Free Home Upgrades with Zero Interest Financing*. (2025, April 16). Silicon Valley Clean Energy. <https://svcleanenergy.org/financing/>.

37 *TECH Inclusive utility investment pilot*. (2022). Techcleanca.Com. <https://techcleanca.com/pilots/tariffed-on-bill-pilot/>.

38 *Clean Energy Financing*. (2023). Ca.Gov. <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/clean-energy-financing>.

Ultimately, in determining BE strategic focus areas, it is paramount to be realistic about SVCE's level of impact and influence. Areas where SVCE has limited impact and influence include timely energization. Part of SVCE's efforts to support BE involve advocating for changes to the energization process. SVCE has found that many of its customers are frustrated by the long waiting times to receive service and the confusing process for applying to become energized. Although the CPUC adopted minimum energization timelines in the Fall of 2024, the timelines do not go far enough to ensure meaningful improvements in wait times so that customers are not discouraged from seeking to electrify their buildings. SVCE will continue to advocate for improvements to these timelines as well as consequences for noncompliance at the CPUC.

While electrification of the building sector is a core part of SVCE's mission and the organization endeavors to support the full decarbonization of the local economy, SVCE's outlook for BE does differ from its assigned IEPR forecast used for this IRP cycle. SVCE's staff conduct a detailed review of market trends and the impact of policy in the service territory as part of its annual forecasting process. Based on this, SVCE forecasts lower BE growth than the assigned IRP forecast. SVCE assumes an 18% annual growth rate for BE over next 10 years while the 2024 IEPR assumes 73% statewide. Notably, the growth rate is a more modest 47% in the 2025 IEPR. Like the transportation electrification forecast, this difference appears to be largely driven by the share of early adopters in the SVCE service territory making the near-term growth rates in the IEPR forecast unviable for Santa Clara County.

x. [Potential Centralized Procurement, pursuant to AB-1373](#)

To assess the impact of potential centralized procurement activities taken by the DWR, SVCE input the expected energy from the CPUC provided allocation assumptions into the RDT and CSP associated with its Preferred Conforming Portfolio. Staff then removed capacity associated with the ARS model output until emissions results once again aligned with the Preferred Conforming Portfolio. The results portfolio build out is shown below.

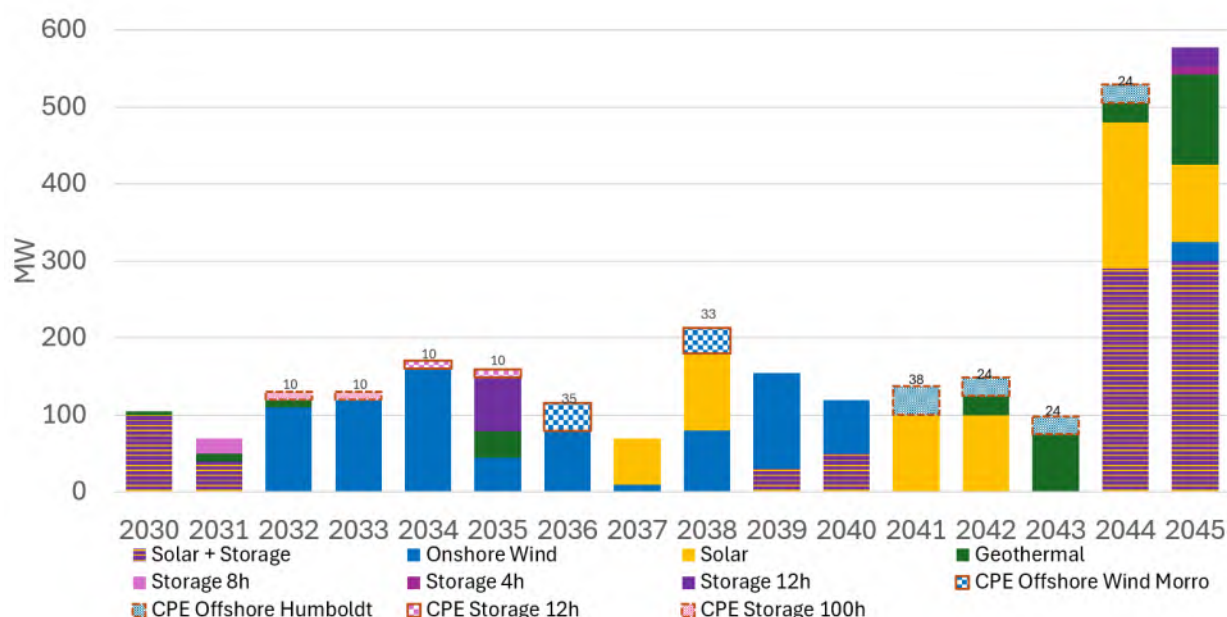


Figure 17. Results of SVCE Preferred Conforming Portfolio with CPE Resources

SVCE found that its self-procured portfolio would be reduced by 200 MW of solar, 23 MW of onshore wind, 29 MW of geothermal and 10 MW of storage. In total, the change in capacity given the additional resources would amount to 15 fewer MWs in the portfolio by 2045.

SVCE also notes DWR procurement can have adverse impacts on the market and LSEs. First, establishing the DWR procurement function without providing clarity on what actions the agency will take has created meaningful and detrimental uncertainties for LSE procurement teams. As with procurement orders in general, the potential of having resources forced into an LSE's portfolio strongly disincentivizes proactive procurement by LSEs due to heightened stranded asset risk. It is necessary to ensure that LSEs have sufficient forewarning of CPE allocations to avoid over-procurement in their portfolios which can result in stranded assets and higher customer costs. Additionally, centralized procurement may distort the market if developers withhold capacity in the hopes of selling to a central government agency facing procurement obligations. Finally, the CPUC has yet to clarify how development risk associated with CPE procurement will be managed, specifically whether LSEs will be expected to backstop CPE failure to maintain compliant portfolios. The CPUC allocations of CPE resources for this exercise start entering LSE portfolios as early as 2032. Given LSEs are already actively procuring for the 2030s and the potential for CPE allocations to impact optimal procurement for the entire planning horizon, SVCE encourages the CPUC to consider such impacts when considering approval of DWR procurement.

xi. Other

In addition to its conforming portfolios, SVCE staff also ran a study to assess procurement needs using an internal load forecast. Relative to the IEPR, this forecast utilizes a more modest outlook for data center developments in SVCE's service territory. The load modifier forecast also differs from the 2024 IEPR in meaningful ways, as described in sections IV.a.viii and IV.a.ix above. SVCE's internal load forecast is based on SVCE's detailed understanding of local customer growth, historical trends, and achievable electrification of buildings and vehicles adoption rate. It also incorporates a more realistic BTM PV forecast that reflects current federal and local policies, incentive structures, cost projections and payback periods. In contrast, the IEPR applies more aggressive assumptions for baseline growth, electrification and PV adoption that may be appropriate for statewide planning but may overestimate future load growth within SVCE's service territory. In addition, SVCE includes only data center loads which it views as likely to seek service from SVCE. The forecast times the online dates and ramping of such projects consistent with information from customers and local governments. While SVCE acknowledges there remains a high degree of uncertainty in data center demand growth and may ultimately have a conservative outlook in its current forecast, given the high level of uncertainty associated with these loads, SVCE strongly cautions the CPUC from ordering procurement based on speculative data center applications. As shown in Figure 18 below, while the forecast is notably lower than the assigned IRP forecast, it is still meaningfully higher than the forecast the CPUC assigned for IRP modeling in 2022.

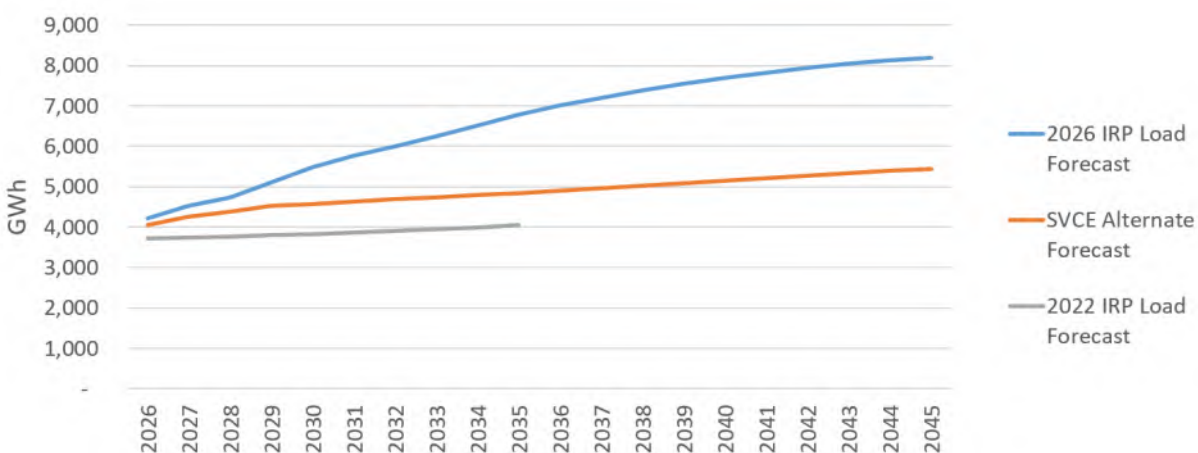


Figure 18. Load Forecast Comparison

The results of this study show a markedly different resource build-out as shown in Figure 19 below, reducing the total build need by more than 50% on a nameplate capacity basis³⁹. Notably, under this

³⁹ Results from this study were not validated through the CSP tool due to lack of a corresponding emissions target. Additional capacity for post-processing alignment with emissions may have been necessary if emissions targets

lower build-out, the model also selects significantly less geothermal to meet its targets. This high degree of load forecast uncertainty, much of which is dependent on emerging and highly ambiguous data center load, suggests more frequent review of LSE plans and potentially more scenario analyses are warranted as part of the CPUC's ongoing IRP process.

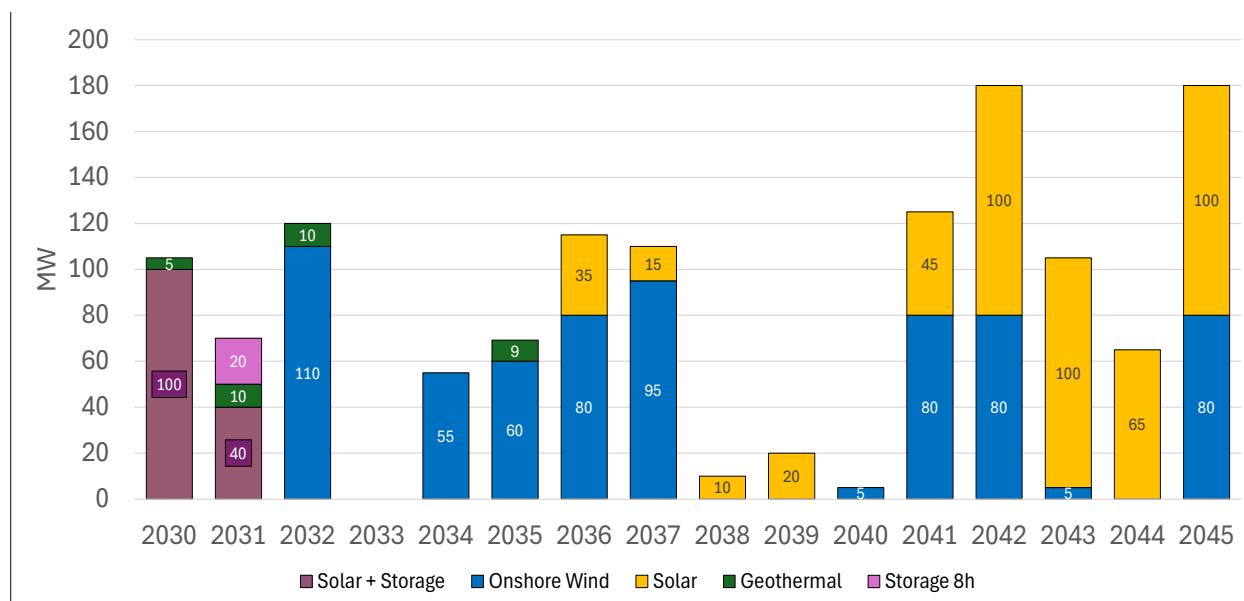


Figure 19. Results of SVCE Alternate Load Forecast scenario

b. Disadvantaged Communities (DACs)

As a community-based LSE, the SVCE Board of Directors is made up of thirteen elected officials representing each of the thirteen member jurisdictions that comprise the SVCE service territory. Decisions on procurement, programs and investments are made by these elected officials in the interest of all their constituents, including specific underserved communities that they and their municipal staff are closest to.

SVCE provides specific, customized support to address underserved communities. These include lower rates for income-qualified customers, the development and implementation of a Programs Equity Framework and use of Socioeconomic Vulnerability Index (SEVI) metrics to guide program planning and design, as well as ongoing community engagement and outreach efforts. Income-qualified CARE/FERA customers comprise approximately 10% of the SVCE residential customer base. Over the past six years, SVCE has offered an additional generation rate discount on top of the monthly on-bill discount provided to CARE/FERA customers. SVCE has distributed \$19M through this initiative to date.

had been known. Results were also not validated through the RDT given timing constraints. With such validations the model may have selected more battery storage to complement the selected solar.

At the direction of the SVCE Board, the SVCE 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 investment in underserved communities. SVCE defines an underserved community as one that is underrepresented in decision-making and whose access to key information and resources is limited when it comes to energy issues and receiving the benefits of decarbonization. Underserved communities can face barriers associated with lower socioeconomic status (affordable housing tenants, CARE/FERA customers), type and ownership of housing (renters, tenants of older multifamily properties), geographic isolation, language barriers or cultural isolation, or limited access to digital platforms.

The primary indicator used by SVCE to identify underserved communities and develop program approaches is the SEVI, originally developed as part of the CPUC's Affordability Report. SVCE has taken the statewide SEVI data by census tract and grouped the tracts that are in SVCE territory into four quartiles, as shown in Figure 20 below. SVCE selected SEVI over California Enviroscreen designated DACs because 1) there are only 7 official DACs in the territory, many of them partially in the territory, and using this designation would leave the majority of underserved communities in the territory out and 2) the key vulnerability in the territory is economic vulnerability (i.e. affordability) due to high economic inequality. Importantly, SEVI identifies relative socioeconomic vulnerability across SVCE's entire service territory. DACs within SVCE's service territory, as defined by CalEPA, are exclusively in the SEVI 4 quartile.

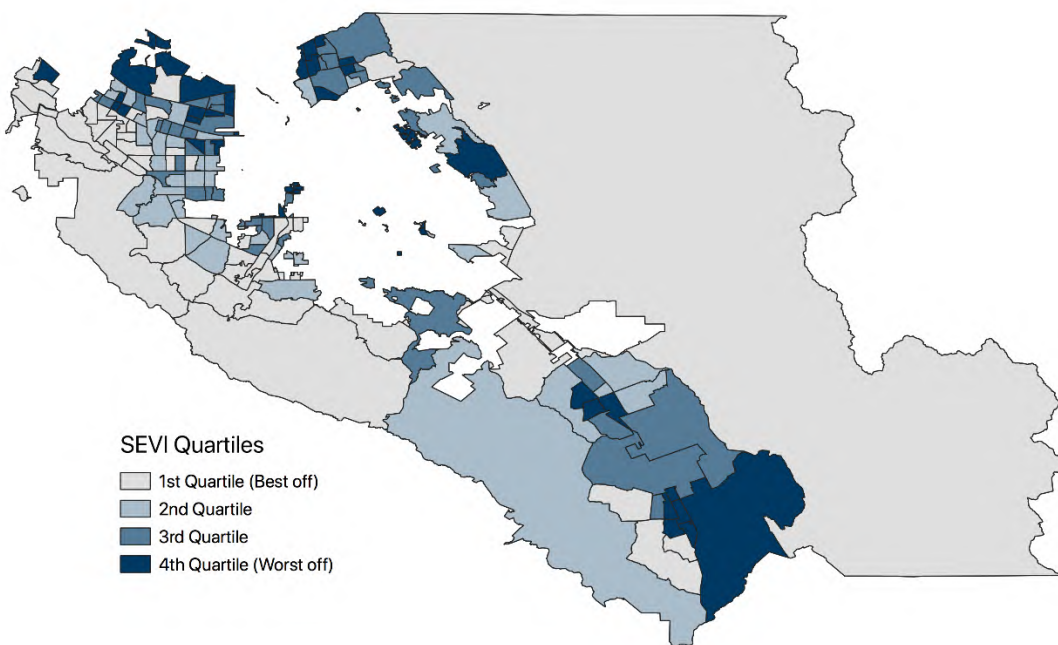


Figure 20. Map of SVCE census tracts by SEVI quartile

SVCE has performed analysis to understand the different demographics in these SEVI quartiles using utility and tax assessor data. See Table 17 below for a high-level overview of some example statistics by SEVI quartile that SVCE uses to inform program design.

Table 17. SEVI quartiles and key demographic information

	SEV 1	SEVI 2	SEVI 3	SEVI 4
Residential Accounts	60,000 (26%)	61,000 (26%)	59,000 (25%)	53,000 (23%)
Population	200,000 (22%)	235,000 (26%)	215,000 (24%)	243,000 (27%)
CARE/FERA Accounts	2,600 (4%)	4,200 (7%)	6,300 (11%)	11,000 (21%)
Median Income	\$219,000	\$192,000	\$162,000	\$120,000

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 and outreach. As an example, Figure 21 shows how 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 determining how best to formulate a program for these underserved communities.

This analysis, in part, led to SVCE's decision to offer both a BE incentive program (simpler for single-family homeowners) and a direct installation program (designed for multifamily). SVCE is still considering how best to reach single-family renters, another underserved subgroup.

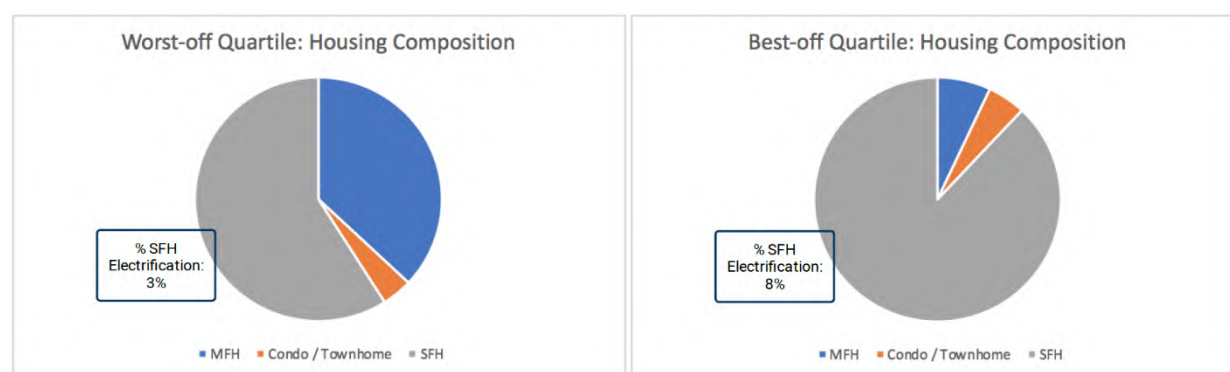


Figure 21. Housing comparison of SEVI 4 (worst-off) and SEVI 1 (best-off) quartiles

SVCE has developed a framework that guides its programmatic, marketing, and communications approach to reaching the full set of diverse customers in this region. Core to the SVCE mission is helping all customers benefit, directly and indirectly, from decarbonization – that is, in order to achieve its goals,

SVCE must ensure that all customers have a pathway to participate in this movement and are actively doing so. While each initiative has its own specific constraints that guide what tactics can be used, this internal framework provides a consistent set of approaches to consider and best practices.

The guiding principles for SVCE efforts to reach all different types of customers are to build community trust through meaningful engagement, leverage strategic partnerships with stakeholders, make data-based equity decisions, and design tailored, adaptable programs and associated marketing materials.

There are many examples of SVCE programs launched specifically to support underserved customers through their design, including:

- SVCE provided grant funding to launch two innovative pilots to provide reliable and affordable charging access to multifamily residents. The pilot with EVmatch tested their reservation-based software platform for shared charging for multi-unit dwelling tenants⁴⁰. The pilot with Ecology Action demonstrated lower power charging technology and a business model designed for affordable housing communities⁴¹. SVCE further supported successful applications for CEC grant funds by both companies to greatly expand their efforts locally.
- The SVCE EV Rebate Program provides a \$2,000 incentive towards the purchase or lease of a new or pre-owned EV for income-qualified customers. The high upfront purchase cost of EVs is one of the most significant barriers to equitable EV adoption, especially for lower income communities. In order to reach as many customers as possible, the SVCE rebate is available both as an instant rebate at the point-of-sale at participating local dealerships, or as a post-purchase rebate. SVCE partners with local CBOs to host in-person and virtual EV education events, including EV Expos, EV Ride and Drives, and financial incentive workshops.
- The SVCE Multifamily Retrofits program provides deed-restricted affordable multifamily properties with no-cost upgrades for BE and EV charging infrastructure. Low rental revenues and high upfront costs of electrification are significant barriers to electrifying affordable housing. During program design, SVCE met with affordable housing property owners to gather feedback on program implementation. This allowed SVCE to refine program processes and offerings to ensure these owners' unique needs were met. Once property owners enroll in the program, SVCE also supports owners in engaging tenants on the planned upgrades. SVCE, in coordination with a local CBO, hosts tenant engagement meetings to educate residents on the planned upgrades and construction process. Once the upgrades are made, SVCE hosts a subsequent

⁴⁰ *SVCE Innovation Onramp Summary: EVMatch*. (2022). Silicon Valley Clean Energy. https://svccleanenergy.org/wp-content/uploads/SVCE-Innovation-Onramp-Summary_EVMatch.pdf.

⁴¹ *SVCE Innovation Onramp Final Report: Ecology Action*. (2021). Silicon Valley Clean Energy. https://svccleanenergy.org/wp-content/uploads/IN-Ecology-Action-Innovation-Onramp-Final-Report_11.5.21_digital.pdf.

post-installation meeting with tenants to provide education on equipment operations and maintenance, and bill savings. All meetings provide live interpretation in Spanish and Vietnamese to support non-English speaking residents at these properties.

- The Full-Service Home Upgrades program provides no-cost upgrades to income-qualified (<80% area median income) households. This direct install program helps customers understand their energy opportunities through a non-biased Energy Advisor and connects them to a vetted contractor to perform electrification, energy-efficiency, and remediation (e.g., asbestos, unsafe panels etc.) upgrades. As a result, income-qualified homeowners are able to live in healthier, safer homes. It is fundamental that SVCE partners with local community-based organizations representing underserved communities to help promote available resources to their community. These organizations also provide SVCE with direct customer feedback and useful input on program design. As one example, SVCE partnered with the Silicon Valley Independent Living Center to distribute 50 portable batteries to Medical Baseline customers who live in fire-prone areas and depend on having electricity to power equipment for medical needs.

On an ongoing basis, SVCE conducts outreach and engagement with its 280,000+ customers, through both direct and electronic channels. Quarterly, SVCE hosts a meeting with community partners to gain feedback on SVCE's energy services, program results and upcoming plans. Community partners include local advocacy groups, residents serving on local governmental commissions, and community non-profit organizations. As a public entity, SVCE Board and Committee meetings are publicly noticed and open to the public for input and comment. The SVCE website, public notifications and outreach materials are provided in the top four languages spoken in its service area – English, Spanish, Chinese and Vietnamese, as well as being compliant with accessibility standards.

In 2025, SVCE implemented two key campaigns to reach vulnerable communities. The first, The Payment Assistance and Efficiency Resources campaign, was developed to help customers in need learn about payment programs and ways to save on their bills. The campaign was targeted in vulnerable communities within the SVCE service area and directly to customers with bill payment arrearages. The campaign also collected direct feedback from target customers through a survey that offered direct insights into where customers go for information and resources. This provided SVCE with recommendations for future community partnership opportunities. For the second program, SVCE partnered with a Spanish-language marketing agency to develop a campaign to promote its customer electrification offers and services in a Spanish-first approach. The campaign resulted in significant customer engagement on its Spanish landing pages about available rebates for heat pump equipment.

Outside of its service territory, SVCE also engages with underserved communities its power procurement activities may impact. As discussed in Section III.d.ii above, in 2023 SVCE signed a contract with the Hanford Hybrid Power Plant. The Hanford plant is a hybrid natural gas peaker power plant ("peaker") and battery energy storage system that SVCE contracted with for twelve years to ensure that SVCE can meet its RA program obligations as mandated by California and to assist with meeting SVCE's procurement obligations under the CPUC Mid-term Reliability procurement order. The SVCE contract with the facility enabled the addition of adding a battery energy storage system to reduce the run time

of the gas plant as the battery will be called on first to offer the reliability benefits and reduce overall emissions from the facility.

However, due to the expectation that even with the batteries, there will still be some emissions from the facility due to the gas peaker dispatching, the Board directed staff to develop a policy and/or guidelines to set aside funds for programs and/or projects to mitigate emissions associated with energy produced by the plant. Hanford is located in Kings County, located within the San Joaquin Valley. Hanford has been designated a disadvantaged community as defined by the 2022 version of CalEPA's CalEnviroScreen 4.0.

In developing the Hanford Emission Mitigation Fund, SVCE conducted extensive community outreach to ensure funds provided maximum benefit to the community while also being consistent with SVCE's mission. To identify appropriate projects to fund, staff sought community input from local organizations that serve Kings County. Staff researched and contacted approximately a dozen different organizations and met with four that have programs aligned with the goals and guidelines in the Hanford Mitigation Fund. In these conversations, the nonprofit organizations referenced past and recent community needs assessments and their reports indicated that one of the primary residential concerns is energy affordability and utilities assistance. Specifically, affordable housing, food insecurity, home repairs and employment were also top community priorities.

The two organizations that the SVCE Board approved funds for from the Hanford Mitigation Fund include Self-Help Enterprises (SHE) and Kings County Action Organization (KCAO).

Serving nine counties in the San Joaquin Valley, SHE is a community development organization whose mission is to work together with low-income families to build and sustain healthy homes and communities. One of their program areas, Sustainable Energy Solutions, includes projects on affordable energy, EV adoption, and community engagement and education on energy topics. Approximately \$1.2 million has been allocated to SHE to fund electrification outreach and readiness initiatives across three program areas, focused on energy efficiency and electrification, over five years.

KCAO is a local community services organization and federally designated anti-poverty agency providing services to Kings County. KCAO, like other service organizations throughout California, offers emergency utility bill assistance and weatherization services. \$300k has been allocated to KCAO for their home weatherization program. The current program is primarily funded by federal grants from the Department of Energy and the Low-Income Home Energy Assistance Program (LIHEAP). Under their current funding amount, they can serve approximately 80 homes with an average cost of approximately \$5,600 per home. SVCE funds can assist with reaching up to 100 homes each year, over a two-year period.

c. LSEs' Tribal Customers

SVCE has no federally recognized tribes as customers. SVCE recognizes that its service area is part of the unceded lands of the Muwekma Ohlone Tribe. Based on census data, SVCE estimates that approximately 6,400 people identify as American Indian or Alaskan Native within its service territory.

Through its *Power Purchase Agreement Project Selection Policy*, SVCE remains committed to prioritizing environmental stewardship, workforce development and community engagement for all long-term contracts the organization pursues including any future contracts on or near tribal lands.

d. Procurement Products

SVCE is governed by its Board of Directors, which has approved acceptable product and transaction types through its ERMP. Table 18 below demonstrates the scope of approved product types, enabling contracts, markets and approved transaction types.

Table 18. SVCE Board of Directors approved product types

Product Type (Approved)	Contract	Other Product Name	Market	Transaction Type
Energy	EEI, PPA	ISTs	OTC, CAISO	Fixed, Index, Physical Swap*** (Exchange of Quantities)
Resource Adequacy	WSPP, EEI, PPA	RA, Generic, Flex, IAR	OTC	Fixed, Physical Swap*** (Fixed Price)
Reliability	PPA	MTR	OTC	Fixed
Attributes	WSPP, EEI, PPA	RPS, PCC1, CF, GHG Free	OTC	Fixed
Ancillaries	CAISO, PPA	(Regulation, Spinning, etc.)	CAISO	Settlement Statement
Basis	CAISO	CRRs	CAISO	Allocation, Auction
Tolling*	PPA	Natural Gas Tolling*	OTC	Fixed, Index
Natural Gas Hedges**	EEI, Exchange	Physical & Financial NG	OTC, ICE	Fixed, Futures

*Tolling agreements and natural gas tolling agreements specifically approved by the Board

**Natural gas hedges needed to manage risk associated with Board-Approved natural gas tolling agreements. This includes use of both physical and financially settled natural gas hedges and bilateral purchase of energy products.

*** Does not include Financial Swaps (Derivatives)

SVCE expects that it will utilize the above-mentioned product types on a forward-going basis, consistent with the Board approved ERMP to best manage its cost and risks for its customers.

For the purpose of modeling in this IRP cycle, SVCE assumed that all new long-term resources would be procured through bundled PPAs, for which the agency receives Energy, RA and PCC1 attributes from the

contract. For the short-term clean products, SVCE assumed procurement via index plus contracts. Additionally, SVCE assumed some level of short-term RA only product purchases each year to meet its reliability needs.

e. Commission Direction of Actions

While SVCE has attempted to put forward reasonable and actionable portfolios as part of this IRP, there is significant uncertainty in regulatory and market conditions which were considered in selecting a preferred conforming portfolio. Part of SVCE's qualitative evaluation of the conforming portfolios included assessing regulatory risk. Generally, such risks provide incentive for an LSE to maintain optionality on a forward-looking basis to adapt to changing conditions.

SVCE appreciates the Commission's progress to date in developing a RCPMP, especially the 2025 Energy Division Staff Proposal and stakeholder review period which followed its release. However, it must be noted that progress in developing the RCPMP has been slow, and LSEs have been waiting for the regulatory certainty it would provide for over four years. As long as the Commission continues to rely on procurement orders and potential DWR procurement to ensure the state remains on track to meet its clean goals and reliability targets the IRP planning process will be compromised. Put bluntly, each procurement order effectively renders LSE IRP plans irrelevant. Perhaps more importantly, these orders also negatively impact LSEs abilities to develop least cost portfolios for their customers, further impeding affordability for California ratepayers.

Simultaneously, as noted above, changing regulatory and market conditions necessitate that LSEs have an ability to adjust their procurement activities and portfolio management to serve their customers at least cost. For this reason, SVCE strongly cautions the CPUC against adoption of the Additional Proposal for a Reliable and Clean Power Procurement Program, issued on June 23, 2026.⁴² This proposal would not only bind LSEs to their plans long-term, potentially at significant cost and risk to its customers, but may also still necessitate short-term procurement orders to manage large swings in the IEPR forecast or other IRP assumptions that prove to be inaccurate, as we have seen in recent years.

SVCE continues to support an RCPMP which follows the structure SVCE laid out in its July 15, 2025 RCPMP Proposal⁴³. This proposal best ensures an affordable system which considers the entire resource fleet (new and existing), is consistent with other compliance requirements including those laid out in the RPS

⁴² *ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS ON ADDITIONAL PROPOSAL FOR A RELIABLE AND CLEAN POWER PROCUREMENT PROGRAM*. (2026). California Public Utilities Commission. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M609/K223/609223925.PDF>.

⁴³ Silicon Valley Clean Energy. "Opening Comments of Silicon Valley Clean Energy on Administrative Law Judge's Ruling Seeking Comment On Reliable And Clean Power Procurement Staff Proposal". July 15, 2025. R.20-05-003.

and RA proceedings and acknowledges key uncertainties including those related to load growth and future grid dispatch.

V. Lessons Learned

SVCE applauds the Commission for the continued evolution of the Integrated Resource Planning process, which has had meaningful improvements over the past three cycles. SVCE acknowledges the challenges associated with aggregating dozens of LSE plans into a viable planning portfolio that can be used by the CPUC and CAISO for important forward looking planning activities. In particular, SVCE appreciates that relative to the 2022 cycle, LSEs were provided more time to develop their plans. With that said, six months is still a limited window to develop a 20-year outlook for an organization. SVCE's planning team intends to maintain focus on integrated resource planning and scenario analyses to better inform its next compliance plan. To the extent the CPUC can signal to LSEs likely scenarios and load forecasts prior to official release of the next IRP Inputs and Assumptions, it may help organizations such as SVCE develop improved and more actionable plans.

As noted throughout this document, numerous regulatory and forecasting uncertainties continue to impact the viability of LSE's plans. A key issue this cycle is the assigned load forecast. Relative to the 2022 IRP cycle, SVCE's 2035 forecast increased 68%. This significant change has prompted SVCE to develop a 2026 Preferred Conforming Portfolio that, as discussed throughout Section III above, bears little resemblance to its 2022 plan. In future cycles, SVCE encourages the CPUC to consider requiring LSEs to evaluate multiple scenarios around key assumptions which are of particular concern due to their high impact and relative uncertainty. However, the CPUC must account for this additional work when considering how much time to provide LSEs to develop their plans. Additionally, this degree of uncertainty and variance each cycle highlights the challenges, and even plausibility, of enforcing these plans as suggested in the Additional Proposal for a Reliable and Clean Power Procurement Program, as discussed further in section IV.e above.

Going forward, SVCE expects regulatory and forecasting uncertainty to persist. Notably, at the time of this writing it is unclear if the Diablo Canyon Nuclear Power Plant will be further extended. If the plant's retirement is delayed again, SVCE strongly supports allowing its inclusion in state planning processes such as the IRP. Failure to do so results in inaccurate portfolio forecasts and significant over-procurement in the system impacting customer affordability. SVCE also believes it is important that the attributes from the facility – including the procurement value – flow to the entities which cover the ongoing costs of the plant's operations.

Finally, SVCE also suggests that the CPUC develops a set of workshops in 2027, or once the PSP is complete, to allow a thorough and holistic review of the IRP compliance materials. SVCE would like to explore opportunities for simplification of the RDTs for the purposes of individual LSE IRP plans and also believes review of the CSP tool logic by stakeholders may be warranted again. For example, the CSP resource profiles for renewables (i.e. wind and solar) are based on 2009 historical weather data, which may not represent the most up-to-date capacity factors. SVCE encourages CPUC to continue improving

the renewable resource profiles in coordination with CEC and CAISO. While the current approach provides a useful standardized baseline, reliance on a single historical weather year may not fully reflect future renewable generation. Since CEC's IEPR demand incorporates climate impacts, it would make sense for the generation profiles to align. Additionally, convening parties to discuss long-term planning challenges not addressed by the tools, such as how to plan for reliability should a dual winter and summer peaking system occur in the future, may also be warranted.

Glossary of Terms

Alternative Portfolio: LSEs are permitted to submit “Alternative Portfolios” developed from scenarios using different assumptions from those used in the Preferred System Plan with updates. Any deviations from the “Conforming Portfolio” must be explained and justified.

Approve (Plan): the CPUC’s obligation to approve an LSE’s integrated resource plan derives from Public Utilities Code Section 454.52(b)(2) and the procurement planning process described in Public Utilities Code Section 454.5, in addition to the CPUC obligation to ensure safe and reliable service at just and reasonable rates under Public Utilities Code Section 451.

Balancing Authority Area (CAISO): the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Baseline resources: Those resources assumed to be fixed as a capacity expansion model input, as opposed to Candidate resources, which are selected by the model and are incremental to the Baseline. Baseline resources are existing (already online) or owned or contracted to come online within the planning horizon. Existing resources with announced retirements are excluded from the Baseline for the applicable years. Being “contracted” refers to a resource holding signed contract/s with an LSE/s for much of its energy and capacity, as applicable, for a significant portion of its useful life. The contracts refer to those approved by the CPUC and/or the LSE’s governing board, as applicable. These criteria indicate the resource is relatively certain to come online. Baseline resources that are not online at the time of modeling may have a failure rate applied to their nameplate capacity to allow for the risk of them failing to come online.

Candidate resource: those resources, such as renewables, energy storage, natural gas generation, and demand response, available for selection in IRP capacity expansion modeling, incremental to the Baseline resources.

Capacity Expansion Model: a capacity expansion model is a computer model that simulates generation and transmission investment to meet forecasted electric load over many years, usually with the objective of minimizing the total cost of owning and operating the electrical system. Capacity expansion models can also be configured to only allow solutions that meet specific requirements, such as providing a minimum amount of capacity to ensure the reliability of the system or maintaining greenhouse gas emissions below an established level.

Certify (a Community Choice Aggregator Plan): Public Utilities Code 454.52(b)(3) requires the CPUC to certify the integrated resource plans of CCAs. “Certify” requires a formal act of the Commission to determine that the CCA’s Plan complies with the requirements of the statute and the process established via Public Utilities Code 454.51(a). In addition, the Commission must review the CCA Plans to determine any potential impacts on public utility bundled customers under Public Utilities Code Sections 451 and 454, among others.

Clean System Power (CSP) methodology: the methodology used to estimate GHG and criteria pollutant emissions associated with an LSE's Portfolio based on how the LSE will expect to rely on system power on an hourly basis.

Community Choice Aggregator: a governmental entity formed by a city or county to procure electricity for its residents, businesses, and municipal facilities.

Conforming Portfolio: the LSE portfolio that conforms to IRP Planning Standards, the 2045 LSE-specific GHG Emissions Benchmark, use of the LSE's assigned load forecast, use of inputs and assumptions matching those used in developing the Reference System Portfolio, as well as other IRP requirements including the filing of a complete Narrative Template, a Resource Data Template and Clean System Power Calculator.

Effective Load Carrying Capacity (ELCC): a percentage that expresses how well a resource is able avoid loss-of-load events (considering availability and use limitations). The percentage is relative to a reference resource, for example a resource that is always available with no use limitations. It is calculated via probabilistic reliability modeling, and yields a single percentage value for a given resource or grouping of resources.

Effective Megawatts (MW): perfect capacity equivalent MW, such as the MW calculated by applying an ELCC % multiplier to nameplate MW.

Electric Service Provider: an entity that offers electric service to a retail or end-use customer, but which does not fall within the definition of an electrical corporation under Public Utilities Code Section 218.

Filing Entity: an entity required by statute to file an integrated resource plan with CPUC.

Future: a set of assumptions about future conditions, such as load or gas prices.

GHG Benchmark (or LSE-specific 2045 GHG Benchmark): the mass-based GHG emission planning targets calculated by staff for each LSE based on the methodology established by the California Air Resources Board and required for use in LSE Portfolio development in IRP.

GHG Planning Price: the systemwide marginal GHG abatement cost associated with achieving a specific electric sector GHG planning target.

Integrated Resources Planning Standards (Planning Standards): the set of CPUC IRP rules, guidelines, formulas and metrics that LSEs must include in their LSE Plans.

Integrated Resource Planning (IRP) process: integrated resource planning process; the repeating cycle through which integrated resource plans are prepared, submitted, and reviewed by the CPUC

Long term: more than 5 years unless otherwise specified.

Load Serving Entity: an electrical corporation, electric service provider, community choice aggregator, or electric cooperative.

Load Serving Entity (LSE) Plan: an LSE’s integrated resource plan; the full set of documents and information submitted by an LSE to the CPUC as part of the IRP process.

Load Serving Entity (LSE) Portfolio: a set of supply- and/or demand-side resources with certain attributes that together serve the LSE’s assigned load over the IRP planning horizon.

Loss of Load Expectation (LOLE): a metric that quantifies the expected frequency of loss-of-load events per year. Loss-of-load is any instance where available generating capacity is insufficient to serve electric demand. If one or more instances of loss-of-load occurring within the same day regardless of duration are counted as one loss-of-load event, then the LOLE metric can be compared to a reference point such as the industry probabilistic reliability standard of “one expected day in 10 years,” i.e. an LOLE of 0.1.

Maximum Import Capability: a California ISO metric that represents a quantity in MWs of imports determined by the CAISO to be simultaneously deliverable to the aggregate of load in the ISO’s Balancing Authority (BAA) Area and thus eligible for use in the Resource Adequacy process. The California ISO assess a MIC MW value for each intertie into the ISO’s BAA and allocated yearly to the LSEs. A LSE’s RA import showings are limited to its share of the MIC at each intertie.

Net Qualifying Capacity (NQC): Qualifying Capacity reduced, as applicable, based on: (1) testing and verification; (2) application of performance criteria; and (3) deliverability restrictions. The Net Qualifying Capacity determination shall be made by the California ISO pursuant to the provisions of this California ISO Tariff and the applicable Business Practice Manual.

Non-modeled costs: embedded fixed costs in today’s energy system (e.g., existing distribution revenue requirement, existing transmission revenue requirement, and energy efficiency program cost).

Nonstandard LSE Plan: type of integrated resource plan that an LSE may be eligible to file if it serves load outside the CAISO balancing authority area.

Optimization: an exercise undertaken in the CPUC’s Integrated Resource Planning (IRP) process using a capacity expansion model to identify a least-cost portfolio of electricity resources for meeting specific policy constraints, such as GHG reduction or RPS targets, while maintaining reliability given a set of assumptions about the future. Optimization in IRP considers resources assumed to be online over the planning horizon (baseline resources), some of which the model may choose not to retain, and additional resources (candidate resources) that the model is able to select to meet future grid needs.

Planned resource: any resource included in an LSE portfolio, whether already online or not, that is yet to be procured. Relating this to capacity expansion modeling terms, planned resources can be baseline resources (needing contract renewal, or currently owned/contracted by another LSE), candidate resources, or possibly resources that were not considered by the modeling, e.g., due to the passage of time between the modeling taking place and LSEs developing their plans. Planned resources can be specific (e.g., with a CAISO ID) or generic, with only the type, size and some geographic information identified.

Qualifying capacity: the maximum amount of Resource Adequacy Benefits a generating facility could provide before an assessment of its net qualifying capacity.

Preferred Conforming Portfolio: the conforming portfolio preferred by an LSE as the most suitable to its own needs; submitted to CPUC for review as one element of the LSE's overall IRP plan.

Preferred System Plan: the Commission's integrated resource plan composed of both the aggregation of LSE portfolios (i.e., Preferred System Portfolio) and the set of actions necessary to implement that portfolio (i.e., Preferred System Action Plan).

Preferred System Portfolio: the combined portfolios of individual LSEs within the CAISO, aggregated, reviewed and possibly modified by Commission staff as a proposal to the Commission, and adopted by the Commission as most responsive to statutory requirements per Pub. Util. Code 454.51; part of the Preferred System Plan.

Short term: 1 to 3 years (unless otherwise specified).

Staff: CPUC Energy Division staff (unless otherwise specified).

Standard LSE Plan: type of integrated resource plan that an LSE is required to file if it serves load within the CAISO balancing authority area (unless the LSE demonstrates exemption from the IRP process).

Transmission Planning Process (TPP): process conducted by the California Independent System Operator (CAISO) to identify potential transmission system limitations and areas that need reinforcements over 10-year and 15-year horizons.



Staff Report – Item 2h

Item 2h: Authorize the Chief Executive Officer to Execute an Agreement with Boone Graphics for Mailing and Printing Services with a Not-to-Exceed Limit of \$450,000 Over a Three-Year Term

From: Monica Padilla, CEO

Prepared by: Pamela Leonard, Deputy Director of Marketing & Communications

Date: 8/12/2026

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) authorize the CEO to negotiate and execute a three-year agreement, subject to approval by general counsel, with Boone Graphics for mailing and printing services not-to-exceed \$450,000 over three years, with an anticipated annual spend of \$150,000.

BACKGROUND

As a Community Choice Aggregator (CCA), SVCE has regulatory requirements to send customers mailed enrollment notifications and other mandatory communications about its rates and power content. SVCE has had a mailing vendor since its inception to provide these services. This vendor was secured through a competitive solicitation process and Board-approved contract. Since it has been five years since the last competitive solicitation, and the contract with the current vendor ends in September 2026, staff issued a request for proposals for mailing and printing services in June 2026 to secure a new contract for these services.

Staff received seven proposals from mailing and printing vendors located throughout the West Coast. The proposals were evaluated on service experience with CCAs, cost, expertise and security audit certifications, among other factors. Staff has selected a new vendor through this process that best meets the evaluation criteria.

ANALYSIS & DISCUSSION

Boone Graphics is a California-based visual communications, print, fulfillment, and mail provider that has been in operation since 1994. Boone operates a secure manufacturing facility in Goleta and a Central Coast sales/project management office in San Luis Obispo. The company employs approximately 45 personnel and supports public agencies, healthcare organizations, financial institutions, nonprofits, and commercial clients with compliance-driven communications.

Staff selected Boone Graphics in this competitive solicitation because of their experience, knowledge of CCA operational and communication compliance requirements, knowledgeable staff, printing capabilities, cost and ability to meet the enhanced data security requirements that SVCE has implemented in recent years. Boone Graphics can also implement sustainable printing practices, such as using recycled paper, which is always SVCE's preference, as it aligns with the agency's environmental mission. Central Coast Community Energy is one of Boone Graphics's existing CCA customers, making the printer already familiar with the weekly and annual mailings required for CCAs and with an established data transfer process already in place with Calpine, the SVCE billing services provider.

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Boone Graphics will be responsible for the following required customer mailings for SVCE:

1. Annual Joint Rate Mailer
2. Annual Power Content Label
3. Weekly maintenance mailings (opt outs, upgrades, delinquent accounts, etc.)
4. Notifications for new move in accounts

In addition to these required mailings, the Boone Graphics agreement specifies that the vendor may send various customer outreach letters and program marketing mailers, as needed and directed by staff to meet program enrollment goals. Examples include a customer mailer directed to specific electric rate plans, such as EV owners and solar customers.

A strong, strategic and experienced mailing partner is essential to the operations required of a CCA, and Boone Graphics meets the needs identified for SVCE through this solicitation process. Staff will evaluate this vendor's performance, and the agreement includes an option to extend for the full five years allowed under the SVCE procurement standards, and with Board approval.

STRATEGIC PLAN

Mailing services are a required function as a CCA to ensure transparent communications about enrollment, rates and power supply. In addition, marketing mailers also help fulfill Strategic Plan Goal 8: Engage customers and community stakeholders to build trust of SVCE and advance decarbonization.

ALTERNATIVE

If the board does not approve the contract with Boone Graphics, staff would revisit a contract with another bidder from this solicitation. However, Boone Graphics was selected as the top scoring choice. A mailing vendor is an essential function of operating a CCA and must be in place for compliance communications – this is outside of the scope that SVCE would feasibly want to take in-house as mail houses have special certifications and abilities to navigate the rules and rates of the US Postal Service. Like most utilities and cities, all other CCAs also use external vendors for this very specific type of work.

FISCAL IMPACT

The anticipated annual expenditure on mailing and printing services under this contract is \$150,000.00. The cost to mail compliance communications to customers is included in the annual operating budget. Postage is paid for separately outside of the vendor contract, and directly through the SVCE postal permit account. Any additional mailers related to program marketing is included in the board-approved annual program marketing fund.



Staff Report – Item 2i

Item 2i: Adopt Resolution Authorizing the Chief Executive Officer to Finalize Negotiations and Execute Amended and Restated Master Power Purchase and Sale Agreements with Shell Energy North America (US), L.P., Constellation Energy Generation, LLC, and NRG Business Marketing LLC to Enable Execution of Energy Transactions

From: Monica Padilla, CEO

Prepared by: Willy Wang, Contracts and Settlements Manager

Date: 8/12/2026

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) adopt Resolution 2026-14 (Attachment 1) delegating authority to the Chief Executive Officer (CEO) to finalize negotiations and execute Amended and Restated Master Power Purchase and Sale Agreements ("A&R Master Agreements") with three counterparties: 1) Shell Energy North America (US), L.P. ("SENA"), 2) Constellation Energy Generation, LLC ("Constellation"), and 3) NRG Business Marketing LLC ("NRG") as provided for in Attachments 2, 3, and 4.

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 Master Agreements with 22 counterparties, most recently with TotalEnergies Gas & Power North America, Inc. in September 2025.

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.

The purpose of this A&R Master Agreement is to modernize our policies with SENA, Constellation, and NRG. These original Master Agreements were the first ones SVCE entered into and, at the time, SVCE did not have a credit rating from the credit agencies. This required SVCE to collateralize its transactions using its receivables via a "lockbox arrangement" whereby SENA, Constellation, and NRG would have first call to SVCE's receivables. Since then, SVCE has obtained investment grade credit ratings from S&P and Moody's. These A&R Master Agreements terminate the lockbox arrangement and establish negotiated collateralization levels for both parties, which aligns with more recent Master Agreements.

SENA, Constellation, and NRG have each agreed to the attached A&R Master Agreements, which have been reviewed and approved by SVCE's counsel and are consistent with the terms approved by the Board under existing Master Agreements.

ANALYSIS & DISCUSSION

The Master Agreements do not 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

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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. Energy transactions are made through competitive solicitations and memorialized via written "Confirmations" setting forth the specifics of the purchase such as term, product, volume, and price.

The Board may either execute transactions via a Confirmation to the Master Agreement 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.

Changing collateralization to use SVCE's investment grade credit ratings and eliminating the use of the lockbox, is effected by changes to the Master Agreement Cover Sheet and Collateral Annex, as noted in attached A&R Master Agreements. Implementing these changes sets SVCE as the first entity to draw on revenues thus minimizing potential cash flow risk and ensures that all Master Agreements are aligned from a collateral perspective.

ALTERNATIVE

SVCE could choose not to execute the A&R Master Agreements, which would necessitate the continued use of the lockbox arrangement. This alternative is not recommended for the reasons noted above.

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 these A&R Master Agreements.

ATTACHMENTS

1. Resolution No. 2026-14 Delegating Authority to the Chief Executive Officer to Finalize Negotiations and Execute an Amended and Restated Master Power Purchase and Sale Agreements with Shell Energy North America (US), L.P., Constellation Energy Generation, LLC, and NRG Business Marketing LLC.
2. Amended and Restated Master Power Purchase and Sale Agreement with Shell Energy North America (US), L.P. - Redacted
3. Amended and Restated Master Power Purchase and Sale Agreement with Constellation Energy Generation, LLC. - Redacted
4. Amended and Restated Master Power Purchase and Sale Agreement with NRG Business Marketing LLC - Redacted

RESOLUTION NO. 2026-14

RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO FINALIZE NEGOTIATIONS AND EXECUTE AMENDED AND RESTATED MASTER POWER PURCHASE AND SALE AGREEMENTS WITH SHELL ENERGY NORTH AMERICA (US), L.P., CONSTELLATION ENERGY GENERATION, LLC, AND NRG BUSINESS MARKETING 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.
J. Aron & Company LLC
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.
TotalEnergies Gas & Power North America, 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 an Amended and Restated Master Power Purchase and Sale Agreements with Shell Energy North America (US), L.P., Constellation Energy Generation, LLC, and NRG Business Marketing LLC to transact Product and has agreed to terms and conditions to remove the use of the lockbox as the form of collateralization and make other administrative changes to update the existing 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 an Amended and Restated Agreement with Shell Energy North America (US), L.P., Constellation Energy Generation, LLC, and NRG Business Marketing 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 Amended and Restated Agreement.

ADOPTED AND APPROVED this 12th day of August 2026, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Hines				
City of Cupertino	Director Wang				
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 Page				
City of Sunnyvale	Director Klein				

Chair

ATTEST:

Secretary

Master Power Purchase & Sale Agreement

EXECUTION VERSION

AMENDED AND RESTATED MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Amended and Restated Master Power Purchase and Sale Agreement* (“**Master Agreement**”) is made as of the following date: June 5, 2026 (“**Effective Date**”). The Parties intend for this Master Agreement to replace in its entirety that certain Master Power Purchase and Sale Agreement entered by and between Shell Energy North America (US), L.P., a Delaware limited partnership, known as Party A, and Silicon Valley Clean Energy Authority, a California joint powers authority, known as Party B, dated as of November 28, 2016 (“**Original Master Agreement**”). Upon the Effective Date of this Master Agreement, the Original Master Agreement shall be of no further force or effect and any outstanding Transactions entered under the Original Master Agreement shall be governed by this Master Agreement. A Collateral Annex, including the Paragraph 10 elections, entered between Party A and Party B and dated as of the date of this Master Agreement, is hereby incorporated into this Master Agreement. All existing and future Transactions will be subject to and margined under the aforementioned Collateral Annex. 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 (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “Agreement.”

Upon execution of this Master Agreement by both Parties, both Parties agree to terminate the -Intercreditor and Collateral Agency Agreement, dated December 15, 2016.

The Parties to this Master Agreement are the following:

Shell Energy North America (US), L.P., a Delaware limited partnership (“Shell Energy” or “Party A”)

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

All Notices:

Attn: Contracts North America
Address: Street: 1000 Main Street, Level 12

Phone: 877-504-2491
Facsimile: 713-767-5414
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 Van Vactor,
Director of Power Resources
Phone: (408) 549-2683
Email: [REDACTED] and
[REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

Invoices:

Attn: Power Accounting
Phone: 713-767-5500
Facsimile: 713-767-5414
Email: [REDACTED]

Invoices:

Attn: Power Supply Group
Phone: (408) 721-5301
Email: [REDACTED]

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Scheduling:

Attn: 24 Hour Operations (Houston, Texas)
Phone: 800-267-2562
Facsimile: 713-767-5415

Attn: 24 Hour Operations (San Diego, California)
Phone: 858-320-1500
Facsimile: 858-320-1550

Confirmations:

Attn: Power Confirmations
Phone: 877-504-2491
Facsimile: 713-767-5414

Option Exercise Line: (Houston, Texas)
Phone: 713-767-5398

Payments:

Attn: Power Accounting
Phone: 713-767-5500
Facsimile: 713-767-5414

Wire Transfer:

BNK: Citibank, N.A.
ABA: [REDACTED]
ACCT: [REDACTED]

Credit and Collections:

Attn: Director – Credit Risk Management
Phone: 713-767-5329
Facsimile: 713-230-7925

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: General Counsel
Phone: 713-767-5500
Facsimile: 713-230-2900

Scheduling:

Attn: Tenaska
Team Email: operations@tnsk.com
Attn: 24x7 Operations Desk
Phone: 817-462-1509
Email: TenaskaComm@tnsk.com
Attn: Adam Cochran, Manager, Operations
Phone: (817) 303-3632; (817) 658-2571; (817) 303-1104
Email: acochran@tnsk.com
Attn: Paul Messmann, Senior System Operator
Phone: (817) 804-8719; (847) 612-4566; (817) 303-1104
Email: PMessmann@tnsk.com
Outage information: Outage@tnsk.com
Resource testing information: Test@tnsk.com

Payments:

Attn: Finance Group
Phone: (408) 721-5301
Email: [REDACTED]

Wire Transfer:

BNK: River City Bank
ABA: [REDACTED]
ACCT: [REDACTED]

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:

Michael Callahan, General Counsel
Email: [REDACTED]

and to:

Kris Van Vactor, Director of Power Resources
Email: [REDACTED]

and to:

Amrit Singh, Chief Financial Officer
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: Market-Based Rate Tariff, Approved on May 8, 2008, effective April 25, 2008, Docket Number ER08-656-000, as amended from time to time.

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: Shell Energy North America (US), L.P. Cross Default Amount: [REDACTED] □ Other Entity: Cross Default Amount: ■ Cross Default for Party B: ■ Party B: Silicon Valley Clean Energy Authority 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

Credit and Collateral Requirements

8.1 Party A Credit Protection:

- (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 Silicon Valley Clean Energy as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at www.svcleanenergy.org, and (2) quarterly unaudited financial statements for Silicon Valley Clean Energy as soon as practicable upon demand, but

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in no event later than 90 days after the applicable quarter. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that 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 audited 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, complete the following:

See the Collateral Annex, which shall replace Articles 8.1(c) and 8.2(c) in their entirety.

(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:

8.2 **Party B Credit Protection:**

(a) Financial Information:

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

The annual report containing audited consolidated financial statements for such fiscal year of Party A [Party A's Guarantor] as soon as practicable after demand, but in no

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event later than 180 days after the end of each annual period of Party A [Party A's Guarantor] and unaudited semi-annual financials within 90 days after the end of each semi-annual period of Party A [Party A's Guarantor], and such request will be deemed to have been filled if such financial statements are available at _____. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that 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.

(b) Credit Assurances:

- ☐ Not Applicable
☒ Applicable

(c) Collateral Threshold:

- ☐ Not Applicable
☒ Applicable

If applicable, complete the following:

See the Collateral Annex, which shall replace Articles 8.1(c) and 8.2(c) in their entirety.

(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: It shall be a Downgrade Event for Party A if Party A's Guarantor's Credit Rating falls below _____ from S&P or _____ from Moody's or if Party A is not rated by either S&P or Moody's.

(e) Guarantor for Party A: N/A

Guarantee Amount:

Article Ten

Confidentiality ☒ Confidentiality Applicable If not checked, inapplicable.

Schedule M

☐ Party A is a Governmental Entity or Public Power System

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- 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 and the associated Collateral Annex incorporate, by reference, the changes published in the EEI Errata, Version 1.1, dated July 18, 2007.

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

“Notwithstanding the foregoing, the Parties hereby agree and acknowledge that (i) with respect to Shell Energy, “Affiliates” shall mean Shell Energy and its subsidiaries for the purposes of Section 5.6 and Section 10.2(vi) and (ii) 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. 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. Section 1.12 is amended by deleting the word “issues” and replacing it with “issuer”.
4. Section 1.23 shall be amended by inserting in the thirteenth line of this Subsection before the phrase “foregoing factors” the word “two.”
5. Section 1.24 is amended by adding before the period at the end thereof the following: “in accordance with Section 5.2”.
6. 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.”
7. Section 1.46 is deleted in its entirety.
8. Section 1.50 (Recording) Delete the reference to “Section 2.4” and replace it with “Section 2.5”.
9. Section 1.51 is amended by (i) inserting the phrase “for delivery” in the second line after the word “purchases” and before the phrase “at the Delivery Point” and (ii) deleting the phrase “at Buyer’s option” from the fifth line and replacing it with the phrase “absent a purchase”.
10. 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.”
11. Section 1.53 is amended by:
 - (i) deleting “at the Delivery Point” from the second line;

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- (ii) deleting the phrase in line 5 “at the Seller’s option” and replacing it with “absent a sale”; and
 - (iii) inserting the word “liability” in the ninth line the following: “provided, further, if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by the Buyer, the Sales Price with respect to such unsold Product shall be deemed to equal zero (0); provided, however that in no event shall Shell Energy be prevented from recovering the costs set forth in this Section”
12. 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.”
13. Section 1.60 is amended by inserting the words “in writing” immediately following the words “agreed to”.
14. In Section 2.1, delete the first sentence in its entirety and replace with the following: “A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties.”
15. In Section 2.1, the last sentence is deleted in its entirety and replaced with the following:
- “Each Party agrees not to contest, or assert any defense to, the validity or 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; provided, however, Party A acknowledges that no employee of Party B may amend or otherwise materially modify this Master Agreement or a Transaction, or enter into a new Transaction, without the approval of the board of Party B, which may be granted on a prospective basis, and that evidence of such approval, including a certified incumbency setting forth the name and signatures of employees of Party B with authority to act on behalf of Party B, will be provided pursuant to Section 10.13.”
16. Section 2.3 is hereby deleted in its entirety and replaced with the following:
- 2.3 “No Oral Agreements or Modifications. Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Transactions may not be orally amended or modified.”
17. Section 2.4 is hereby amended by deleting the words “either orally or” in the sixth line.
18. Section 2.5 is hereby 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; 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.”

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19. Section 3.2 is hereby amended by adding the following 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.”
20. In Section 5.1(a), change “three (3) Business Days” to “five (5) Business Days”.
21. 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;”
22. Section 5.1(h)(v) – “Events of Default”

Add “made in connection with this Agreement” after “any guaranty”.
23. Section 5.1 is further amended by replacing the period at the end of subsection (h) with a semicolon, and adding new subsections which read as follows:

“(i) a representation or warranty with respect to the Defaulting Party’s financial statement that is false or misleading if such false or misleading statement is not remedied within five (5) Business Days after written notice; or”

“(j) revocation or suspension by the Federal Energy Regulatory Commission of Party A’s authorization to make sales at market-based rates, and Party A is unable to reinstate such authorization within ninety (90) days.”
24. Section 5.2 is amended by:
 - (i) Changing in line 3 “right (i) to” to “right to (i)”;
 - (ii) deleting the following phrase from the last line: “as soon thereafter as is reasonably practicable”; and
 - (iii) adding the following to the end of that provision: “then each such Transaction shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below). The Gains and Losses for each Terminated Transaction shall be determined by the Non-Defaulting Party calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. In making such calculation, the Non-Defaulting Party may reference information supplied by one or more third parties 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. Third parties supplying such information may include dealers, brokers and information vendors, including, without limitation, Intercontinental Exchange, Inc. If the Non-Defaulting Party’s calculation of the Termination Payment results in an amount that would be due to the Defaulting Party (i.e. the Defaulting Party was in-the-money), then the Termination Payment shall be deemed to be zero dollars (\$0.00).

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25. Section 5.3 shall be amended by inserting “plus, at the option of the Non-Defaulting Party, any cash or other form of liquid security 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. It is expressly agreed that the Non-Defaulting Party shall not be required to enter into a replacement Transaction in order to determine the Settlement Amount.
26. In Section 5.7, (i) delete “a” and “or (b) a Potential Event of Default” from the second line and (ii) delete from line 5 “ten (10)” and replace it with “twenty (20).”
27. In Section 6.3, lines 3, 16 & 18, change twelve (12) months to twenty-four (24) months.
28. Section 7.1 shall be amended by:
 - (i) Deleting in the fifteenth line the words “UNLESS EXPRESSLY HEREIN PROVIDED,”;
 - (ii) adding “SET FORTH IN THIS AGREEMENT” after “INDEMNITY PROVISION” and before “OR OTHERWISE,” in the fifth sentence;
 - (iii) adding in the nineteenth line the words “PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT EXPRESSLY ALLOWING FOR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 and 5.3.” immediately after the words “ANY INDEMNITY PROVISIONS SET FORTH IN THIS AGREEMENT OR OTHERWISE”; and
 - (iv) adding at the end of the last sentence the words “AND ARE NOT PENALTIES.”
29. In Sections 8.1(b) and 8.2(b), change “three (3) Business Days” to “five (5) Business Days”.
30. In Sections 8.1(d) and 8.2(d) on line 5, change “three (3) Business Days” to “five (5) Business Days”.
31. Section 8.2(d). Before the comma in line five, add “or fails to maintain such Performance Assurance or guaranty or other credit assurance for so long as the Downgrade Event is continuing,”.
32. A new Section 8.5. “UCC Waiver,” is added as follows:

“Section 8.5: Section 8 and Schedule M of the Agreement and Collateral Annex set forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth in the options elected by the Parties in respect of Sections 8.1 and 8.2, and in Schedule M and in the Collateral Annex, neither Party:

 - (a) has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever, or
 - (b) will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Section 8 and the Collateral Annex of this Agreement;

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all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.”

33. In Section 10.2, delete the phrase “or Potential Event of Default” from Sections 10.2(vii).

34. 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) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments”;

(xv) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments”; and

(xvi) 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 by the Commodity Futures Modernization Act of 2000 (the “Commodity Exchange Act”);

“(xviii) it is an “Eligible Contract Participant” within the meaning of Section 1a(18) of the Commodity Exchange Act.”

35. Section 10.2(ix) shall be deleted in its entirety and replaced with the following:

“it is a “forward contract merchant” within the meaning of 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 Codes, 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 to the rights under, and the protections afforded by, Sections 362, 546, 553, 556, 560, 561 and 562 of the Bankruptcy Code.”

36. Section 10.5 shall be amended by deleting the words from the beginning of clause (ii) through the words prior to “provided, however” and replacing them with:

“(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate’s creditworthiness is equal to or higher than that of such Party or the Guarantor, if any, for such Party, as of the Effective Date, or (y) the obligations of such Affiliate are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, and (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any, as of the Effective Date”

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37. Section 10.6 shall be 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, 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 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.”

38. In Section 10.6 change “NEW YORK” to “CALIFORNIA”
39. Section 10.7 shall be deleted in its entirety and replaced with the following:

“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 signed by someone who is authorized to speak on behalf of the Party; provided, the changes to invoice, payment, wire transfer and other banking information shall be effective only after

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verification by the contact listed under the Invoices and/or Payments section of the pre-existing Cover Sheet.”

40. Section 10.8 shall be amended by:

- (i) adding at the end of the second to last sentence: “and the rights of either Party pursuant to (i) Article 5, (ii) Section 7.1, (iii) Section 10.11 (iv) Waiver of Jury Trial provisions, if applicable, (v) the obligation of either Party to make payments hereunder, (vi) Section 10.6 (vii) Section 10.13 and (viii) Section 10.4 shall also survive the termination of the Agreement or any Transaction.”; and
- (ii) 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 counterparty were upon a single instrument. Delivery of an executed signature page of this Master Agreement and any Confirmation by facsimile or electronic mail transmission shall be effective as delivery of a manually executed signature page.”

41. In Section 10.9 (i) insert the words “copies of” after the word “examine” in line 2 and (ii) change twelve (12) months to twenty-four (24) months in line 9.

42. Section 10.10 shall be amended by adding the following after the last sentence of section 10.10.

“Each Party further agrees that, for the 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.”

43. Section 10.11 shall be amended by adding the following:

- (i) the phrase “or the completed Cover Sheet to this Master Agreement” immediately before the phrase “to a third party” in line three;
- (ii) the phrase “, or any such representatives of a Party’s Affiliates,” immediately after the phrase “counsel, accountants, or advisors” in line four;
- (iii) in the seventh line thereof, between the word “proceeding” and the semi-colon, which immediately follows, the words “applicable to such Party or any of its Affiliates”;
- (iv) an additional sentence at the end of Section 10.11: “The Parties agree and acknowledge that nothing in this Section 10.11 prohibits a Party from disclosing any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index.”; and
- (v) the following at the end of the last sentence: “Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 7920 et seq.). Party B acknowledges that Party A may submit information to Party B that the other party considers confidential, proprietary, or trade secret information pursuant to

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the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act. Party A acknowledges that Party B may submit to Party A information that Party B considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act. 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.” The Parties agree not to over-designate material as confidential. Over-designation would include stamping whole agreements, entire pages or series of pages as Confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement (“Requestor”) for production, inspection and/or copying of information designated by a Party as confidential information (such designated information, the “Confidential Information” and the disclosing Party, the “Disclosing Party”), the Party receiving such request (the “Receiving Party”) as soon as practical, shall notify the Disclosing Party that such request has been made so that Disclosing Party, at its sole expense, may seek an appropriate protective order or other appropriate remedy. The Disclosing Party shall be solely responsible, at its sole expense, for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor’s demand and is not required to defend against it.”

44. The following Mobile-Sierra clause shall be added as Section 10.12:

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, a non-party or FERC acting sua sponte, shall be the *Mobile Sierra* “public interest” standard of review set forth in *Morgan Stanley Capital Group Inc. v. Public Utility District No. 1 of Snohomish County*, Nos. 06-1457, 128 S.Ct. 2733 (2008) and consistent with the order of the Supreme Court in *NRG Power Marketing, LLC, et al., v. Maine Public Utilities Commission et al.* No. 08-674, 130 S.Ct. 693 (2010) (“NRG Order”). As to all other persons, the Parties intend and agree that the same standard applies, to the maximum degree permitted under the NRG Order.”
- (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

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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 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 subsection (a).

45. The following shall be added as a new Section 10.13:

“Party B’s Deliveries. Prior to entering into a Transaction, and as a condition to the obligations of Party A under this Agreement, Party B shall provide to Party A a certificate, dated as of the Effective Date and signed by an authorized signatory of Party B, certifying as to the completeness and correctness of attached copies of (i) the deliveries of Party B under Section 3.4(i), and (ii) 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 name and signatures of employees of Party B with authority to act on behalf of Party B.”

46. The following shall be added as a new Section 10.14:

“Party A’s Deliveries. Prior to entering into a Transaction, and as a condition to the obligations of Party B under this Agreement, Party A shall provide to Party B a certificate, dated as of the Effective Date and signed by an authorized signatory of Party A, certifying as to the completeness and correctness of attached copies of (i) a certificate of good standing issued by the Delaware Secretary of State as of a recent date, (ii) resolutions of the managers, members, or other governing body, as applicable, of Party A approving the execution, delivery and performance of this Master Agreement and any Confirmations executed in connection therewith, and (iii) the incumbency and signatures of the signatories of Party A executing this Master Agreement and any Confirmations executed in connection herewith.”

47. The following shall be added as a new Section 10.15:

“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. 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.”

48. The following new Section shall be added as Section 10.16:

“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 evidenced 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

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introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.”

49. The following new Section shall be added as Section 10.17:

“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:

(i) Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of two dealer quotes obtained from dealers of the highest credit standing which satisfy all the criteria that the Seller applies generally at the time in deciding to offer or to make an extension of credit. Notwithstanding the foregoing and subject to time limitations set forth in Sub-Section (ii) below, if the Parties have determined a Floating Price pursuant to this Sub-Section (i) and at a later date the responsible Price Source announces or publishes the relevant Floating Price, then such Floating Price shall be treated as a corrected price pursuant to Sub-Section (ii) below.”

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

“Exchange” means, in respect of a Transaction, the exchange or principal trading market specified 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 or publish the specified Floating Price or information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange 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 specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

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“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.

“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

(ii) Corrections to Published Prices. For purposes of determining a Floating Price 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 within three (3) years of 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 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.

(iii) Calculation of Floating Price. For purposes of calculating a Floating Price, all numbers shall be rounded to four (4) decimal places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.”

50. The following new Section shall be added as Section 10.18:

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.”

51. The following new Section shall be added as Section 10.19:

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.”

52. The following new Section shall be added as Section 10.20:

Data Privacy. In the course of the performance of this Agreement, the Parties may provide each other with information related to an identified or directly or indirectly identifiable individual (“Personal Data”), the processing and transfer of which will be done in accordance with applicable data protection law and this Agreement.

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For avoidance of doubt Parties may not process, sell, retain, use or disclose the Personal Data for any purpose other than for the specific purpose specified in this Agreement or as required or permitted by applicable Data Protection law. By signing this Agreement, Parties certify that they understand this condition and will comply with it. Each Party is a data controller in respect of the Personal Data.

Personal Data processed by Shell is governed by the terms of the Privacy Notice – Business Customer, Supplier, Partner or Investors, available at <https://www.shell.com/privacy/b2b-notice.html> and from the relevant Shell website in each location.

53. The following new Section shall be added as Section 10.21:

Anti-Corruption. Each Party represents, warrants and covenants to the other that: (i) it will comply with the Anti-Corruption Laws (as defined herein) with respect to all Transactions under this Agreement; (ii) it has not made and will not make, offer, authorize, or accept any payment, gift, or other benefit, directly or indirectly (whether via its affiliates, agents, contractors or other third parties), to or from any government official or any other person for the purpose of facilitating or carrying out any transaction hereunder which would violate the Anti-Corruption Laws; (iii) it will promptly notify the other Party if it becomes aware of any violation of the Anti-Corruption Laws in connection with any Transaction hereunder, subject to the preservation of legal privilege; and (iv) except as the other Party may agree in writing, all payments payable to a Party pursuant to this Agreement shall be made only to the account of such Party, and not to the account of any other person. “Anti-Corruption Laws” mean (a) the United States Foreign Corrupt Practices Act of 1977; (b) the United Kingdom Bribery Act 2010; and (c) all applicable laws that prohibit money laundering, or otherwise dealing in the proceeds of crime, or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to any government official or any other person, or tax evasion.

54. Schedule M shall be replaced in its entirety with the following:

SCHEDULE M

(THIS SCHEDULE IS INCLUDED IF THE APPROPRIATE BOX ON THE COVER SHEET IS MARKED INDICATING A PARTY IS A GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEM)

- A. The Parties agree to add the following definitions in Article One.

“Act” shall mean “the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.).

“Governmental Entity or Public Power System” means a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof.

- B. The following sentence shall be added to the end of the definition of “Force Majeure” in Article One:

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If the Claiming Party is Party B, Force Majeure does not include any action taken by, or any omission or failure to act of, Party B in its governmental capacity.

C. The Parties agree to add the following representations and warranties to Section 10.2:

Party B represents and warrants to Party A continuing throughout the term of this Master Agreement, with respect to this Master Agreement and each Transaction, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Master Agreement, including without limitation, to the extent applicable, 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 all applicable laws, ordinances, or other applicable regulations, (ii) all persons making up the governing body of Party B 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 laws, (iii) entry into and performance of this Master Agreement by Party B 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, and (v) entry into and performance of this Master Agreement and each Transaction by Party B will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any obligation of Party B or any members of Party B otherwise entitled to such exclusion, and (vi) obligations to make payments hereunder do not constitute any kind of indebtedness of Party B or create any kind of lien on, or security interest in, any property or revenues of Party B.

D. The Parties agree to add the following sections to Article Three:

Section 3.4: Party B's Deliveries. On the Effective Date and as a condition to the obligations of Party A under this Agreement, Party B shall provide Party A (i) 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 (ii) an opinion of counsel for Party B, in a form and substance reasonably satisfactory to Party A, regarding the validity, binding effect and enforceability of this Master Agreement against Party B in respect of the Act and all other relevant constitutional organic or other governing documents and applicable law.

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 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.).

E. If the appropriate box is checked on the Cover Sheet, as an alternative to selecting one or more of the options under Section 8.3, the Parties agree to add the following section to Article Three:

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Section 3.6 Governmental Entity or Public Power System Security. With respect to each Transaction, Governmental Entity or Public Power System shall upon execution of this Master Agreement and prior to the commencement of each subsequent fiscal year of Governmental Entity or Public Power System during any Delivery Period, have obtained all necessary budgetary approvals and certifications for payment of all of its obligations under this Master Agreement for such fiscal year; any breach of this provision shall be deemed to have arisen during a fiscal period of Governmental Entity or Public Power System for which budgetary approval or certification of its obligations under this Master Agreement is in effect and, notwithstanding anything to the contrary in Article Four, an Early Termination Date shall automatically and without further notice occur hereunder as of such date wherein Governmental Entity or Public Power System shall be treated as the Defaulting Party. Governmental Entity or Public Power System shall have allocated to its general funds a revenue base that is adequate to cover Public Power System's payment obligations hereunder.

F. 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.

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the Effective Date.

SHELL ENERGY NORTH AMERICA (US), L.P., a Delaware limited partnership **SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
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.

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PARAGRAPH 10
to the
COLLATERAL ANNEX
to the
EEI MASTER POWER PURCHASE AND SALE AGREEMENT

Between
Shell Energy North America (US), L.P. (“Party A”)
and
Silicon Valley Clean Energy Authority (“Party B”)

CREDIT ELECTIONS COVER SHEET

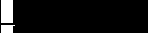
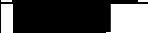
The terms of the EEI Collateral Annex, Version 1.0 (2/21/02) are incorporated by reference herein.

Paragraph 10. Elections and Variables

I. Collateral Threshold.

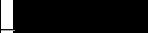
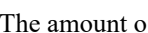
A. Party A Collateral Threshold.

- ☒ The “Threshold Amount” means the lesser of: (a) the amount set forth below under the heading “Party A Collateral Threshold” opposite the lowest Credit Rating assigned by S&P and Moody’s to Party A or the Credit Rating assigned by S&P or Moody’s if Party A is not rated by both rating agencies on the relevant date of determination, or (b) zero if on the relevant date of determination Party B does not have a Credit Rating from S&P or Moody’s or an Event of Default with respect to Party B has occurred and is continuing.

<u>Party A Collateral Threshold</u>	<u>S&P Credit Rating</u>	<u>Moody’s Credit Rating</u>
	A- (or above)	A3 and above
	BBB+	Baa1
	BBB	Baa2
	BBB-	Baa3
	Below BBB-	Below Baa3

B. Party B Collateral Threshold.

- ☒ The “Threshold Amount” means the lesser of: (a) the amount set forth below under the heading “Party B Collateral Threshold” opposite the lowest Credit Rating assigned by S&P and Moody’s to Party B or the Credit Rating assigned by S&P or Moody’s if Party B is not rated by both rating agencies on the relevant date of determination, or (b) zero if on the relevant date of determination Party B does not have a Credit Rating from S&P or Moody’s or an Event of Default with respect to Party B has occurred and is continuing.

<u>Party B Collateral Threshold</u>	<u>S&P Credit Rating</u>	<u>Moody’s Credit Rating</u>
	A- (or above)	A3 and above
	BBB+	Baa1
	BBB	Baa2
	BBB-	Baa3
	Below BBB-	Below Baa3

- ☐ 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 \$_____.

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☐ 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]	100%
(B)	Letters of Credit	[X]	[X]	100% unless (i) a Letter of Credit Default shall have occurred and be continuing with respect to such Letter of Credit, or or (ii) fifteen (15) or fewer Business Days remain prior to the expiration of such Letter of Credit, in which case the Valuation Percentage shall be zero (0).
(C)	Other	[]	[]	_____ %

III. Independent Amount.

A. Party A Independent Amount.

- ☐ Party A shall have a Fixed Independent Amount of \$0 (zero). 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 \$_____. 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 \$_____. 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 \$0 (zero). 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 \$_____. 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 \$_____. 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]

provided that, in each case, (i) if the Party is a Defaulting Party at the time, its Minimum Transfer Amount will be zero, (ii) if a Secured Party is holding an amount of Performance Assurance at the time, the Secured Party's Collateral Requirement is, or is deemed to be, zero at the time, and, but for its Minimum Transfer Amount, the Secured Party would be required to make a Transfer under Paragraph 4, the Minimum Transfer Amount for the Secured Party will be zero, and (iii) if no Transactions are outstanding, then the Minimum Transfer Amount for both Parties will be zero.

Rounding Amount.

C. Party A Rounding Amount: [REDACTED]

D. Party B Rounding Amount: [REDACTED]

V. 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 or Party A's Custodian 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; (2) Party A's Custodian, if any, is a Qualified Institution. 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.

- ☒ Federal Funds Effective Rate - the rate for that day opposite the caption "Federal Funds (Effective)" as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

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 or Party B's Custodian 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; (2) Party B's Custodian, if any, is a Qualified Institution. 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.

- ☒ Federal Funds Effective Rate - the rate for that day opposite the caption "Federal Funds (Effective)" as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

VI. Notification Time.

- ☒ Other - 10:00 a.m. Pacific Prevailing Time on a Local Business Day

VII. Demands and Notices.

All demands, specifications and notices to Party A under this Collateral Annex will be as set forth on the Cover Sheet to the Master Agreement.

All demands, specifications and notices to Party B under this Collateral Annex will be as set forth on the Cover Sheet to the Master Agreement.

VIII. General.

Amendment to Introductory Paragraph:

- (i) 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 June 5, 2026 between Shell Energy North America (US), L.P., (“Party A”) and Silicon Valley Clean Energy Authority, a California joint powers authority (“Party B”) (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) “Collateral Value” Replace clause (b) with the following: “(b) with respect to Letters of Credit, the stated amount then available under the Letter of Credit to be unconditionally drawn by the beneficiary thereof, unless such Letter of Credit expires within fifteen (15) Business Days or a Letter of Credit Default shall have occurred and be continuing in which cases the value shall be zero (0).”
- (ii) The definition of “Credit Rating” is amended and restated in its entirety as follows:

““Credit Rating” shall mean, with respect to an entity on any date of determination, the respective rating then assigned to its issuer, unsecured and senior, long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P or Moody’s.”
- (iii) “Credit Rating Event” shall be amended by replacing “6(a)(iii)” with “6(a)(ii)”.
- (iv) “Downgraded Party” shall be amended by replacing “6(a)(i)” with “6(a)(ii)”.
- (v) The definition of “Letter of Credit” shall be deleted from both the Master Agreement, as amended by the Cover Sheet thereto, and the Collateral Annex and replaced with the following:

“Letter(s) of Credit” shall mean an irrevocable, standby Letter of Credit, issued by an issuer or confirming entity (which is not an Affiliate of either Party), as applicable, that is a Qualified Institution substantially in the form reasonably acceptable to the beneficiary thereof, in each case, with such changes to the terms in that form as the issuing bank may require and as may be reasonably acceptable to the beneficiary thereof.”
- (vi) “Letter of Credit Default” shall be amended as follows:
 - a. Clause (a) shall be deleted and replaced with the following phrase: “(a) the issuer of such Letter of Credit shall fail to be a Qualified Institution”; and
 - b. A new clause (f) shall be added after the existing clause (e) and immediately before the phrase “provided, however” as follows:

“(f) the Pledgor fails to extend or replace such Letter of Credit at least ten (10) Local Business Days prior to its expiration” ; and
 - c. The following is added after the last sentence:

“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.”
- (vii) “Local Business Day” shall be amended by replacing the word “day” with “Business Day”.
- (viii) “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.”
- (ix) “Performance Assurance” shall be amended by replacing “6(a)(iv)” with “6(a)(iii)”.
- (x) “Qualified Institution” shall be amended to read as follows:

““Qualified Institution” means (i) a commercial bank or trust company (which is not an Affiliate of either party) organized under the laws of the United States or a political subdivision thereof, or (ii) the U.S. branch of a foreign bank (which is not an Affiliate of either party), in each case (a) with a Credit Rating of at least “A-” by S&P or “A3” by Moody’s, and (b) having assets of at least TEN BILLION AND 00/100 DOLLARS (\$10,000,000,000.00).”

- (xi) “Reference Market-maker” is amended by adding “which is not an Affiliate of either Party” after the words “leading dealer” in the first line thereof.
- (xii) “Secured Party” shall be amended by replacing “3(b)” with “3(a)”.

Amendments 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 fourth 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 fourth 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”.
- (iii) Paragraph 5(b) At the end of the first sentence amend the phrase “the Secured Party must consent to such substitution” to read, “consent of the Secured Party is required prior”.

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 as follows:
 - a. In first sentence:
 - (1) Add “no longer have the right to sell, pledge, rehypothecate, assign, invest, use or commingle any cash it holds as Performance Assurance hereunder, but shall” after the words “Downgraded Party shall”.
 - (2) Add “as Performance Assurance” after “held on its behalf”.
 - (3) Replace “non-Downgraded” with “Pledging”.
 - (4) Add “collateral” after “being held as Cash”.
 - b. In the second sentence:
 - (1) Add “the perfection of” after “with the terms of the Collateral Annex and for”.
 - (2) Replace “Non-Downgraded Party” with “Downgraded Party”.

- (iii) Paragraph 6(a)(iii) shall be amended by adding at the beginning of the first sentence “Upon request and” prior to the phrase “So long as”.
- (iv) Paragraph 6(b)(i) shall be amended as follows with respect to the second sentence:
 - a. Replace “Eligible Collateral” with “Performance Assurance”, and
 - b. Replace “twenty (20)” with “fifteen (15)”.
- (v) Paragraphs 6(b)(iii) and 6(b)(iv) are deleted and replaced in their entirety as follows:

“(iii) Upon the occurrence of a Letter of Credit Default, the Pledging Party agrees to Transfer to the Secured Party either a substitute Letter of Credit or other Eligible Collateral, in each case on or before the second (2nd) Local Business Day after the occurrence thereof (or the third (3rd) Local Business Day after the occurrence thereof if only clause (a) under the definition of Letter of Credit Default applies); provided that as a result of the Pledging Party’s failure to perform in accordance with this sentence, the Pledging Party’s Collateral Requirement would be greater than zero (0).

(iv) Notwithstanding anything herein to the contrary, (A) upon or at any time after the occurrence and during the continuation of an Event of Default with respect to the Pledging Party or (B) if an Early Termination Date has occurred or been designated and there exist any unsatisfied payment Obligations, then the Secured Party may draw on any outstanding Letter of Credit in an amount (up to the face amount for which the Letter of Credit has been issued) that is equal to all amounts that are due and owing from the Pledging Party but have not been paid to the Secured Party within the time allowed for such payments under this Agreement (including any related notice or grace period or both). If a Letter of Credit Default exists with respect to any Letter of Credit provided by or on behalf of the Pledging Party, then the Secured Party may draw on the Letter of Credit subject to such Letter of Credit Default in an amount equal to the entire, undrawn portion of such Letter of Credit. Draws on outstanding Letters of Credit shall be made upon submission to the bank issuing such Letter(s) of Credit of one or more certificates specifying the amounts due and owing to the Secured Party in accordance with the specific requirements of the Letter of Credit. Notwithstanding the foregoing, the Secured Party shall not be entitled to make such a drawing unless the Collateral Requirement applicable to the Pledging Party at such time equals or exceeds the Pledging Party's Minimum Transfer Amount. Cash proceeds received from drawing upon any Letter of Credit shall be deemed Performance Assurance as security for the Pledging Party’s obligations to the Secured Party and the Secured Party shall have the rights and remedies set forth in Paragraph 7 with respect to such cash proceeds. Notwithstanding the Secured Party’s receipt of Cash proceeds of a drawing under the Letter of Credit, the Pledging Party shall remain liable (y) for any failure to Transfer sufficient Performance Assurance or (z) for any amounts owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured 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(d) is amended and restated in its entirety as follows (with deleted text crossed-out (e.g., ~~crossed out~~) and added text double underlined (e.g., double underlined) for illustrative purposes only):

(d) In addition to the provisions of Paragraph 7(a), if at any time ~~(i) an Event of Default with respect to the Secured Party has occurred and is continuing or (ii)~~ an Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Secured Party (other than an Early Termination Date relating to less than all Transactions where the Secured Party has paid in full all of its obligations that are then due under the Agreement), then:

(1) the Secured Party will be obligated immediately to Transfer all Performance Assurance ~~(including other than~~ any Letter of Credit) and the Interest Amount, if any, to the Pledging Party;

and

(2) the Pledging Party may do any one or more of the following: (x) exercise any of the rights and remedies of a pledgor with respect to the Performance Assurance (other than any Letter of Credit), including any such rights and remedies under law then in effect; and (y) to the extent that the Performance Assurance (other than any Letter of Credit) or the Interest Amount is not Transferred to the Pledging Party as required in (1) above, setoff amounts payable to the Secured Party against the Performance Assurance (other than Letters of Credit) held by the Secured Party or to the extent its rights to setoff are not exercised, withhold payment of any remaining amounts payable by the Pledging Party, up to the value of any remaining Performance Assurance (other than any Letter of Credit) held by the Secured Party, until the Performance Assurance is Transferred to the Pledging Party; ~~and (z) exercise rights and remedies available to the Pledging Party under the terms of any Letter of Credit; and~~

~~(3) the Secured Party shall be prohibited from drawing on any Letter of Credit that has been posted by the Pledging Party for its benefit.~~

(iii) A new Paragraph 7(e) and a new Paragraph 7(f) are added as follows:

“(e) The Secured Party will transfer to the Pledging Party any proceeds and Performance Assurance remaining after liquidation, set-off and/or application under Paragraphs 7(a) and 7(d) after satisfaction in full of all amounts payable by the Pledging Party with respect to any Obligations; the Pledging Party will in all events remain liable for any amounts unpaid after liquidation, set-off and/or application under Paragraphs 7(a) and 7(d).

(f) When no amounts are or thereafter may become payable by the Pledging Party with respect to any Obligations, the Secured Party will Transfer to the Pledging Party all Performance Assurance and the Interest Amount, if any.”

Amendments to Paragraph 8:

(i) Paragraph 8(a) shall be amended as follows:

a. in the third sentence, replace “Party’s Net Exposure shall be recalculated by each Party requesting” with “Party shall recalculate its Net Exposure by obtaining market”;

b. in the third sentence, replace “one (1)” with “two (2)”; and

c. adding after the third sentence the following sentence: “If the Secured Party is unable to obtain any quotations for the Secured Party’s Net Exposure, the Parties will appoint a mutually acceptable leading market participant in the relevant market to make such calculation and such expense will be shared equally by the Parties.”

(ii) Paragraph 8(b) shall be amended as follows:

a. in the third sentence, replace “each” with “the Secured”;

b. in the third sentence, replace “one (1)” with “two (2)”; and

c. adding after the third sentence the following sentence: “If the Secured Party is unable to obtain any quotations for the Secured Party’s Net Exposure, the Parties will appoint a mutually acceptable leading market participant in the relevant market to make such calculation and such expense will be shared equally by the Parties.”

(iii) Paragraph 8 is amended by inserting the following new subparagraph 8(c) at the end thereof:

“(c) Each quotation from a Reference Market-maker will be for an amount, if any, that would be paid to the Party requesting the quotation (expressed as a negative number) or by the Party

requesting the quotation (expressed as a positive number) in consideration of an agreement between such Party (taking into account this Collateral Annex and the existence of any Guarantor with respect to the obligations of such Party) and the quoting Reference Market-maker to enter into a transaction that would have the effect of preserving for the Party requesting the quotation the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the Parties in respect of such Transaction or group of Transactions. The costs of retaining Reference Market-makers for the purposes of this Paragraph 8 shall be borne equally by the Secured Party and the Pledging Party. The determination made by such Reference Market-makers shall be binding and conclusive on the Parties absent manifest error.”

Amendments to Paragraph 10:

- (i) Paragraph 10 shall be amended by inserting the following new subparagraph 10(VI)(C) at the end thereof:

“In lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Performance Assurance in the form of Cash (all of which may be retained by the Pledging Party and shall not be considered Performance Assurance):

(x) if the Interest Amount for an Interest Period is a positive number, upon request of the Pledging Party, the Secured Party will transfer to the Pledging Party such Interest Amount by the fifth Business Day after the end of such Interest Period, to the extent that a Collateral Requirement as calculated by the Pledging Party would not be created or increased by that Transfer; any Interest Amount or portion thereof not transferred pursuant to this subsection (x) of this Paragraph will constitute Performance Assurance in the form of Cash and will be subject to the security interest granted under Paragraph 2 to the Collateral Annex.”

- (ii) 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.

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 EEI Master Power Purchase and Sale Agreement between the Parties.

SHELL ENERGY NORTH AMERICA (US), L.P.,
a Delaware limited partnership

SILICON VALLEY CLEAN ENERGY
AUTHORITY, a California joint powers authority

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

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: [_____]

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 *[insert Beneficiary name]* (“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 June 14, 2023 and as amended or otherwise modified 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]*, 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”).

The Drawing Certificate may be presented by (a) U.S. mail, (b) overnight courier or (c) as a PDF attachment to an e-mail 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), or any copy thereof, is not required to be presented in connection with any presentment of a Drawing Certificate by Beneficiary hereunder in order to receive payment.

We hereby agree with the Beneficiary that all documents presented under and in compliance with the terms of this Letter of Credit, that such drafts will be duly honored upon presentation to the Issuer on or before the Expiration Date.

All payments made under this Letter of Credit shall be made with Issuer’s own immediately available funds by means of wire transfer in immediately available United States dollars to Beneficiary’s account as indicated by Beneficiary in its Drawing Certificate or in a communication accompanying its Drawing Certificate.

Partial draws are permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance.

It is a condition of this Letter of Credit that the Expiration Date shall be deemed automatically extended without an amendment for a one year period beginning on the present Expiration Date hereof and upon each anniversary for such date, unless at least one hundred twenty (120) days prior to any such Expiration Date we have sent to you written notice by

overnight courier service that we elect not to extend this Letter of Credit, in which case it will expire on the date specified in such notice. No presentation made under this Letter of Credit after such Expiration Date will be honored.

Notwithstanding any reference in this Letter of Credit to any other documents, instruments or agreements, this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

[This Letter of Credit is 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.]¹

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.

[All notices to Beneficiary shall be in writing and are required to be sent by certified letter, overnight courier, or delivered in person to: *[insert Beneficiary Notice Information]*. Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.]²

[Bank Name]

[Insert Officer's Name]

[Insert Officer's Title]

**EXHIBIT A DRAWING CERTIFICATE
(DRAW REQUEST SHOULD BE ON BENEFICIARY'S
LETTERHEAD)**

Drawing Certificate

[Insert Bank Name and Address]

The undersigned, a duly authorized representative of *[insert Beneficiary name]*, as beneficiary (the "Beneficiary") of the Irrevocable Letter of Credit No. [XXXXXXX] (the "Letter of Credit") issued by *[insert bank name]* (the "Bank") by order of _____ (the "Applicant"), hereby certifies to the Bank as follows:

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 June 14, 2023 and as amended or otherwise modified from time to time (the "Master Agreement").

An Event of Default (as defined in the Master Agreement) has occurred and is continuing with respect to Applicant under the Master Agreement or an Early Termination Date has occurred or been designated. Wherefore, the undersigned does hereby demand payment in an amount equal to all amounts due and owing of \$[_____].

OR

Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. \$_____, which equals the full available amount under the Letter of Credit, because Applicant is required to maintain the Letter of Credit in force and effect beyond the Expiration Date of the Letter of Credit but has failed to provide Beneficiary with a replacement Letter of Credit or other acceptable instrument within twenty (20) Local Business Days prior to such Expiration Date or a Letter of Credit Default (as defined in the Master Agreement) exists.

The undersigned is a duly authorized representative of *[insert Beneficiary name]* 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 *[insert Beneficiary name]* by wire transfer in immediately available funds to the following account:

[specify account information] [insert Beneficiary name]

[Name and title of the authorized representative]

[Date]

EXECUTION VERSION

Master Power Purchase & Sale Agreement

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MASTER POWER PURCHASE AND SALE AGREEMENT

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AMENDED AND RESTATED MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Amended and Restated Master Power Purchase and Sale Agreement* (“**Master Agreement**”) is made as of the following date: June 26, 2026 (“**Effective Date**”). The Parties intend for this Master Agreement to terminate, replace, and supersede in its entirety that certain Master Power Purchase and Sale Agreement entered by and between Constellation Energy Generation, LLC (formerly Exelon Generation Company, LLC), known as Party A, and Silicon Valley Clean Energy Authority, known as Party B, dated as of November 28, 2016 (“**Original Master Agreement**”). Upon the Effective Date of this Master Agreement, the Original Master Agreement shall be of no further force or effect and any outstanding Transactions entered under the Original Master Agreement shall be governed by this Master Agreement. The Collateral Annex, including the Paragraph 10 elections, dated as of the date of this Master Agreement, is hereby added to the EEI. All existing and future Transactions will be subject to and margined under the aforementioned Collateral Annex. 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 (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “**Agreement**.”

Following execution of this Master Agreement by both Parties, Party B will use its best efforts to cause all parties to the Intercreditor and Collateral Agency Agreement dated December 15, 2016 (“**Intercreditor Agreement**”) to agree to its termination, and Party A agrees to promptly execute a termination of such Intercreditor Agreement upon Party B obtaining such approvals.

The Parties to this Master Agreement are the following:

Name: Constellation Energy Generation, LLC, a limited liability company (“**Constellation**” or “**Party A**”)

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

All Notices:

Attn: **Contract Administration**
Address: 1310 Point Street, 8th Floor
Baltimore, MD 21231

Phone: 667-218-7095
Email: WholesaleContractSupport@constellation.com
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 Van Vactor,
Director of Power Resources
Phone: (408) 549-2683
Email: [REDACTED] and
[REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

Invoices:

Attn: Wholesale Operations Settlements
Email: MiddleOffice@constellation.com
and #CCGPowerPayments@constellation.com

Invoices:

Attn: Power Supply Group
Phone: (408) 721-5301
Email: [REDACTED]

Scheduling:

Attn: Scheduling Desk
Phone: 410-468-3530

Confirmations:

Attn: Confirmations Group
E-mail: confirms1@constellation.com

Payments:

Attn: Wholesale Operations Settlements
Email: MiddleOffice@constellation.com and
#CCGPowerPayments@constellation.com

Wire Transfer:

BNK: Citibank
ABA: [REDACTED]
ACCT: [REDACTED]

Credit and Collections:

Attn: Credit Risk Department
Email: creditwholesale@constellation.com

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: Assistant General Counsel
Email: ceglegalwholesale@constellation.com

Scheduling:

Attn: Tenaska
Team Email: operations@tnsk.com
Attn: 24x7 Operations Desk
Phone: 817-462-1509
Email: TenaskaComm@tnsk.com
Attn: Adam Cochran, Manager, Operations
Phone: (817) 303-3632; (817) 658-2571; (817) 303-1104
Email: acochran@tnsk.com
Attn: Paul Messmann, Senior System Operator
Phone: (817) 804-8719; (847) 612-4566; (817) 303-1104
Email: PMessmann@tnsk.com
Outage information: Outage@tnsk.com
Resource testing information: Test@tnsk.com

Payments:

Attn: Finance Group
Phone: (408) 721-5301
Email: [REDACTED]

Wire Transfer:

BNK: River City Bank
ABA: [REDACTED]
ACCT: [REDACTED]

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:

Michael Callahan, General Counsel
Email: [REDACTED]

and to:

Kris Van Vactor, Director of Power Resources
Email: [REDACTED]

and to:

Amrit Singh, Chief Financial Officer/Director of Administrative Services
Email: [REDACTED]

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: FERC Electric, Market Based Rate Tariff, originally granted in Docket No. ER00-3251 and originally effective on October 20, 2000

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: Constellation Energy Generation, LLC	Cross Default Amount: [REDACTED]
	☐	Other Entity:	Cross Default Amount: \$ _____
	■	Cross Default for Party B:	
	■	Party B: Silicon Valley Clean Energy Authority	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

Credit and Collateral Requirements

8.1 Party A Credit Protection:

- (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 Silicon Valley Clean Energy as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at www.svcleanenergy.org, and (2) quarterly unaudited financial statements for Silicon Valley Clean Energy as soon as practicable upon demand, but in no event later than 90 days after the applicable quarter. In all cases the statements shall be for the most recent accounting

period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that 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 audited statement will be provided within 90 days after the fiscal quarter during which Party A begins deliveries under a Transaction. Party B's fiscal year ends June 30.

(b) Credit Assurances:

- ☒ Not Applicable
- ☐ Applicable

(c) Collateral Threshold:

- ☐ Not Applicable
- ☒ Applicable

See the Collateral Annex, which shall replace Articles 8.1(c) and 8.2(c) in their entirety.

(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:

(e) Guarantor for Party B: N/A

Guarantee Amount: N/A

8.2 Party B Credit Protection:

(a) Financial Information:

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

The annual report containing audited consolidated financial statements for such fiscal year of Party A as soon as practicable after demand, but in no event later than 180 days after the end of each annual period of Party A and unaudited semi-annual financials within 90 days after the end of each semi-annual period of Party A, and such request will be deemed to have been filled if such financial statements are

available at www.constellationenergy.com, or any successor webpage. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that 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.

(b) Credit Assurances:

- ☐ Not Applicable
- ☒ Applicable

(c) Collateral Threshold:

- ☐ Not Applicable
- ☒ Applicable

See the Collateral Annex, which shall replace Articles 8.1(c) and 8.2(c) in their entirety.

(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:

(e) Guarantor for Party A: N/A

Guarantee Amount: N/A

Article Ten

Confidentiality

- ☒ Confidentiality Applicable If not checked, inapplicable.

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 and the associated Collateral Annex incorporate, by reference, the changes published in the EEI Errata, Version 1.1, dated July 18, 2007.

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

“Notwithstanding the foregoing, the Parties hereby agree and acknowledge that with respect to Party 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. 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. Section 1.23 shall be amended by inserting in the thirteenth line of this Subsection before the phrase “foregoing factors” the word “two.”
4. Section 1.24 is amended by adding before the period at the end thereof the following: “in accordance with Section 5.2”.
5. Section 1.27 is deleted in its entirety and replaced with the definition set forth in Paragraph 10 to the Collateral Annex.
6. Section 1.46 is deleted in its entirety.
7. Section 1.51 is amended by (i) inserting the phrase “for delivery” in the second line after the word “purchases” and before the phrase “at the Delivery Point” and (ii) deleting the phrase “at Buyer’s option” from the fifth line and replacing it with “absent a purchase”.
8. 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.”
9. Section 1.53 is amended by:
 - (i) deleting “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
 - (iii) inserting, after the word “liability” in the ninth line, the following: “provided, further, if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by the Buyer, the Sales Price with respect to such unsold Product shall be deemed to equal zero (0).”
10. 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.”
11. Section 1.60 is amended by inserting the words “in writing” immediately following the words “agreed to”.
12. In Section 2.1, delete the first sentence in its entirety and replace with the following: “A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties.”
13. In Section 2.1, the last sentence is deleted in its entirety and replaced with the following:

“Each Party agrees not to contest, or assert any defense to, the validity or 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; provided, however, Party A acknowledges that no employee of Party B may amend or otherwise materially modify this Master Agreement or a Transaction, or enter into a new Transaction, without the approval of the board of Party B, which may be granted on a prospective basis, and that evidence of such approval, including a certified incumbency setting forth the name and signatures of employees of Party B with authority to act on behalf of Party B, will be provided pursuant to Section 10.13.”

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

2.3 “No Oral Agreements or Modifications. Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Transactions may not be amended or modified except by an instrument in writing signed by both Parties.”

15. Section 2.4 is hereby amended by deleting the words “either orally or” in the sixth line.

16. Section 2.5 is hereby 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; 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.”

17. Section 3.2 is hereby amended by adding the following 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.”

18. In Section 5.1(a), change “three (3) Business Days” to “five (5) Business Days”.

19. 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;”

20. Section 5.1(h)(v) – “Events of Default”

Add “made in connection with this Agreement” after “any guaranty”.

21. Section 5.1 is further amended by replacing the period at the end of subsection (h) with a semicolon, and adding new subsections which read as follows:

“(i) during any consecutive ninety (90) day period, there have occurred five (5) or more “Seller Failures” as that term is used in Section 4.1, under any and all Transactions, regarding which

the Seller shall be deemed to be the Defaulting Party, and Buyer shall also be entitled to its remedies under Section 4.1;”

“(j) a representation or warranty with respect to the Defaulting Party’s financial statement that is false or misleading if such false or misleading statement is not remedied within five (5) Business Days after written notice;”

“(k) revocation or suspension by the Federal Energy Regulatory Commission of Party A’s authorization to make sales at market-based rates, and Party A is unable to reinstate such authorization within ninety (90) days; or”

“(l) A Party or its Guarantor suffering or being the subject of a default, event of default, termination event, breach or other similar condition or event (howsoever expressed) that has not been remedied within the applicable grace periods under any other agreement or instrument (including, without limitation, commodity and financial derivative agreements or transactions) between a Party or one of its Affiliates and the other Party or one of its Affiliates, where the result of such event has been the termination and liquidation of transactions and the acceleration of amounts due thereunder.”

22. 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: “then each such Transaction shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below). The Gains and Losses for each Terminated Transaction shall be determined by the Non-Defaulting Party calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. In making such calculation, the Non-Defaulting Party may reference information supplied by one or more third parties 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. Third parties supplying such information may include dealers, brokers and information vendors, including, without limitation, Intercontinental Exchange, Inc. If the Non-Defaulting Party’s calculation of the Termination Payment results in an amount that would be due to the Defaulting Party (i.e. the Defaulting Party was in-the-money), then the Termination Payment shall be deemed to be zero dollars (\$0.00).

23. Section 5.3 shall be amended by inserting “plus, at the option of the Non-Defaulting Party, any cash or other form of liquid security 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.

24. In Section 6.3, lines 3, 16 & 18, change twelve (12) months to twenty-four (24) months.

25. Section 7.1 shall be amended by:

- (i) adding “SET FORTH IN THIS AGREEMENT” after “INDEMNITY PROVISION” and before “OR OTHERWISE,” in the fifth sentence;

- (ii) adding in the nineteenth line the words “PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT EXPRESSLY ALLOWING FOR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 AND 5.3.” immediately after the words “ANY INDEMNITY PROVISIONS SET FORTH IN THIS AGREEMENT OR OTHERWISE”; and
 - (iii) adding at the end of the last sentence the words “AND ARE NOT PENALTIES.”
26. In Sections 8.1(b) and 8.2(b), change “three (3) Business Days” to “five (5) Business Days”.
27. In Sections 8.1(d) and 8.2(d) on line five, change “three (3) Business Days” to “five (5) Business Days”.
- Section 8.2(d). Before the comma in line five, add “or fails to maintain such Performance Assurance or guaranty or other credit assurance for so long as the Downgrade Event is continuing, and does not restore such Performance Assurance within five (5) Business Days of receipt of notice”.
28. Section 8.4 is added as follows:
- “In no event shall a Party be required to provide Credit Assurances, Independent Amounts, or any other collateral that in the aggregate exceeds Termination Payment plus the Independent Amount.”
29. In Section 10.2, delete the phrase “or Potential Event of Default” from Sections 10.2(vii).
30. 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) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments”;
- (xv) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments”; and
- (xvi) 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 by the Commodity Futures Modernization Act of 2000 (the “Commodity Exchange Act”);
- “(xiii) it is an “eligible contract participant” within the meaning of Section 1a(18) of the Commodity Exchange Act.”

31. Section 10.2(ix) shall be deleted in its entirety and replaced with the following:

“it is a “forward contract merchant” within the meaning of 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 Codes, 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 to the rights under, and the protections afforded by Sections 362, 546, 553, 556, 560, 561 and 562 of the Bankruptcy Code.”

32. Section 10.5 shall be amended by deleting the words from the beginning of clause (ii) through the words prior to “provided, however” and replacing them with:

“(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate’s creditworthiness is equal to or higher than that of such Party or the Guarantor, if any, for such Party, or (y) the obligations of such Affiliate are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, and (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any”

33. Section 10.6 shall be 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, 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 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.”

34. In Section 10.6 change “NEW YORK” to “CALIFORNIA”

35. Section 10.7 shall be deleted in its entirety and replaced with the following:

“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 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. 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 or by a reputable overnight carrier, which shall include proof of sending the notice via a mailing receipt or a tracking number, 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.”

36. Section 10.8 shall be amended by:

- (i) adding at the end of the second to last sentence: “and the rights of either Party pursuant to (i) Article 5, (ii) Section 7.1, (iii) Section 10.11 (iv) Waiver of Jury Trial provisions, if applicable, (v) the obligation of either Party to make payments hereunder, (vi) Section 10.6 (vii) Section 10.13 and (viii) Section 10.14 shall also survive the termination of the Agreement or any Transaction.”; and
- (ii) 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 counterparty were upon a single instrument. Delivery of an executed signature page, including one that is electronically signed, of this Master Agreement and any Confirmation by facsimile or electronic mail transmission shall be effective as delivery of a manually executed signature page.”

37. In Section 10.9 insert the words “copies of” after the word “examine” in line 2.

38. Section 10.10 shall be amended by adding the following after the last sentence of Section 10.10.

“Each Party further agrees that, for the 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.”

39. Section 10.11 shall be amended by adding the following:

- (i) the phrase “or the completed Cover Sheet to this Master Agreement” immediately before the phrase “to a third party” in line three;
- (ii) the phrase “, or any such representatives of a Party’s Affiliates,” immediately after the phrase “counsel, accountants, or advisors” in line four;
- (iii) in the seventh line thereof, between the word “proceeding” and the semi-colon, which immediately follows, the words “applicable to such Party or any of its Affiliates”; and
- (iv) an additional sentence at the end of Section 10.11: “The Parties agree and acknowledge that nothing in this Section 10.11 prohibits a Party from disclosing any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index.”; and
- (v) the following at the end of the last sentence: “Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 7920 et seq.). Party B acknowledges that Party A may submit information to Party B that the other party considers confidential, proprietary, or trade secret information pursuant to the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act. Party A acknowledges that Party B may submit to Party A information that Party B considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act. 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.” The Parties agree not to over-designate material as confidential. Over-designation would include stamping whole agreements, entire pages or series of pages as Confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement (“Requestor”) for production, inspection and/or copying of information designated by a Party as confidential information (such designated information, the “Confidential Information” and the disclosing Party, the “Disclosing Party”), the Party receiving such request (the “Receiving Party”) as soon as practical, shall notify the Disclosing Party that such request has been made so that Disclosing Party, at its sole expense, may seek an appropriate protective order or other appropriate remedy. The Disclosing Party shall be solely responsible, at its sole expense, for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor’s demand and is not required to defend against it.”

40. The following Mobile-Sierra clause shall be added as Section 10.12:

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, a non-party or FERC acting sua sponte, shall be the *Mobile Sierra* “public interest” standard of review set forth in *Morgan Stanley Capital Group Inc. v. Public Utility District No. 1 of Snohomish County*, Nos. 06-1457, 128 S.Ct. 2733 (2008) and consistent with the order of the Supreme Court in *NRG Power Marketing, LLC, et al., v. Maine Public Utilities Commission et al.* No. 08-674, 130 S.Ct. 693 (2010) (“NRG Order”). As to all other persons, the Parties intend and agree that the same standard applies, to the maximum degree permitted under the NRG Order.”

- (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, 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 subsection (a).

- 41. The following shall be added as a new Section 10.13:

“Party B’s Deliveries. On the Effective Date and as a condition to the obligations of Party A under this Agreement, Party B shall provide to Party A a certificate, dated as of the Effective Date and signed by an authorized signatory of Party B, certifying as to the completeness and correctness of attached copies of (i) the deliveries of Party B under Section 3.4, and (ii) 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 name and signatures of employees of Party B with authority to act on behalf of Party B.”

- 42. The following shall be added as a new Section 10.14:

“Party A’s Deliveries. On the Effective Date and as a condition to the obligations of Party B under this Agreement, Party A shall provide to Party B a certificate, dated as of the Effective Date and signed by an authorized signatory of Party A, certifying as to the completeness and correctness of attached copies of (i) a certificate of good standing issued by the Pennsylvania Secretary of State as of a recent date, (ii) resolutions of the managers, members, or other governing body, as applicable, of Party A approving the execution, delivery and performance

of this Master Agreement and any Confirmations executed in connection therewith, and (iii) the incumbency and signatures of the signatories of Party A executing this Master Agreement and any Confirmations executed in connection herewith.”

43. The following shall be added as a new Section 10.15:

“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. 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.”

44. The following new Section shall be added as Section 10.16:

“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 evidenced on paper, the Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.”

45. The following new Section shall be added as Section 10.17:

“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:

(i) Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of two dealer quotes obtained from dealers of the highest credit standing which satisfy all the criteria that the Seller applies generally at the time in deciding to offer or to make an extension of credit. Notwithstanding the foregoing and subject to time limitations set forth in Sub-Section (ii) below, if the Parties have determined a Floating Price pursuant to this Sub-Section (i) and at a later date the responsible Price Source announces or publishes the relevant Floating Price, then such Floating Price shall be treated as a corrected price pursuant to Sub-Section (ii) below.”

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

“Exchange” means, in respect of a Transaction, the exchange or principal trading market specified 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 or publish the specified Floating Price or information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange 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 specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

“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.

“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

(ii) Corrections to Published Prices. For purposes of determining a Floating Price 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 within three (3) years of 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 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.

(iii) Calculation of Floating Price. For purposes of calculating a Floating Price, all numbers shall be rounded to four (4) decimal places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.”

46. The following new Section shall be added as Section 10.18:

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.”

47. The following new Section shall be added as Section 10.19:

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."

[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.

**CONSTELLATION ENERGY
GENERATION, LLC**

**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.

GENERAL TERMS AND CONDITIONS

ARTICLE ONE: GENERAL DEFINITIONS

1.1. “Affiliate” means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.2. “Agreement” has the meaning set forth in the Cover Sheet.

1.3. “Bankrupt” means with respect to any entity, such entity (i) 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, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) 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 (v) is generally unable to pay its debts as they fall due.

1.4. “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

1.5. “Buyer” means the Party to a Transaction that is obligated to purchase and receive, or cause to be received, the Product, as specified in the Transaction.

1.6. “Call Option” means an Option entitling, but not obligating, the Option Buyer to purchase and receive the Product from the Option Seller at a price equal to the Strike Price for the Delivery Period for which the Option may be exercised, all as specified in the Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to sell and deliver the Product for the Delivery Period for which the Option has been exercised.

1.7. “Claiming Party” has the meaning set forth in Section 3.3.

1.8. “Claims” means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ 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.

1.9. “Confirmation” has the meaning set forth in Section 2.3.

1.10. “Contract Price” means the price in \$U.S. (unless otherwise provided for) to be paid by Buyer to Seller for the purchase of the Product, as specified in the Transaction.

1.11. “Costs” means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

1.12. “Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issues rating by S&P, Moody’s or any other rating agency agreed by the Parties as set forth in the Cover Sheet.

1.13. “Cross Default Amount” means the cross default amount, if any, set forth in the Cover Sheet for a Party.

1.14. “Defaulting Party” has the meaning set forth in Section 5.1.

1.15. “Delivery Period” means the period of delivery for a Transaction, as specified in the Transaction.

1.16. “Delivery Point” means the point at which the Product will be delivered and received, as specified in the Transaction.

1.17. “Downgrade Event” has the meaning set forth on the Cover Sheet.

1.18. “Early Termination Date” has the meaning set forth in Section 5.2.

1.19. “Effective Date” has the meaning set forth on the Cover Sheet.

1.20. “Equitable Defenses” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

1.21. “Event of Default” has the meaning set forth in Section 5.1.

1.22. “FERC” means the Federal Energy Regulatory Commission or any successor government agency.

1.23. “Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under one or more Transactions, which event or circumstance was not anticipated as of the date the Transaction was agreed to, 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 the Product purchased hereunder; (iii) the loss or failure of Seller's supply; or (iv) Seller's ability to sell the Product at a price greater than the Contract Price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and (ii) 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 a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred. The applicability of Force Majeure to the Transaction is governed by the terms of the Products and Related Definitions contained in Schedule P.

1.24. "Gains" means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.25. "Guarantor" means, with respect to a Party, the guarantor, if any, specified for such Party on the Cover Sheet.

1.26. "Interest Rate" means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

1.27. "Letter(s) of Credit" means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from S&P or A3 from Moody's, in a form acceptable to the Party in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

1.28. "Losses" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.29. "Master Agreement" has the meaning set forth on the Cover Sheet.

1.30. "Moody's" means Moody's Investor Services, Inc. or its successor.

1.31. "NERC Business Day" means any day except a Saturday, Sunday or a holiday as defined by the North American Electric Reliability Council or any successor organization thereto. A NERC Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party's principal place of business. The relevant Party, in each instance unless otherwise specified,

shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

1.32. “Non-Defaulting Party” has the meaning set forth in Section 5.2.

1.33. “Offsetting Transactions” mean any two or more outstanding Transactions, having the same or overlapping Delivery Period(s), Delivery Point and payment date, where under one or more of such Transactions, one Party is the Seller, and under the other such Transaction(s), the same Party is the Buyer.

1.34. “Option” means the right but not the obligation to purchase or sell a Product as specified in a Transaction.

1.35. “Option Buyer” means the Party specified in a Transaction as the purchaser of an option, as defined in Schedule P.

1.36. “Option Seller” means the Party specified in a Transaction as the seller of an option , as defined in Schedule P.

1.37. “Party A Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party A.

1.38. “Party B Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party B.

1.39. “Party A Independent Amount” means the amount , if any, set forth in the Cover Sheet for Party A.

1.40. “Party B Independent Amount” means the amount , if any, set forth in the Cover Sheet for Party B.

1.41. “Party A Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

1.42. “Party B Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party B.

1.43. “Party A Tariff” means the tariff, if any, specified in the Cover Sheet for Party A.

1.44. “Party B Tariff” means the tariff, if any, specified in the Cover Sheet for Party B.

1.45. “Performance Assurance” means collateral in the form of either cash, Letter(s) of Credit, or other security acceptable to the Requesting Party.

1.46. “Potential Event of Default” means an event which, with notice or passage of time or both, would constitute an Event of Default.

1.47. “Product” means electric capacity, energy or other product(s) related thereto as specified in a Transaction by reference to a Product listed in Schedule P hereto or as otherwise specified by the Parties in the Transaction.

1.48. “Put Option” means an Option entitling, but not obligating, the Option Buyer to sell and deliver the Product to the Option Seller at a price equal to the Strike Price for the Delivery Period for which the option may be exercised, all as specified in a Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to purchase and receive the Product.

1.49. “Quantity” means that quantity of the Product that Seller agrees to make available or sell and deliver, or cause to be delivered, to Buyer, and that Buyer agrees to purchase and receive, or cause to be received, from Seller as specified in the Transaction.

1.50. “Recording” has the meaning set forth in Section 2.4.

1.51. “Replacement Price” means the price at which Buyer, acting in a commercially reasonable manner, purchases at the Delivery Point a replacement for any Product specified in a Transaction but not delivered by Seller, plus (i) costs reasonably incurred by Buyer in purchasing such substitute Product and (ii) additional transmission charges, if any, reasonably incurred by Buyer to the Delivery Point, or at Buyer’s option, the market price at the Delivery Point for such Product not delivered as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller’s liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party at the Delivery Point.

1.52. “S&P” means the Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.) or its successor.

1.53. “Sales Price” means the price at which Seller, acting in a commercially reasonable manner, resells at the Delivery Point any Product not received by Buyer, deducting from such proceeds any (i) costs reasonably incurred by Seller in reselling such Product and (ii) additional transmission charges, if any, reasonably incurred by Seller in delivering such Product to the third party purchasers, or at Seller’s option, the market price at the Delivery Point for such Product not received as determined by Seller in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer’s liability. For purposes of this definition, Seller shall be considered to have resold such Product to the extent Seller shall have entered into one or more arrangements in a commercially reasonable manner whereby Seller repurchases its obligation to purchase and receive the Product from another party at the Delivery Point.

1.54. “Schedule” 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 and type of Product to be delivered on any given day or days during the Delivery Period at a specified Delivery Point.

1.55. “Seller” means the Party to a Transaction that is obligated to sell and deliver, or cause to be delivered, the Product, as specified in the Transaction.

1.56. “Settlement Amount” means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such party incurs as a result of the liquidation of a Terminated Transaction pursuant to Section 5.2.

1.57. “Strike Price” means the price to be paid for the purchase of the Product pursuant to an Option.

1.58. “Terminated Transaction” has the meaning set forth in Section 5.2.

1.59. “Termination Payment” has the meaning set forth in Section 5.3.

1.60. “Transaction” means a particular transaction agreed to by the Parties relating to the sale and purchase of a Product pursuant to this Master Agreement.

1.61. “Transmission Provider” means any entity or entities transmitting or transporting the Product on behalf of Seller or Buyer to or from the Delivery Point in a particular Transaction.

ARTICLE TWO: TRANSACTION TERMS AND CONDITIONS

2.1 Transactions. A Transaction shall be entered into upon agreement of the Parties orally or, if expressly required by either Party with respect to a particular Transaction, in writing, including an electronic means of communication. Each Party agrees not to contest, or assert any defense to, the validity or enforceability of the Transaction entered into in accordance with this Master Agreement (i) based on any law requiring agreements to be in writing or to be signed by the parties, or (ii) 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.

2.2. Governing Terms. Unless otherwise specifically agreed, each Transaction between the Parties shall be governed by this Master Agreement. This Master Agreement (including all exhibits, schedules and any written supplements hereto), , the Party A Tariff, if any, and the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmations accepted in accordance with Section 2.3) shall form a single integrated agreement between the Parties. Any inconsistency between any terms of this Master Agreement and any terms of the Transaction shall be resolved in favor of the terms of such Transaction.

2.3. Confirmation. Seller may confirm a Transaction by forwarding to Buyer by facsimile within three (3) Business Days after the Transaction is entered into a confirmation (“Confirmation”) substantially in the form of Exhibit A. If Buyer objects to any term(s) of such

Confirmation, Buyer shall notify Seller in writing of such objections within two (2) Business Days of Buyer's receipt thereof, failing which Buyer shall be deemed to have accepted the terms as sent. If Seller fails to send a Confirmation within three (3) Business Days after the Transaction is entered into, a Confirmation substantially in the form of Exhibit A, may be forwarded by Buyer to Seller. If Seller objects to any term(s) of such Confirmation, Seller shall notify Buyer of such objections within two (2) Business Days of Seller's receipt thereof, failing which Seller shall be deemed to have accepted the terms as sent. If Seller and Buyer each send a Confirmation and neither Party objects to the other Party's Confirmation within two (2) Business Days of receipt, Seller's Confirmation shall be deemed to be accepted and shall be the controlling Confirmation, unless (i) Seller's Confirmation was sent more than three (3) Business Days after the Transaction was entered into and (ii) Buyer's Confirmation was sent prior to Seller's Confirmation, in which case Buyer's Confirmation shall be deemed to be accepted and shall be the controlling Confirmation. Failure by either Party to send or either Party to return an executed Confirmation or any objection by either Party shall not invalidate the Transaction agreed to by the Parties.

2.4. **Additional Confirmation Terms.** If the Parties have elected on the Cover Sheet to make this Section 2.4 applicable to this Master Agreement, when a Confirmation contains provisions, other than those provisions relating to the commercial terms of the Transaction (e.g., price or special transmission conditions), which modify or supplement the general terms and conditions of this Master Agreement (e.g., arbitration provisions or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 2.3 unless agreed to either orally or in writing by the Parties; provided that the foregoing shall not invalidate any Transaction agreed to by the Parties.

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, secured from improper access, and may be submitted in 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. The Recording, and the terms and conditions described therein, if admissible, shall be the controlling evidence for the Parties' agreement with respect to a particular Transaction in the event a Confirmation is not fully executed (or deemed accepted) by both Parties. Upon full execution (or deemed acceptance) of a Confirmation, such Confirmation shall control in the event of any conflict with the terms of a Recording, or in the event of any conflict with the terms of this Master Agreement.

ARTICLE THREE: OBLIGATIONS AND DELIVERIES

3.1. **Seller's and Buyer's Obligations.** With respect to each Transaction, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, the Quantity of the Product at the Delivery Point, and Buyer shall pay Seller the Contract Price; provided, however, with respect to Options, the obligations set forth in the preceding sentence shall only arise if the Option Buyer exercises its Option in accordance with its terms. Seller shall be responsible for any costs or charges imposed on or associated with the Product or its delivery of

the Product up to the Delivery Point. Buyer shall be responsible for any costs or charges imposed on or associated with the Product or its receipt at and from the Delivery Point.

3.2. **Transmission and Scheduling.** Seller shall arrange and be responsible for transmission service to the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers, as specified by the Parties in the Transaction, or in the absence thereof, in accordance with the practice of the Transmission Providers, to deliver the Product to the Delivery Point. Buyer shall arrange and be responsible for transmission service at and from the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive the Product at the Delivery Point.

3.3. **Force Majeure.** To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under the Transaction and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then, unless the terms of the Product specify otherwise, the Claiming Party shall be excused from the performance of its obligations with respect to such Transaction (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 remedy the Force Majeure with all reasonable dispatch. 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.

ARTICLE FOUR: REMEDIES FOR FAILURE TO DELIVER/RECEIVE

4.1. **Seller Failure.** If Seller fails to schedule and/or deliver all or part of the Product pursuant to a Transaction, and such failure is not excused under the terms of the Product or by Buyer’s failure to perform, then Seller shall pay Buyer, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if “Accelerated Payment of Damages” is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

4.2. **Buyer Failure.** If Buyer fails to schedule and/or receive all or part of the Product pursuant to a Transaction and such failure is not excused under the terms of the Product or by Seller’s failure to perform, then Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if “Accelerated Payment of Damages” is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES

5.1. **Events of Default.** An “Event of Default” shall mean, with respect to a Party (a “Defaulting Party”), the occurrence of any of the following:

- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
- (b) 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;
- (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to deliver or receive the Product, the exclusive remedy for which is provided in Article Four) if such failure is not remedied within three (3) Business Days after written notice;
- (d) such Party becomes Bankrupt;
- (e) the failure of such Party to satisfy the creditworthiness/collateral requirements agreed to pursuant to Article Eight hereof;
- (f) 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;
- (g) if the applicable cross default section in the Cover Sheet is indicated for such Party, the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party or any other party specified in the Cover Sheet for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet), which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable or (ii) a default by such Party or any other party specified in the Cover Sheet for such Party in making on the due date therefor one or more payments, individually or collectively, in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet);
- (h) with respect to such Party's Guarantor, if any:
 - (i) if any representation or warranty made by a Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;

- (ii) the failure of a Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within three (3) Business Days after written notice;
- (iii) a Guarantor becomes Bankrupt;
- (iv) the failure of a Guarantor's guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under each Transaction to which such guaranty shall relate without the written consent of the other Party; or
- (v) a Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any guaranty.

5.2. Declaration of an Early Termination Date and Calculation of Settlement Amounts. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the "Non-Defaulting Party") shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties and to liquidate and terminate all, but not less than all, Transactions (each referred to as a "Terminated Transaction") between the Parties, (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable).

5.3. Net Out of Settlement Amounts. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single amount by: netting out (a) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article Eight, plus any or all other amounts due to the Defaulting Party under this Agreement against (b) all Settlement Amounts that are due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement, so that all such amounts shall be netted out to a single liquidated amount (the "Termination Payment") payable by one Party to the other. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate.

5.4. Notice of Payment of Termination Payment. As soon as practicable after a liquidation, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective.

5.5. 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 two (2) Business Days of receipt of 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; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Termination Payment.

5.6. Closeout Setoffs.

Option A: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option B: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party or any of its Affiliates to the Non-Defaulting Party or any of its Affiliates under any other agreements, instruments or undertakings between the Defaulting Party or any of its Affiliates and the Non-Defaulting Party or any of its Affiliates and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option C: Neither Option A nor B shall apply.

5.7. Suspension of Performance. Notwithstanding any other provision of this Master Agreement, if (a) an Event of Default or (b) a Potential Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right (i) to suspend performance under any or all Transactions; provided, however, in no event shall any such suspension continue for longer than ten (10) NERC Business Days with respect to any single Transaction unless an early Termination Date shall have been declared and notice thereof pursuant to Section 5.2 given, and (ii) to the extent an Event of Default shall have occurred and be continuing to exercise any remedy available at law or in equity.

ARTICLE SIX: PAYMENT AND NETTING

6.1. Billing Period. Unless otherwise specifically agreed upon by the Parties in a Transaction, the calendar month shall be the standard period for all payments under this Agreement (other than Termination Payments and, if "Accelerated Payment of Damages" is specified by the Parties in the Cover Sheet, payments pursuant to Section 4.1 or 4.2 and Option premium payments

pursuant to Section 6.7). As soon as practicable after the end of each month, each Party will render to the other Party an invoice for the payment obligations, if any, incurred hereunder during the preceding month.

6.2. Timeliness of Payment. Unless otherwise agreed by the Parties in a Transaction, all invoices under this Master Agreement shall be due and payable in accordance with each Party's invoice instructions on or before the later of the twentieth (20th) day of each month, or tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

6.3. Disputes and Adjustments of Invoices. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6.3 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived.

6.4. 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 pursuant to all Transactions through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Products during the monthly billing period under this Master Agreement, including any related damages calculated pursuant to Article Four (unless one of the Parties elects to accelerate payment of such amounts as permitted by Article Four), 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.

6.5. Payment Obligation Absent Netting. If no mutual debts or payment obligations exist and only one Party owes a debt or obligation to the other during the monthly billing period, including, but not limited to, any related damage amounts calculated pursuant to Article Four, interest, and payments or credits, that Party shall pay such sum in full when due.

6.6. Security. Unless the Party benefiting from Performance Assurance or a guaranty notifies the other Party in writing, and except in connection with a liquidation and termination in accordance with Article Five, all amounts netted pursuant to this Article Six shall not take into account or include any Performance Assurance or guaranty which may be in effect to secure a Party's performance under this Agreement.

6.7. Payment for Options. The premium amount for the purchase of an Option shall be paid within two (2) Business Days of receipt of an invoice from the Option Seller. Upon exercise of an Option, payment for the Product underlying such Option shall be due in accordance with Section 6.1.

6.8. Transaction Netting. If the Parties enter into one or more Transactions, which in conjunction with one or more other outstanding Transactions, constitute Offsetting Transactions, then all such Offsetting Transactions may by agreement of the Parties, be netted into a single Transaction under which:

- (a) the Party obligated to deliver the greater amount of Energy will deliver the difference between the total amount it is obligated to deliver and the total amount to be delivered to it under the Offsetting Transactions, and
- (b) the Party owing the greater aggregate payment will pay the net difference owed between the Parties.

Each single Transaction resulting under this Section shall be deemed part of the single, indivisible contractual arrangement between the parties, and once such resulting Transaction occurs, outstanding obligations under the Offsetting Transactions which are satisfied by such offset shall terminate.

ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages. EXCEPT AS 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. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, 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 THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE EIGHT: CREDIT AND COLLATERAL REQUIREMENTS

8.1 Party A Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.1(a) is specified on the Cover Sheet, Section 8.1(a) Option C shall apply exclusively. If none of Sections 8.1(b), 8.1(c) or 8.1(d) are specified on the Cover Sheet, Section 8.1(b) shall apply exclusively.

- (a) Financial Information. Option A: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party B's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Party B's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that 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 Party B diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that 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.

Option C: Party A may request from Party B the information specified in the Cover Sheet.

- (b) Credit Assurances. If Party A has reasonable grounds to believe that Party B's creditworthiness or performance under this Agreement has become unsatisfactory, Party A will provide Party B with written notice requesting Performance Assurance in an amount determined by Party A in a commercially reasonable manner. Upon receipt of such notice Party B shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party A. In the event that Party B fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.
- (c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party A plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold, then Party A, on any Business Day, may request that Party B provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold (rounding upwards for any fractional amount to the next Party B Rounding Amount) ("Party B Performance Assurance"), less any Party B Performance Assurance already posted with Party A. Such Party B Performance Assurance shall be delivered to Party A within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party B, at its sole cost, may request that such Party B Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party B's Independent Amount, if any, (rounding upwards for any fractional amount to the next Party B Rounding Amount). In the event that Party B fails to provide Party B Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.1(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party A as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party B to Party A, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

- (d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party B, then Party A may require Party B to provide Performance Assurance in an amount determined by Party A in a commercially reasonable manner. In the event Party B shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

- (e) If specified on the Cover Sheet, Party B shall deliver to Party A, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party A.

8.2 Party B Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.2(a) is specified on the Cover Sheet, Section 8.2(a) Option C shall apply exclusively. If none of Sections 8.2(b), 8.2(c) or 8.2(d) are specified on the Cover Sheet, Section 8.2(b) shall apply exclusively.

- (a) Financial Information. Option A: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party A's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Party's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that 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 such Party diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that 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.

Option C: Party B may request from Party A the information specified in the Cover Sheet.

- (b) Credit Assurances. If Party B has reasonable grounds to believe that Party A's creditworthiness or performance under this Agreement has become unsatisfactory, Party B will provide Party A with written notice requesting Performance Assurance in an amount determined by Party B in a commercially reasonable manner. Upon receipt of such notice Party A shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party B. In the event that Party A fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and

Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

- (c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party B plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold, then Party B, on any Business Day, may request that Party A provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold (rounding upwards for any fractional amount to the next Party A Rounding Amount) ("Party A Performance Assurance"), less any Party A Performance Assurance already posted with Party B. Such Party A Performance Assurance shall be delivered to Party B within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party A, at its sole cost, may request that such Party A Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party A's Independent Amount, if any, (rounding upwards for any fractional amount to the next Party A Rounding Amount). In the event that Party A fails to provide Party A Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.2(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party B as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party A to Party B, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

- (d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party A, then Party B may require Party A to provide Performance Assurance in an amount determined by Party B in a commercially reasonable manner. In the event Party A shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.
- (e) If specified on the Cover Sheet, Party A shall deliver to Party B, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party B.

8.3 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent either or both Parties deliver Performance Assurance 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 or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, 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 Performance Assurance, 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 Performance Assurance 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 or 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 obligations under the 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.

ARTICLE NINE: GOVERNMENTAL CHARGES

9.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and to administer this Master Agreement in accordance with the intent of the parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

9.2 Governmental Charges. Seller shall pay or cause to be paid all taxes imposed by any government authority ("Governmental Charges") on or with respect to the Product or a Transaction arising prior to the Delivery Point. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or a Transaction at and from the Delivery Point (other than ad valorem, franchise or income taxes which are related to the sale of the Product and are, therefore, the responsibility of the Seller). In the event Seller is required by law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct the amount of any such Governmental Charges from the sums due to Seller under Article 6 of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law.

ARTICLE TEN: MISCELLANEOUS

10.1 Term of Master Agreement. The term of this Master Agreement shall commence on the Effective Date and shall remain in effect until terminated by either Party upon (thirty) 30 days' prior written notice; provided, however, that such termination shall not affect or excuse the performance of either Party under any provision of this Master Agreement that by its terms survives any such termination and, provided further, that this Master Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their

obligations with respect to such Transaction(s), or such Transaction(s) that have been terminated under Section 5.2 of this Agreement.

10.2 Representations and Warranties. On the Effective Date and the date of entering into each Transaction, each Party represents and warrants to the other Party that:

- (i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (ii) it has all regulatory authorizations necessary for it to legally perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (iii) the execution, delivery and performance of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (iv) this Master Agreement, each Transaction (including any Confirmation accepted in accordance with Section 2.3), and each other document executed and delivered in accordance with this Master Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses.
- (v) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (vi) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (vii) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (viii) it is acting for its own account, has made its own independent decision to enter into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) and as to whether this Master Agreement and each such Transaction (including any Confirmation accepted in accordance with Section 2.3) is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (ix) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;

- (x) it has entered into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all Products referred to in the Transaction to which it is a Party;
- (xi) with respect to each Transaction (including any Confirmation accepted in accordance with Section 2.3) involving the purchase or sale of a Product or an Option, it is a producer, processor, commercial user or merchant handling the Product, and it is entering into such Transaction for purposes related to its business as such; and
- (xii) the material economic terms of each Transaction are subject to individual negotiation by the Parties.

10.3 Title and Risk of Loss. Title to and risk of loss related to the Product shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Quantity of the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

10.4 Indemnity. Each Party shall indemnify, defend and hold harmless the other Party from and against any Claims arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control and title to Product is vested in such Party as provided in Section 10.3. Each Party shall indemnify, defend and hold harmless the other Party against any Governmental Charges for which such Party is responsible under Article Nine.

10.5 Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an affiliate of such Party which affiliate's creditworthiness is equal to or higher than that of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such Party; provided, however, that 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.

10.6 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 NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

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 facsimile. Notice by facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. 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.

10.8 General. This Master Agreement (including 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 (including any Confirmation accepted in accordance with Section 2.3) constitute the entire agreement between the Parties relating to the subject matter. Notwithstanding the foregoing, any collateral, credit support or margin agreement or similar arrangement between the Parties shall, upon designation by the Parties, be deemed part of this Agreement and shall be incorporated herein by reference. 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 as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Except to the extent herein provided for, no amendment or modification to this Master Agreement shall be enforceable unless reduced to writing and executed by both Parties. Each Party agrees if it seeks to amend any applicable wholesale power sales tariff during the term of this Agreement, such amendment will not in any way affect outstanding Transactions under this Agreement without the prior written consent of the other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change (individually or collectively, such events referred to as "Regulatory Event") will not otherwise affect the remaining lawful obligations that arise under this Agreement; and provided, further, that if a Regulatory Event occurs, the Parties shall use their best efforts to reform this Agreement in order to give effect to the original intention of the Parties. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only. All indemnity and audit rights shall survive the termination of this Agreement for twelve (12) months. This Agreement shall be binding on each Party's successors and permitted assigns.

10.9 Audit. Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Master Agreement. If requested, a Party shall provide to the other Party statements evidencing the Quantity delivered at the Delivery Point. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

10.10 Forward Contract. The Parties acknowledge and agree that all Transactions constitute “forward contracts” within the meaning of the United States Bankruptcy Code.

10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement to a third party (other than the Party’s employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

SCHEDULE M

(THIS SCHEDULE IS INCLUDED IF THE APPROPRIATE BOX ON THE COVER SHEET IS MARKED INDICATING A PARTY IS A GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEM)

- A. The Parties agree to add the following definitions in Article One.

“Act” means the Joint Power Act of the State of California (Government Code Section 6500, et seq.).

“Governmental Entity or Public Power System” means a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof.

- B. The following sentence shall be added to the end of the definition of “Force Majeure” in Article One:

If the Claiming Party is Party B, Force Majeure does not include any action taken by, or any omission or failure to act of, Party B in its governmental capacity.

- C. The Parties agree to add the following representations and warranties to Section 10.2:

Party B represents and warrants to Party A continuing throughout the term of this Master Agreement, with respect to this Master Agreement and each Transaction, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Master Agreement, including without limitation, to the extent applicable, 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 all applicable laws, ordinances, or other applicable regulations, (ii) all persons making up the governing body of Party B 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 laws, (iii) entry into and performance of this Master Agreement by Party B 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, and (v) obligations to make payments hereunder do not constitute any kind of indebtedness of Party B or create any kind of lien on, or security interest in, any property or revenues of Party B.

- D. The Parties agree to add the following sections to Article Three:

Section 3.4: Party B’s Deliveries. On the Effective Date and as a condition to the obligations of Party A under this Agreement, Party B shall provide Party A (i) 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 (ii) a certificate, signed by an officer of Party B and in form and substance reasonably satisfactory to Party A, certifying as to certain factual matters.

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 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.).

E. If the appropriate box is checked on the Cover Sheet, as an alternative to selecting one or more of the options under Section 8.3, the Parties agree to add the following section to Article Three:

Section 3.6 Governmental Entity or Public Power System Security. With respect to each Transaction, Governmental Entity or Public Power System shall upon execution of this Master Agreement and prior to the commencement of each subsequent fiscal year of Governmental Entity or Public Power System during any Delivery Period, have obtained all necessary budgetary approvals and certifications for payment of all of its obligations under this Master Agreement for such fiscal year; any breach of this provision shall be deemed to have arisen during a fiscal period of Governmental Entity or Public Power System for which budgetary approval or certification of its obligations under this Master Agreement is in effect and, notwithstanding anything to the contrary in Article Four, an Early Termination Date shall automatically and without further notice occur hereunder as of such date wherein Governmental Entity or Public Power System shall be treated as the Defaulting Party. Governmental Entity or Public Power System shall have allocated to its general funds a revenue base that is adequate to cover Public Power System's payment obligations hereunder.

F. 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

“Ancillary Services” means any of the services identified by a Transmission Provider in its transmission tariff as “ancillary services” including, but not limited to, regulation and frequency response, energy imbalance, operating reserve-spinning and operating reserve-supplemental, as may be specified in the Transaction.

“Capacity” has the meaning specified in the Transaction.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours.

“Firm (LD)” means, with respect to a Transaction, 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 Four.

“Firm Transmission Contingent - Contract Path” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product in the case of the Seller from the generation source to the Delivery Point or in the case of the Buyer from the Delivery Point to the ultimate sink, and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This contingency shall excuse performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary.

“Firm Transmission Contingent - Delivery Point” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission to the Delivery Point (in the case of Seller) or from the Delivery Point (in the case of Buyer) for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product, in the case of the Seller, to be delivered to the Delivery Point or, in the case of Buyer, to be received at the Delivery Point and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This transmission contingency excuses performance for the duration of the interruption or curtailment, notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary. Interruptions or curtailments of transmission other than the transmission either immediately to or from the Delivery Point shall not excuse performance

“Firm (No Force Majeure)” means, with respect to a Transaction, that if either Party fails to perform its obligation to sell and deliver or purchase and receive the Product, the Party to which performance is owed shall be entitled to receive from the Party which failed to perform an amount determined pursuant to Article Four. Force Majeure shall not excuse performance of a Firm (No Force Majeure) Transaction.

“Into _____ (the “Receiving Transmission Provider”), Seller’s Daily Choice” means that, in accordance with the provisions set forth below, (1) the Product shall be scheduled and delivered to an interconnection or interface (“Interface”) either (a) on the Receiving Transmission Provider’s

transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which Interface, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area; and (2) Seller has the right on a daily prescheduled basis to designate the Interface where the Product shall be delivered. An “Into” Product shall be subject to the following provisions:

1. Prescheduling and Notification. Subject to the provisions of Section 6, not later than the prescheduling deadline of 11:00 a.m. CPT on the Business Day before the next delivery day or as otherwise agreed to by Buyer and Seller, Seller shall notify Buyer (“Seller’s Notification”) of Seller’s immediate upstream counterparty and the Interface (the “Designated Interface”) where Seller shall deliver the Product for the next delivery day, and Buyer shall notify Seller of Buyer’s immediate downstream counterparty.

2. Availability of “Firm Transmission” to Buyer at Designated Interface; “Timely Request for Transmission,” “ADI” and “Available Transmission.” In determining availability to Buyer of next-day firm transmission (“Firm Transmission”) from the Designated Interface, a “Timely Request for Transmission” shall mean a properly completed request for Firm Transmission made by Buyer in accordance with the controlling tariff procedures, which request shall be submitted to the Receiving Transmission Provider no later than 30 minutes after delivery of Seller’s Notification, provided, however, if the Receiving Transmission Provider is not accepting requests for Firm Transmission at the time of Seller’s Notification, then such request by Buyer shall be made within 30 minutes of the time when the Receiving Transmission Provider first opens thereafter for purposes of accepting requests for Firm Transmission.

Pursuant to the terms hereof, delivery of the Product may under certain circumstances be redesignated to occur at an Interface other than the Designated Interface (any such alternate designated interface, an “ADI”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which ADI, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area using either firm or non-firm transmission, as available on a day-ahead or hourly basis (individually or collectively referred to as “Available Transmission”) within the Receiving Transmission Provider’s transmission system.

3. Rights of Buyer and Seller Depending Upon Availability of/Timely Request for Firm Transmission.

A. Timely Request for Firm Transmission made by Buyer, Accepted by the Receiving Transmission Provider and Purchased by Buyer. If a Timely Request for Firm Transmission is made by Buyer and is accepted by the Receiving Transmission Provider and Buyer purchases such Firm Transmission, then Seller shall deliver and Buyer shall receive the Product at the Designated Interface.

i. If the Firm Transmission purchased by Buyer within the Receiving Transmission Provider’s transmission system from the Designated Interface ceases to be available to Buyer for any reason, or if Seller is unable to deliver the Product at the Designated Interface for any reason except Buyer’s non-performance, then at Seller’s choice from among the following, Seller shall: (a) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, require Buyer to purchase such Firm Transmission from such ADI, and schedule and deliver the affected portion of the Product to such ADI on the basis of Buyer’s purchase of Firm Transmission, or (b) require Buyer to purchase non-firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer’s purchase of non-firm transmission from the Designated Interface or an ADI designated by Seller, or (c) to the extent firm transmission is available on an hourly

basis, require Buyer to purchase firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of such hourly firm transmission from the Designated Interface or an ADI designated by Seller.

ii. If the Available Transmission utilized by Buyer as required by Seller pursuant to Section 3A(i) ceases to be available to Buyer for any reason, then Seller shall again have those alternatives stated in Section 3A(i) in order to satisfy its obligations.

iii. Seller's obligation to schedule and deliver the Product at an ADI is subject to Buyer's obligation referenced in Section 4B to cooperate reasonably therewith. If Buyer and Seller cannot complete the scheduling and/or delivery at an ADI, then Buyer shall be deemed to have satisfied its receipt obligations to Seller and Seller shall be deemed to have failed its delivery obligations to Buyer, and Seller shall be liable to Buyer for amounts determined pursuant to Article Four.

iv. In each instance in which Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI pursuant to Sections 3A(i) or (ii), and Firm Transmission had been purchased by both Seller and Buyer into and within the Receiving Transmission Provider's transmission system as to the scheduled delivery which could not be completed as a result of the interruption or curtailment of such Firm Transmission, Buyer and Seller shall bear their respective transmission expenses and/or associated congestion charges incurred in connection with efforts to complete delivery by such alternative scheduling and delivery arrangements. In any instance except as set forth in the immediately preceding sentence, Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI under Sections 3A(i) or (ii), Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with such alternative scheduling arrangements.

B. Timely Request for Firm Transmission Made by Buyer but Rejected by the Receiving Transmission Provider. If Buyer's Timely Request for Firm Transmission is rejected by the Receiving Transmission Provider because of unavailability of Firm Transmission from the Designated Interface, then Buyer shall notify Seller within 15 minutes after receipt of the Receiving Transmission Provider's notice of rejection ("Buyer's Rejection Notice"). If Buyer timely notifies Seller of such unavailability of Firm Transmission from the Designated Interface, then Seller shall be obligated either (1) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, to require Buyer to purchase (at Buyer's own expense) such Firm Transmission from such ADI and schedule and deliver the Product to such ADI on the basis of Buyer's purchase of Firm Transmission, and thereafter the provisions in Section 3A shall apply, or (2) to require Buyer to purchase (at Buyer's own expense) non-firm transmission, and schedule and deliver the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by the Seller, in which case Seller shall bear the risk of interruption or curtailment of the non-firm transmission; provided, however, that if the non-firm transmission is interrupted or curtailed or if Seller is unable to deliver the Product for any reason, Seller shall have the right to schedule and deliver the Product to another ADI in order to satisfy its delivery obligations, in which case Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with Seller's inability to deliver the Product as originally prescheduled. If Buyer fails to timely notify Seller of the unavailability of Firm Transmission, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface, and the provisions of Section 3D shall apply.

C. Timely Request for Firm Transmission Made by Buyer, Accepted by the Receiving Transmission Provider and not Purchased by Buyer. If Buyer's Timely Request for Firm

Transmission is accepted by the Receiving Transmission Provider but Buyer elects to purchase non-firm transmission rather than Firm Transmission to take delivery of the Product, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

D. No Timely Request for Firm Transmission Made by Buyer, or Buyer Fails to Timely Send Buyer's Rejection Notice. If Buyer fails to make a Timely Request for Firm Transmission or Buyer fails to timely deliver Buyer's Rejection Notice, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

4. Transmission.

A. Seller's Responsibilities. Seller shall be responsible for transmission required to deliver the Product to the Designated Interface or ADI, as the case may be. It is expressly agreed that Seller is not required to utilize Firm Transmission for its delivery obligations hereunder, and Seller shall bear the risk of utilizing non-firm transmission. If Seller's scheduled delivery to Buyer is interrupted as a result of Buyer's attempted transmission of the Product beyond the Receiving Transmission Provider's system border, then Seller will be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for damages pursuant to Article Four.

B. Buyer's Responsibilities. Buyer shall be responsible for transmission required to receive and transmit the Product at and from the Designated Interface or ADI, as the case may be, and except as specifically provided in Section 3A and 3B, shall be responsible for any costs associated with transmission therefrom. If Seller is attempting to complete the designation of an ADI as a result of Seller's rights and obligations hereunder, Buyer shall co-operate reasonably with Seller in order to effect such alternate designation.

5. Force Majeure. An "Into" Product shall be subject to the "Force Majeure" provisions in Section 1.23.

6. Multiple Parties in Delivery Chain Involving a Designated Interface. Seller and Buyer recognize that there may be multiple parties involved in the delivery and receipt of the Product at the Designated Interface or ADI to the extent that (1) Seller may be purchasing the Product from a succession of other sellers ("Other Sellers"), the first of which Other Sellers shall be causing the Product to be generated from a source ("Source Seller") and/or (2) Buyer may be selling the Product to a succession of other buyers ("Other Buyers"), the last of which Other Buyers shall be using the Product to serve its energy needs ("Sink Buyer"). Seller and Buyer further recognize that in certain Transactions neither Seller nor Buyer may originate the decision as to either (a) the original identification of the Designated Interface or ADI (which designation may be made by the Source Seller) or (b) the Timely Request for Firm Transmission or the

purchase of other Available Transmission (which request may be made by the Sink Buyer). Accordingly, Seller and Buyer agree as follows:

- A. If Seller is not the Source Seller, then Seller shall notify Buyer of the Designated Interface promptly after Seller is notified thereof by the Other Seller with whom Seller has a contractual relationship, but in no event may such designation of the Designated Interface be later than the prescheduling deadline pertaining to the Transaction between Buyer and Seller pursuant to Section 1.
- B. If Buyer is not the Sink Buyer, then Buyer shall notify the Other Buyer with whom Buyer has a contractual relationship of the Designated Interface promptly after Seller notifies Buyer thereof, with the intent being that the party bearing actual responsibility to secure transmission shall have up to 30 minutes after receipt of the Designated Interface to submit its Timely Request for Firm Transmission.
- C. Seller and Buyer each agree that any other communications or actions required to be given or made in connection with this "Into Product" (including without limitation, information relating to an ADI) shall be made or taken promptly after receipt of the relevant information from the Other Sellers and Other Buyers, as the case may be.
- D. Seller and Buyer each agree that in certain Transactions time is of the essence and it may be desirable to provide necessary information to Other Sellers and Other Buyers in order to complete the scheduling and delivery of the Product. Accordingly, Seller and Buyer agree that each has the right, but not the obligation, to provide information at its own risk to Other Sellers and Other Buyers, as the case may be, in order to effect the prescheduling, scheduling and delivery of the Product.

"Native Load" means the demand imposed on an electric utility or an entity by the requirements of retail customers located within a franchised service territory that the electric utility or entity has statutory obligation to serve.

"Non-Firm" means, with respect to a Transaction, that delivery or receipt of the Product may be interrupted for any reason or for no reason, without liability on the part of either Party.

"System Firm" means that the Product will be supplied from the owned or controlled generation or pre-existing purchased power assets of the system specified in the Transaction (the "System") with non-firm transmission to and from the Delivery Point, unless a different Transmission Contingency is specified in a Transaction. Seller's failure to deliver shall be excused: (i) by an event or circumstance which prevents Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Seller; (ii) by Buyer's failure to perform; (iii) to the extent necessary to preserve the integrity of, or prevent or limit any instability on, the System; (iv) to the extent the System or the control area or reliability council within which the System operates declares an emergency condition, as determined in the system's, or the control area's, or reliability council's reasonable judgment; or (v) by the interruption or curtailment of transmission to the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Seller's performance. Buyer's failure to receive shall be excused (i) by Force Majeure; (ii) by Seller's failure to perform, or (iii) by the interruption or curtailment of transmission from the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Buyer's performance. In any of such events, neither party shall be liable to the other for any damages, including any amounts determined pursuant to Article Four.

"Transmission Contingent" means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is unavailable or

interrupted or curtailed for any reason, at any time, anywhere from the Seller's proposed generating source to the Buyer's proposed ultimate sink, regardless of whether transmission, if any, that such Party is attempting to secure and/or has purchased for the Product is firm or non-firm. If the transmission (whether firm or non-firm) that Seller or Buyer is attempting to secure is from source to sink is unavailable, this contingency excuses performance for the entire Transaction. If the transmission (whether firm or non-firm) that Seller or Buyer has secured from source to sink is interrupted or curtailed for any reason, this contingency excuses performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of "Force Majeure" in Article 1.23 to the contrary.

"Unit Firm" means, with respect to a Transaction, that the Product subject to the Transaction is intended to be supplied from a generation asset or assets specified in the Transaction. Seller's failure to deliver under a "Unit Firm" Transaction shall be excused: (i) if the specified generation asset(s) are unavailable as a result of a Forced Outage (as defined in the NERC Generating Unit Availability Data System (GADS) Forced Outage reporting guidelines) or (ii) by an event or circumstance that affects the specified generation asset(s) so as to prevent Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, and which is not within the reasonable control of, or the result of the negligence of, the Seller or (iii) by Buyer's failure to perform. In any of such events, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Article Four.

EXHIBIT A: CONFIRMATION LETTER

**MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER**

This confirmation letter shall confirm the Transaction agreed to on _____, ____ between _____ (“Party A”) and _____ (“Party B”) regarding the sale/purchase of the Product under the terms and conditions as follows:

Seller: _____

Buyer: _____

Product:

- ☐ Into _____, Seller’s Daily Choice
- ☐ Firm (LD)
- ☐ Firm (No Force Majeure)
- ☐ System Firm
(Specify System: _____)
- ☐ Unit Firm
(Specify Unit(s): _____)
- ☐ Other _____
- ☐ Transmission Contingency (If not marked, no transmission contingency)
- | | | |
|---|---------------------------------|--------------------------------|
| ☐ FT-Contract Path Contingency | ☐ Seller | ☐ Buyer |
| ☐ FT-Delivery Point Contingency | ☐ Seller | ☐ Buyer |
| ☐ Transmission Contingent | ☐ Seller | ☐ Buyer |
| ☐ Other transmission contingency | | |
- (Specify: _____)

Contract Quantity: _____

Delivery Point: _____

Contract Price:

Energy Price: _____

Other Charges: _____

Confirmation Letter
Page 2

Delivery Period: _____

Special Conditions: _____

Scheduling: _____

Option Buyer: _____

Option Seller: _____

Type of Option: _____

Strike Price: _____

Premium: _____

Exercise Period: _____

This confirmation letter is being provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated _____ (the "Master Agreement") between Party A and Party B, and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

[Party A]

[Party B]

Name: _____

Name: _____

Title: _____

Title: _____

Phone No: _____

Phone No: _____

Fax: _____

Fax: _____

PARAGRAPH 10
to the
COLLATERAL ANNEX
to the
EEI MASTER POWER PURCHASE AND SALE AGREEMENT

Between
Constellation Energy Generation, LLC (“Party A”)
and
Silicon Valley Clean Energy Authority (“Party B”)

CREDIT ELECTIONS COVER SHEET

The terms of the EEI Collateral Annex, Version 1.0 (2/21/02) are incorporated by reference herein.

Paragraph 10. Elections and Variables

I. Collateral Threshold.

A. Party A Collateral Threshold.

- ☒ The “Threshold Amount” means the lesser of (a) the amount set forth below under the heading “Party A Collateral Threshold” opposite the lowest Credit Rating assigned by S&P and Moody’s to Party A or (b) the Credit Rating assigned by S&P or Moody’s if Party A is not rated by both rating agencies on the relevant date of determination; provided, however, notwithstanding the foregoing, the Party A Collateral Threshold shall be zero (\$0.00) if on the relevant date of determination Party A either (x) does not have a Credit Rating from S&P or Moody’s or (y) an Event of Default with respect to Party A has occurred and is continuing.

<u>Party A Collateral Threshold</u>	<u>S&P Credit Rating</u>	<u>Moody’s Credit Rating</u>
	A- (or above)	A3 and above
	BBB+	Baa1
	BBB	Baa2
	BBB-	Baa3
	Below BBB-	Below Baa3

B. Party B Collateral Threshold.

- ☒ The “Threshold Amount” means the lesser of (a) the amount set forth below under the heading “Party B Collateral Threshold” opposite the lowest Credit Rating assigned by S&P and Moody’s to Party B or (b) the Credit Rating assigned by S&P or Moody’s if Party B is not rated by both rating agencies on the relevant date of determination; provided, however, notwithstanding the foregoing, the Party B Collateral Threshold shall be zero (\$0.00) if on the relevant date of determination Party B either (x) does not have a Credit Rating from S&P or Moody’s or (y) an Event of Default with respect to Party B has occurred and is continuing.

<u>Party B Collateral Threshold</u>	<u>S&P Credit Rating</u>	<u>Moody’s Credit Rating</u>
	A- (or above)	A3 and above
	BBB+	Baa1
	BBB	Baa2
	BBB-	Baa3

	Below BBB-	Below Baa3

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]	100%
(B)	Letters of Credit	[X]	[X]	100% unless a Letter of Credit Default shall have occurred and be continuing with respect to such Letter of Credit in which case the Valuation Percentage shall be zero (0).
(C)	Other	[]	[]	_____ %

III. Independent Amount.

A. Party A Independent Amount.

- ☐ Party A shall have a Fixed Independent Amount of \$0 (zero). 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 \$ _____. 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 \$ _____. 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 \$0 (zero). 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 \$ _____. 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 \$ _____. 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]

Rounding Amount.

- C. **Party A Rounding Amount:** [REDACTED]
- D. **Party B Rounding Amount:** [REDACTED]

V. 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 or Party A's Custodian 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; (2) Party A has a Credit Rating of at least BBB- from S&P or Baa3 from Moody's; and (3) 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.

- ☒ Federal Funds Effective Rate - the rate for that day opposite the caption "Federal Funds (Effective)" as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

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; (2) Party B has a Credit Rating of at least BBB- from S&P or Baa3 from Moody's; and (3) 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.

- ☒ Federal Funds Effective Rate - the rate for that day opposite the caption "Federal Funds (Effective)" as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

VI. Notification Time.

- ☒ Other - 10:00 a.m. Pacific Prevailing Time on a Local Business Day

VII. Demands and Notices.

All demands, specifications and notices to Party A under this Collateral Annex will be as set forth on the Cover Sheet to the Master Agreement.

All demands, specifications and notices to Party B under this Collateral Annex will be as set forth on the Cover Sheet to the Master Agreement.

VIII. General.

Amendment to Introductory Paragraph:

- (i) 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 Amended and Restated EEI Master Power Purchase and Sale Agreement dated as of June 26, 2026 between Constellation Energy Generation, LLC, a Delaware limited liability company (“Party A”) and Silicon Valley Clean Energy Authority, a California joint powers authority (“Party B”) (as amended and supplemented from time to time, the “Master Agreement” and collectively with the Collateral Annex 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 amended and restated in its entirety as follows:

““Credit Rating” shall have the meaning assigned to it in the Master Agreement”

- (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) The definition of “Letter of Credit” shall be deleted from both the Master Agreement, as amended by the Cover Sheet thereto, and the Collateral Annex and replaced with the following:

“Letter(s) of Credit” shall mean an irrevocable, standby Letter of Credit, issued by an issuer or confirming entity, as applicable, that is a Qualified Institution 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 bank may require and as may be reasonably acceptable to the beneficiary thereof.”

- (v) “Letter of Credit Default” shall be amended as follows:

- a. Clause (a) shall be deleted and replaced with the following phrase: “(a) the issuer of such Letter of Credit shall fail to be a Qualified Institution”; and

- b. A new clause (f) shall be added after the existing clause (e) and immediately before the phrase “provided, however” as follows:

“(f) the Pledgor fails to extend or replace such Letter of Credit at least twenty (20) Local Business Days prior to its expiration” ; and

- c. The following is added after the last sentence:

“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 to read as follows:

 ““Qualified Institution” means a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, (a) with a Credit Rating of at least “A-” by S&P or “A3” by Moody’s, and (b) having assets of at least TEN BILLION AND 00/100 DOLLARS (\$10,000,000,000.00).”
- (x) “Reference Market-maker” is amended by adding “which is not an Affiliate of either Party” after the words “leading dealer” in the first line thereof.
- (xi) “Secured Party” shall be amended by replacing “3(b)” with “3(a)”.

Amendments 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 fourth 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 fifth 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 fourth 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”.
- (iii) Paragraphs 6(b)(iii) and 6(b)(iv) are deleted and replaced in their entirety as follows:

 “(iii) Upon the occurrence of a Letter of Credit Default, the Pledging Party agrees to Transfer to the Secured Party either a substitute Letter of Credit or other Eligible Collateral, in each case on or before the first (1st) Local Business Day after the occurrence thereof (or the third (3rd) Local Business Day after the occurrence thereof if only clause (a) under the definition of Letter of Credit Default applies).

 (iv) Notwithstanding anything herein to the contrary, (A) upon or at any time after the occurrence and during the continuation of an Event of Default with respect to the Pledging Party or (B) if an Early Termination Date has occurred or been designated with respect to Pledging Party and there exist any unsatisfied payment Obligations, then the Secured Party may draw on any outstanding Letter of Credit in an amount (up to the face amount for which the Letter of Credit has been issued) that is equal to all amounts that are due and owing from the Pledging Party but have not been paid to the Secured Party within the time allowed for such payments under this Agreement (including any

related notice or grace period or both). If a Letter of Credit Default exists with respect to any Letter of Credit provided by or on behalf of the Pledging Party, then the Secured Party may draw on the Letter of Credit subject to such Letter of Credit Default in an amount equal to the entire, undrawn portion of such Letter of Credit. Draws on outstanding Letters of Credit shall be made upon submission to the bank issuing such Letter(s) of Credit of one or more certificates specifying the amounts due and owing to the Secured Party in accordance with the specific requirements of the Letter of Credit. Cash proceeds received from drawing upon any Letter of Credit shall be deemed Performance Assurance as security for the Pledging Party's obligations to the Secured Party and the Secured Party shall have the rights and remedies set forth in Paragraph 7 with respect to such cash proceeds. Notwithstanding the Secured Party's receipt of Cash proceeds of a drawing under the Letter of Credit, the Pledging Party shall remain liable (y) for any failure to Transfer sufficient Performance Assurance or (z) for any amounts owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured 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(d) is amended and restated in its entirety as follows (with deleted text crossed-out (e.g., ~~crossed-out~~) and added text double underlined (e.g., double underlined) for illustrative purposes only):
 - (d) In addition to the provisions of Paragraph 7(a), if at any time ~~(i) an Event of Default with respect to the Secured Party has occurred and is continuing or~~ (ii) an Early Termination Date has occurred or been designated as a result of an Event of Default with respect to the Secured Party (other than an Early Termination Date relating to less than all Transactions where the Secured Party has paid in full all of its obligations that are then due under the Agreement), then:
 - (1) the Secured Party will be obligated immediately to Transfer all Performance Assurance ~~(including other than~~ any Letter of Credit) and the Interest Amount, if any, to the Pledging Party; and
 - (2) the Pledging Party may do any one or more of the following: (x) exercise any of the rights and remedies of a pledgor with respect to the Performance Assurance (other than any Letter of Credit), including any such rights and remedies under law then in effect; and (y) to the extent that the Performance Assurance (other than any Letter of Credit) or the Interest Amount is not Transferred to the Pledging Party as required in (1) above, setoff amounts payable to the Secured Party against the Performance Assurance (other than Letters of Credit) held by the Secured Party or to the extent its rights to setoff are not exercised, withhold payment of any remaining amounts payable by the Pledging Party, up to the value of any remaining Performance Assurance (other than any Letter of Credit) held by the Secured Party, until the Performance Assurance is Transferred to the Pledging Party; and (z) ~~exercise rights and remedies available to the Pledging Party under the terms of any Letter of Credit; and~~
 - (3) ~~the Secured Party shall be prohibited from drawing on any Letter of Credit that has been posted by the Pledging Party for its benefit.~~
- (iii) A new Paragraph 7(e) and a new Paragraph 7(f) are added as follows:
 - "(e) The Secured Party will transfer to the Pledging Party any proceeds and Performance Assurance remaining after liquidation, set-off and/or application under Paragraphs 7(a) and 7(d) after satisfaction in full of all amounts payable by the Pledging Party with respect to any Obligations; the Pledging Party will in all events remain liable for any amounts unpaid after liquidation, set-off and/or application under Paragraphs 7(a) and 7(d).
 - (f) When no amounts are or thereafter may become payable by the Pledging Party with respect to any Obligations, the Secured Party will Transfer to the Pledging Party all Performance Assurance and the Interest Amount, if any."

Amendments to Paragraph 8:

- (i) Paragraphs 8(a) and 8(b) are both amended by adding after the third sentence of each paragraph the following sentence: “If the Parties are unable to obtain any quotations for the Secured Party’s Net Exposure, the Parties will appoint a mutually acceptable leading market participant in the relevant market to make such calculation and such expense will be shared equally by the Parties.”
- (ii) Paragraph 8(b) is amended by replacing the term “Secured Party” with “Pledging Party” at the beginning of the 2nd line.
- (iii) Paragraph 8 is amended by inserting the following new subparagraph 8(c) at the end thereof:

“(c) Each quotation from a Reference Market-maker will be for an amount, if any, that would be paid to the Party requesting the quotation (expressed as a negative number) or by the Party requesting the quotation (expressed as a positive number) in consideration of an agreement between such requesting Party (taking into account this Collateral Annex and the existence of any Guarantor with respect to the obligations of such Party) and the quoting Reference Market-maker to enter into a transaction that would have the effect of preserving for the Party requesting the quotation the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the Parties in respect of such Transaction or group of Transactions. The costs of retaining Reference Market-makers for the purposes of this Paragraph 8 shall be borne equally by the Secured Party and the Pledging Party. The determination made by such Reference Market-makers shall be binding and conclusive on the Parties absent manifest error.”

Amendments to Paragraph 10:

- (i) Schedule 1 to the Collateral Annex is deleted in its entirety and replaced with the forms of Letter of Credit attached as Schedule 1 to this Paragraph 10 to 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 EEI Master Power Purchase and Sale Agreement between the Parties.

**CONSTELLATION ENERGY GENERATION,
LLC**

**SILICON VALLEY CLEAN ENERGY
AUTHORITY, a California joint powers authority**

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Schedule 1
FORM OF PARTY A LETTER OF CREDIT

[Issuing Bank Letterhead and Address] IRREVOCABLE STANDBY
LETTER OF CREDIT NO. [XXXXXXX]

Date: , Bank Ref.: _____ Amount: US\$[XXXXXXXX] Expiration Date: ____

Beneficiary: [_____]

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 *[insert Beneficiary name]* (“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 Amended and Restated 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 [XXXXXXXX] and as amended or otherwise modified 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]*, 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”).

The Drawing Certificate may be presented by (a) U.S. mail, (b) overnight courier or (c) as a PDF attachment to an e- mail 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), or any copy thereof, is not required to be presented in connection with any presentment of a Drawing Certificate by Beneficiary hereunder in order to receive payment.

We hereby agree with the Beneficiary that all documents presented under and in compliance with the terms of this Letter of Credit, that such drafts will be duly honored upon presentation to the Issuer on or before the Expiration Date.

All payments made under this Letter of Credit shall be made with Issuer’s own immediately available funds by means of wire transfer in immediately available United States dollars to Beneficiary’s account as indicated by Beneficiary in its Drawing Certificate or in a communication accompanying its Drawing Certificate.

Partial draws are permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance.

It is a condition of this Letter of Credit that the Expiration Date shall be

deemed automatically extended without an amendment for a one year period beginning on the present Expiration Date hereof and upon each anniversary for such date, unless at least one hundred twenty (120) days prior to any such Expiration Date we have sent to you written notice by overnight courier service that we elect not to extend this Letter of Credit, in which case it will expire on the date specified in such notice. No presentation made under this Letter of Credit after such Expiration Date will be honored.

Notwithstanding any reference in this Letter of Credit to any other documents, instruments or agreements, this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

This Letter of Credit is 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 New York.

Please address all correspondence regarding this Letter of Credit to the attention of the Letter of Credit Department at [*insert bank address information*] or by email to [*bank email address*], 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.

All notices to Beneficiary shall be in writing and are required to be sent by certified letter, overnight courier, or delivered in person to: [*insert Beneficiary Notice Information*]. Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.

[*Bank Name*]

[*Insert Officer's Name*]

[*Insert Officer's Title*]

**EXHIBIT A DRAWING CERTIFICATE
(DRAW REQUEST SHOULD BE ON BENEFICIARY'S
LETTERHEAD)**

Drawing Certificate

[Insert Bank Name and Address]

The undersigned, a duly authorized representative of *[insert Beneficiary name]*, as beneficiary (the "Beneficiary") of the Irrevocable Letter of Credit No. [XXXXXXX] (the "Letter of Credit") issued by *[insert bank name]* (the "Bank") by order of _____ (the "Applicant"), hereby certifies to the Bank as follows:

Applicant and Beneficiary are party to that certain Amended and Restated 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 [XXXXXXX] and as amended or otherwise modified from time to time (the "Master Agreement").

An Event of Default (as defined in the Master Agreement) has occurred and is continuing with respect to Applicant under the Master Agreement or an Early Termination Date (as defined in the Master Agreement) has occurred or been designated. Wherefore, the undersigned does hereby demand payment in an amount equal to all amounts due and owing of \$[].

OR

Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. \$____, which equals the full available amount under the Letter of Credit, because Applicant is required to maintain the Letter of Credit in force and effect beyond the Expiration Date of the Letter of Credit but has failed to provide Beneficiary with a replacement Letter of Credit or other acceptable instrument within twenty (20) Local Business Days prior to such Expiration Date or a Letter of Credit Default (as defined in the Master Agreement) exists.

The undersigned is a duly authorized representative of *[insert Beneficiary name]* 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 *[insert Beneficiary name]* by wire transfer in immediately available funds to the following account:

[specify account information] [insert Beneficiary name]

[Name and title of the authorized representative]

[Date]

FORM OF PARTY B LETTER OF CREDIT

[ISSUING BANK]
[ADDRESS]

DATE OF ISSUANCE: _____

LETTER OF CREDIT NO.: _____

BENEFICIARY:

APPLICANT:

TO WHOM IT MAY CONCERN:

WE HEREBY ESTABLISH OUR IRREVOCABLE TRANSFERABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR FOR THE ACCOUNT OF _____ (THE "ACCOUNT PARTY"), IN THE AGGREGATE AMOUNT OF _____ UNITED STATES DOLLARS (\$_____), AVAILABLE TO YOU AT SIGHT UPON DEMAND AT OUR COUNTERS AT (LOCATION) ON OR BEFORE THE EXPIRATION HEREOF AGAINST PRESENTATION TO US OF ANY OF THE FOLLOWING STATEMENTS (WITH BRACKETED LANGUAGE AND BLANKS APPROPRIATELY COMPLETED OR DELETED), DATED AND SIGNED BY A REPRESENTATIVE OF THE BENEFICIARY AND IDENTIFYING BY REFERENCE NO. THIS LETTER OF CREDIT:

1. "AN EVENT OF DEFAULT (AS DEFINED IN THE AMENDED AND RESTATED 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 _____ BETWEEN BENEFICIARY OF YOUR LETTER OF CREDIT NO. _____ ("BENEFICIARY") AND ACCOUNT PARTY (AS THE SAME MAY BE AMENDED, THE "MASTER AGREEMENT")) HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO THE ACCOUNT PARTY AND NO EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO BENEFICIARY. WHEREFORE, THE UNDERSIGNED DOES HEREBY DEMAND PAYMENT OF [\$_____] [THE ENTIRE UNDRAWN AMOUNT OF THE LETTER OF CREDIT]. PAYMENT SHOULD BE REMITTED TO _____;

OR

2. "AN EARLY TERMINATION DATE (AS DEFINED IN AMENDED AND RESTATED 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 _____ BETWEEN BENEFICIARY OF YOUR LETTER OF CREDIT NO. _____ ("BENEFICIARY") AND THE

ACCOUNT PARTY (AS THE SAME MAY BE AMENDED, THE “MASTER AGREEMENT”)) HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO THE ACCOUNT PARTY AND NO EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO THE BENEFICIARY. WHEREFORE, THE UNDERSIGNED DOES HEREBY DEMAND PAYMENT OF [\$ _____] [THE ENTIRE UNDRAWN AMOUNT OF THE LETTER OF CREDIT]. PAYMENT SHOULD BE REMITTED TO _____;

OR

3. “THE EXPIRATION DATE OF YOUR LETTER OF CREDIT NO. _____ IS LESS THAN TWENTY (20) DAYS FROM THE DATE OF THIS STATEMENT, AND THE ACCOUNT PARTY UNDER SUCH LETTER OF CREDIT IS REQUIRED, BUT HAS FAILED, TO PROVIDE A REPLACEMENT LETTER OF CREDIT OR OTHER COLLATERAL BEYOND SUCH EXPIRATION DATE IN ACCORDANCE WITH, AND TO ASSURE PERFORMANCE OF, ITS OBLIGATIONS UNDER THE ISDA MASTER AGREEMENT BETWEEN ACCOUNT PARTY AND THE BENEFICIARY OF THE LETTER OF CREDIT (AS THE SAME MAY BE AMENDED, THE “MASTER AGREEMENT”). NO EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING UNDER THE MASTER AGREEMENT WITH RESPECT TO THE BENEFICIARY. WHEREFORE, THE UNDERSIGNED DOES HEREBY DEMAND PAYMENT OF [\$ _____] [THE ENTIRE UNDRAWN AMOUNT OF THE LETTER OF CREDIT]. PAYMENT SHOULD BE REMITTED TO _____;

EXCEPT AS PROVIDED BELOW, THIS LETTER OF CREDIT EXPIRES AT OUR COUNTERS ON _____. IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT WILL BE AUTOMATICALLY EXTENDED FOR THREE MONTH PERIODS (TO THE SAME CALENDAR DAY OF SUCH THIRD FOLLOWING MONTH AS THE DAY OF THE MONTH STATED ABOVE FOR ITS INITIAL EXPIRATION DATE) FOLLOWING ITS THEN CURRENT EXPIRATION DATE, UNLESS AT LEAST THIRTY (30) DAYS BEFORE ITS THEN CURRENT EXPIRATION DATE, WE NOTIFY YOU, BY FACSIMILE TRANSMISSION TO _____ ATTN: _____ THAT WE DO NOT INTEND TO EXTEND THIS LETTER OF CREDIT; PROVIDED THAT THE ORIGINAL NOTICE SHALL BE SIMULTANEOUSLY FORWARDED BY OVERNIGHT COURIER SERVICE TO YOU AT THE ABOVE ADDRESS; PROVIDED FURTHER THAT THE FAILURE OF THE COURIER SERVICE TO TIMELY DELIVER SHALL NOT AFFECT THE EFFICACY OF THE NOTICE. HOWEVER, IN NO EVENT SHALL THE EXPIRATION DATE OF THIS LETTER OF CREDIT EXTEND BEYOND _____.

PARTIAL DRAWINGS ARE PERMITTED HEREUNDER AND MULTIPLE DRAWINGS ARE PERMITTED HEREUNDER. PRESENTATION OF DEMANDS FOR AMOUNTS IN EXCESS OF THE AMOUNT OF THIS LETTER OF CREDIT ARE ACCEPTABLE AND NOT DISCREPANT FOR THAT REASON. HOWEVER, THE AMOUNT PAYABLE ON SUCH DEMANDS WILL NOT EXCEED THE AMOUNT AVAILABLE UNDER THIS LETTER OF CREDIT.

**ALL DEMANDS FOR PAYMENT SHOULD BE PRESENTED TO US AT
THE FOLLOWING ADDRESS:**

**ATTENTION: _____, DEMANDS PRESENTED BY
TELEFACSIMILE ("FAX") TO FAX NUMBER _____, OR
ALTERNATELY TO FAX NUMBER _____ ARE
ACCEPTABLE, UNDER TELEPHONE PRE-ADVICE TO _____,
OR ALTERNATELY TO _____; PROVIDED THAT COPIES
OF THE ORIGINAL DRAFT, STATEMENT AND LETTER OF CREDIT
SHALL BE SIMULTANEOUSLY FORWARDED BY OVERNIGHT
COURIER SERVICE TO OUR OFFICE AT _____; PROVIDED
FURTHER THAT THE FAILURE OF THE COURIER SERVICE TO
TIMELY DELIVER SHALL NOT AFFECT THE EFFICACY OF THE
DEMAND.**

**THE DOCUMENT(S) REQUIRED MUST BE RECEIVED BY FAX ON
OR BEFORE THE EXPIRY DATE ON THIS INSTRUMENT IN
ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS
LETTER OF CREDIT**

**WE HEREBY AGREE WITH YOU THAT DOCUMENTS DRAWN
UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER
OF CREDIT SHALL BE DULY HONORED UPON PRESENTATION AS
SPECIFIED.**

**WE SHALL HAVE A REASONABLE AMOUNT OF TIME, NOT TO
EXCEED THREE (3) BUSINESS DAYS FOLLOWING THE DATE OF
OUR RECEIPT OF DRAWING DOCUMENTS, TO EXAMINE THE
DOCUMENTS AND DETERMINE WHETHER TO TAKE UP OR
REFUSE THE DOCUMENTS AND TO INFORM YOU ACCORDINGLY.**

**THIS LETTER OF CREDIT SHALL BE GOVERNED BY THE
INTERNATIONAL STANDBY PRACTICES 1998 (INTERNATIONAL
CHAMBER OF COMMERCE PUBLICATION NO. 590) (THE "ISP"),
EXCEPT TO THE EXTENT THAT THE TERMS HEREOF ARE
INCONSISTENT WITH THE PROVISIONS OF THE ISP, IN WHICH
CASE THE TERMS OF THIS LETTER OF CREDIT SHALL GOVERN.
THIS LETTER OF CREDIT SHALL, AS TO MATTERS NOT
GOVERNED BY ISP98, BE GOVERNED BY AND CONSTRUED IN
ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK,
INCLUDING UNIFORM COMMERCIAL CODE, ARTICLE 5.**

**IF THIS LETTER OF CREDIT EXPIRES DURING AN INTERRUPTION
OF BUSINESS, THE BANK HEREBY SPECIFICALLY AGREES TO
EFFECT PAYMENT, IF THIS LETTER OF CREDIT IS DRAWN
AGAINST, OTHERWISE IN ACCORDANCE WITH ITS TERMS,
WITHIN THIRTY (30) DAYS AFTER THE RESUMPTION OF
BUSINESS.**

**THIS LETTER OF CREDIT IS TRANSFERABLE, AND WE AGREE TO
CONSENT TO ITS TRANSFER, WHICH AGREEMENT SHALL NOT
BE UNREASONABLY WITHHELD AND SUBJECT TO OUR
STANDARD TERMS AND PRACTICES OF TRANSFER UPON OUR
RECEIPT OF ATTACHMENT A AND YOUR PAYMENT TO US OF
OUR STANDARD TRANSFER FEE. THIS LETTER OF CREDIT MAY
NOT BE TRANSFERRED TO ANY PERSON WITH WHICH U.S.
PERSONS ARE PROHIBITED FROM DOING BUSINESS UNDER U.S.
FOREIGN ASSETS CONTROL REGULATIONS OR OTHER**

Schedule 1 -

APPLICABLE U.S. LAWS AND REGULATIONS.

**EXCEPT FOR TRANSFER FEES, ALL ISSUING BANK CHARGES ARE
FOR THE ACCOUNT OF THE APPLICANT.**

[BANK SIGNATURE]

TO:

**THIS FORM TO BE USED WHERE A LETTER OF CREDIT IS
TRANSFERRED IN ITS ENTIRETY**

Date:

Re: Letter of Credit Number: _____ issued by _____

To Whom It May Concern:

For value received, the undersigned Beneficiary hereby irrevocably transfers to:

(Name of Transferee)

(Address)

all rights of the undersigned beneficiary to draw under the above referenced Letter of
Credit in its entirety.

Schedule 1 -

By this transfer, all rights of the undersigned Beneficiary in such Letter of Credit are transferred to the Transferee and the Transferee shall have the sole rights as Beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised direct to the Transferee without necessity of any consent of or notice to the undersigned Beneficiary.

The original advice of such Letter of Credit is returned herewith together with any and all amendments, and we ask you to endorse the transfer on the reverse of the original advice, and forward it to the Transferee with your customary notice of transfer. **[Our bank check for USD300.00 is attached representing your transfer fee.]**

Very Truly yours,

(Print Name of First Beneficiary)

Very truly yours,

(Print Name of Beneficiary)

(Print Authorized Signer(s) Name(s) and Title(s))

(Authorized Signature(s))

(Telephone number/fax number)

SIGNATURE GUARANTEED

Signature(s) with title(s) conform(s) to that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

(Print Name of Bank)

(Address of Bank)

(City, State, Zip Code)

(Print Name and Title of Authorized Signer)

(Authorized Signature)

(Telephone Number)

(Date)

Master Power Purchase & Sale Agreement

Version 2.1 (modified 4/25/00)

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AMENDED AND RESTATED MASTER POWER PURCHASE AND SALE
AGREEMENT

COVER SHEET

This *Amended and Restated Master Power Purchase and Sale Agreement* (“**Master Agreement**”) is made as of the following date: [REDACTED], 2026 (“**Effective Date**”). The Parties intend for this Master Agreement to replace in its entirety that certain Master Power Purchase and Sale Agreement entered by and between NRG Business Marketing LLC (formerly Direct Energy Business Marketing LLC, which was successor in interest to Energy America, LLC), known as Party A, and Silicon Valley Clean Energy Authority, known as Party B, dated as of November 28, 2016, as amended by that certain EEI Amendment Agreement, dated as of January 5, 2024, (“**Original Master Agreement**”). Upon the Effective Date of this Master Agreement, the Original Master Agreement shall be of no further force or effect and any outstanding Transactions entered under the Original Master Agreement shall be governed by this Master Agreement. A Collateral Annex, including the Paragraph 10 elections, entered between Party A and Party B and dated as of the date of this Master Agreement, is hereby incorporated into this Master Agreement. All existing and future Transactions will be subject to and margined under the aforementioned Collateral Annex. 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 (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “**Agreement**.”

Upon execution of this Master Agreement by both Parties, both Parties agree to terminate the original Intercreditor and Collateral Agency Agreement, dated December 15, 2016.

The Parties to this Master Agreement are the following:

Name: NRG Business Marketing LLC (“Party A”)

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

All Notices:

Street: 804 Carnegie Center
City: Princeton, NJ. Zip: 08540

Attn: Contract Administrator
Phone: 609.524.4543
Facsimile: 609.524.4540
Email: ContractAdmin@nrg.com
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 Van Vactor,
Director of Power Resources
Phone: (408) 549-2683
Email: [REDACTED] and
[REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

Invoices:

Attn: Accounting – Physical Power
Phone: 609.524.4980
Email: PhysicalSettlements@nrg.com and
RECInvoices@nrg.com

Invoices:

Attn: Power Supply Group
Phone: (408) 721-5301
Email: [REDACTED]

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Scheduling:

Attn: Day Ahead Scheduling
Phone: 713.537.3710 or 3711
Facsimile: 609.524.4540
Email: nrgdayahead@nrg.com

Payments:

Attn: Accounting – Physical Power
Phone: 609.524.4980
Email: PhysicalSettlements@nrg.com

Wire Transfer:

BNK: J.P. Morgan/Chase Manhattan
ABA: [REDACTED]
ACCT: [REDACTED]

Credit and Collections:

Attn: Director, Credit Risk
Phone: 732-781-0506
Email: WholesaleCredit@nrg.com

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: Assistant General Counsel - Commercial
Phone: 609.524.4500
Facsimile: 609.524.4589
Email: ContractAdmin@nrg.com

Scheduling:

Attn: Tenaska
Team Email: operations@tnsk.com
Attn: 24x7 Operations Desk
Phone: 817-462-1509
Email: TenaskaComm@tnsk.com
Attn: Adam Cochran, Manager, Operations
Phone: (817) 303-3632; (817) 658-2571; (817) 303-1104
Email: acochran@tnsk.com
Attn: Paul Messmann, Senior System Operator
Phone: (817) 804-8719; (847) 612-4566; (817) 303-1104
Email: PMessmann@tnsk.com
Outage information: Outage@tnsk.com
Resource testing information: Test@tnsk.com

Payments:

Attn: Finance Group
Phone: (408) 721-5301
Email: [REDACTED]

Wire Transfer:

BNK: River City Bank
ABA: [REDACTED]
ACCT: [REDACTED]

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:

Michael Callahan, General Counsel
Email: [REDACTED]

and to:

Kris Van Vactor, Director of Power Resources
Email: [REDACTED]

and to:

Amrit Singh, Chief Financial Officer/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: FERC Electric Tariff

Dated: May 29, 2002

Docket Number: ER11-1848

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: NRG Energy, Inc., a Delaware Corporation [REDACTED] ■ Cross Default for Party B: ■ Party B: Silicon Valley Clean Energy Authority 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

Credit and Collateral Requirements

8.1 Party A Credit Protection:

- (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 Silicon Valley Clean Energy as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at www.svcleanenergy.org, and (2) quarterly unaudited financial statements for Silicon Valley Clean Energy as soon as practicable upon demand, but in no event later than 90 days after the applicable quarter. In all cases the statements shall be for the most recent accounting

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period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that 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 audited statement will be provided within 90 days after the fiscal quarter during which Party A begins deliveries under a Transaction. Party B's fiscal year ends June 30.

(b) Credit Assurances:

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

See the Collateral Annex, which shall replace Articles 8.1(c) and 8.2(c) in their entirety.

(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: It shall be a Downgrade Event for Party B if Party B'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 B: N/A

Guarantee Amount:

8.2 Party B Credit Protection:

(a) Financial Information:

- Option A
- Option B - Specify:
- Option C - Specify:

The annual report containing audited consolidated financial statements for such fiscal year of Party A as soon as practicable after demand, but in no event later than 180 days after the end of each annual period of Party A and unaudited semi-annual financials within 90 days after the end of each

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semi-annual period of Party A, and such request will be deemed to have been filled if such financial statements are available on “EDGAR” or Party A’s corporate websites. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that 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.

(b) Credit Assurances:

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

See the Collateral Annex, which shall replace Articles 8.1(c) and 8.2(c) in their entirety.

(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: 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: NRG Energy, Inc.

Guarantee Amount: To be delineated in any guaranty issued by the Guarantor.

Article Ten

Confidentiality

- Confidentiality Applicable If not checked, inapplicable.

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.

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Other Changes

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

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

“Notwithstanding the foregoing, the Parties hereby agree and acknowledge that 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 and shall exclude, in the case of Party A, any such person that is not organized or existing under the jurisdiction of Canada or the United States or a political subdivision thereof.”
2. 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. Section 1.12 is amended by deleting the word “issues” and replacing it with “issuer”.
4. Section 1.23 shall be amended by inserting in the thirteenth line of this Subsection before the phrase “foregoing factors” the word “two.”
5. Section 1.24 is amended by adding before the period at the end thereof the following: “in accordance with Section 5.2”.
6. 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.”
7. Section 1.46 is deleted in its entirety.
8. Section 1.50 (Recording) Delete the reference to “Section 2.4” and replace it with “Section 2.5”.
9. Section 1.51 is amended by (i) inserting the phrase “for delivery” in the second line after the word “purchases” and before the phrase “at the Delivery Point” and (ii) deleting the phrase “at Buyer’s option” from the fifth line and replacing it with “at Buyer’s option”.
10. 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.”
11. Section 1.53 is amended by:
 - (i) deleting “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
 - (iii) inserting the word “liability” in the ninth line the following: “provided, further, if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by the Buyer, the Sales Price with respect to such unsold Product shall be deemed to equal zero (0).”

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12. 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.”
13. Section 1.60 is amended by inserting the words “in writing” immediately following the words “agreed to”.
14. In Section 2.1, delete the first sentence in its entirety and replace with the following: “A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties.”
15. In Section 2.1, the last sentence is deleted in its entirety and replaced with the following:

“Each Party agrees not to contest, or assert any defense to, the validity or 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; provided, however, Party A acknowledges that no employee of Party B may amend or otherwise materially modify this Master Agreement or a Transaction, or enter into a new Transaction, without the approval of the board of Party B, which may be granted on a prospective basis, and that evidence of such approval, including a certified incumbency setting forth the name and signatures of employees of Party B with authority to act on behalf of Party B, will be provided pursuant to Section 10.13.”
16. Section 2.3 is hereby deleted in its entirety and replaced with the following:

2.3 “No Oral Agreements or Modifications. Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Transactions may not be orally amended or modified.”
17. Section 2.4 is hereby amended by deleting the words “either orally or” in the sixth line.
18. Section 2.5 is hereby 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; 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.”
19. Section 3.2 is hereby amended by adding the following 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.”
20. In Section 5.1(a), change “three (3) Business Days” to “five (5) Business Days”.
21. In Section 5.1(g),

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- (a) delete the phrase “or becoming capable at such time of being declared,” on the eighth line of the Section,
 - (b) 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;”
22. Section 5.1(h)(v) – “Events of Default”
- Add “made in connection with this Agreement” after “any guaranty”.
23. Section 5.1 is further amended by replacing the period at the end of subsection (h) with a semicolon, and adding new subsections which read as follows:
- “(i) during any consecutive ninety (90) day period, there have occurred five (5) or more “Seller Failures” as that term is used in Section 4.1, under any and all Transactions, regarding which the Seller shall be deemed to be the Defaulting Party, and Buyer shall also be entitled to its remedies under Section 4.1;”
- “(j) a representation or warranty with respect to the Defaulting Party’s financial statement that is false or misleading if such false or misleading statement is not remedied within five (5) Business Days after written notice;”
- “(k) revocation or suspension by the Federal Energy Regulatory Commission of Party A’s authorization to make sales at market-based rates, and Party A is unable to reinstate such authorization within ninety (90) days; or”
- “(l) A Party or its Guarantor suffering or being the subject of a default, event of default, termination event, breach or other similar condition or event (howsoever expressed) that has not been remedied within the applicable grace periods under any other agreement or instrument (including, without limitation, commodity and financial derivative agreements or transactions) between a Party or one of its Affiliates and the other Party or one of its Affiliates, where the result of such event has been the termination and liquidation of transactions and the acceleration of amounts due thereunder.”
24. Section 5.2 is amended by:
- (i) Changing in line 3 “right (i) to” to “right to (i)”;
 - (ii) deleting the following phrase from the last line: “as soon thereafter as is reasonably practicable”; and
 - (iii) adding the following to the end of that provision: “then each such Transaction shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below). The Gains and Losses for each Terminated Transaction shall be determined by the Non-Defaulting Party calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. In making such calculation, the Non-Defaulting Party may

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reference information supplied by one or more third parties 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. Third parties supplying such information may include dealers, brokers and information vendors, including, without limitation, Intercontinental Exchange, Inc. If the Non-Defaulting Party's calculation of the Termination Payment results in an amount that would be due to the Defaulting Party (i.e. the Defaulting Party was in-the-money), then the Termination Payment shall be deemed to be zero dollars (\$0.00).

25. Section 5.3 shall be amended by inserting "plus, at the option of the Non-Defaulting Party, any cash or other form of liquid security 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.

26. Section 5.5 Disputes With Respect to Termination Payment

Add the following at the end of Section 5.5:

"(a) Senior Officers. Each of the Parties shall upon five days notice from the other Party designate in writing to the other a senior officer, who shall be authorized to resolve any dispute relating to the calculation of the Termination Payment with respect to Terminated Transactions following the designation of an Early Termination Date ("Dispute"). If any Dispute is not resolved within fifteen days following receipt by a Party of notice of a Dispute, the Parties may pursue any other right or remedy available at law, in equity or under this Agreement, subject to Section 7.1, to resolve the Dispute. The Parties shall (1) attempt to resolve all Disputes promptly and equitably; and (2) provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any such Dispute.

(b). Preservation of Rights and Remedies. Noting in this Section 5.5 shall preclude, restrict, limit or stop any right or remedy that, subject to Section 7.1, may be available to a Party at law, in equity or under this Agreement in connection with any claim, action, cause or action or indemnity which is not a Dispute as defined in Section 5.5(a) above."

27. In Section 5.7, delete "a" and "or (b) a Potential Event of Default" from the second line.
28. In Section 6.3, lines 3, 16 & 18, change twelve (12) months to twenty-four (24) months.
29. Section 7.1 shall be amended by:
 - (i) adding "SET FORTH IN THIS AGREEMENT" after "INDEMNITY PROVISION" and before "OR OTHERWISE," in the fifth sentence;
 - (ii) adding in the nineteenth line the words "PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT EXPRESSLY ALLOWING FOR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 and 5.3." immediately after the words "ANY INDEMNITY PROVISIONS SET FORTH IN THIS AGREEMENT OR OTHERWISE"; and

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- (iii) adding at the end of the last sentence the words “AND ARE NOT PENALTIES.”
30. In Section 8.2(d), before the comma in line five, add “or fails to maintain such Performance Assurance or guaranty or other credit assurance for so long as the Downgrade Event is continuing, and does not restore such Performance Assurance within three (3) Business Days of receipt of notice”.
31. Section 8.4 is added as follows:
- “In no event shall a Party be required to provide Credit Assurances, Independent Amounts, or any other collateral that in the aggregated exceeds the Termination Payment.”
32. In Section 10.2, delete the phrase “or Potential Event of Default” from Sections 10.2(vii).
33. 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) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments”;
- (xv) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments”; and
- (xvi) 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 by the Commodity Futures Modernization Act of 2000 (the “Commodity Exchange Act”);
- “(xviii) it is an “Eligible Contract Participant” within the meaning of Section 1a(18) of the Commodity Exchange Act.”
34. Section 10.2(ix) shall be deleted in its entirety and replaced with the following:
- “it is a “forward contract merchant” within the meaning of 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 Codes, 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 to the rights under, and the protections afforded by, Sections 362, 546, 553, 556, 560, 561 and 562 of the Bankruptcy Code.”

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35. Section 10.5 shall be amended by deleting the words from the beginning of clause (ii) through the words prior to “provided, however” and replacing them with:

“(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate’s creditworthiness is equal to or higher than that of such Party or the Guarantor, if any, for such Party, or (y) the obligations of such Affiliate are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, and (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any”

36. Section 10.6 shall be 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, 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 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.”

37. In Section 10.6 change “NEW YORK” to “CALIFORNIA”
38. Section 10.7 shall be deleted in its entirety and replaced with the following:

“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

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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 signed by someone who is authorized to speak on behalf of the Party; provided, the changes to invoice, payment, wire transfer and other banking information shall be effective only after verification by the contact listed under the Invoices and/or Payments section of the pre-existing Cover Sheet."

39. Section 10.8 shall be amended by:

- (i) adding at the end of the second to last sentence: "and the rights of either Party pursuant to (i) Article 5, (ii) Section 7.1, (iii) Section 10.11 (iv) Waiver of Jury Trial provisions, if applicable, (v) the obligation of either Party to make payments hereunder, (vi) Section 10.6 (vii) Section 10.13 and (viii) Section 10.14 shall also survive the termination of the Agreement or any Transaction."; and
- (ii) 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 counterparty were upon a single instrument. Delivery of an executed signature page of this Master Agreement and any Confirmation by facsimile or electronic mail transmission shall be effective as delivery of a manually executed signature page."

40. In Section 10.9 insert the words "copies of" after the word "examine" in line 2.

41. Section 10.10 shall be amended by adding the following after the last sentence of section 10.10.

"Each Party further agrees that, for the 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."

42. Section 10.11 shall be amended by adding the following:

- (i) the phrase "or the completed Cover Sheet to this Master Agreement" immediately before the phrase "to a third party" in line three;
- (ii) the phrase ", or any such representatives of a Party's Affiliates," immediately after the phrase "counsel, accountants, or advisors" in line four;
- (iii) in the seventh line thereof, between the word "proceeding" and the semi-colon, which immediately follows, the words "applicable to such Party or any of its Affiliates";
- (iv) an additional sentence at the end of Section 10.11: "The Parties agree and acknowledge that nothing in this Section 10.11 prohibits a Party from disclosing any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of

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aggregating and reporting such information in the form of a published energy price index.”; and

- (v) the following at the end of the last sentence: “Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 7920 et seq.). Party B acknowledges that Party A may submit information to Party B that the other party considers confidential, proprietary, or trade secret information pursuant to the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act. Party A acknowledges that Party B may submit to Party A information that Party B considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act. 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.” The Parties agree not to over-designate material as confidential. Over-designation would include stamping whole agreements, entire pages or series of pages as Confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement (“Requestor”) for production, inspection and/or copying of information designated by a Party as confidential information (such designated information, the “Confidential Information” and the disclosing Party, the “Disclosing Party”), the Party receiving such request (the “Receiving Party”) as soon as practical, shall notify the Disclosing Party that such request has been made so that Disclosing Party, at its sole expense, may seek an appropriate protective order or other appropriate remedy. The Disclosing Party shall be solely responsible, at its sole expense, for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor’s demand and is not required to defend against it.”

43. The following Mobile-Sierra clause shall be added as Section 10.12:

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, a non-party or FERC acting sua sponte, shall be the *Mobile Sierra* “public interest” standard of review set forth in *Morgan Stanley Capital Group Inc. v. Public Utility District No. 1 of Snohomish County*, Nos. 06-1457, 128 S.Ct. 2733 (2008) and consistent with the order of the Supreme Court in *NRG Power Marketing, LLC, et al., v. Maine Public Utilities Commission et al.* No. 08-674, 130 S.Ct. 693 (2010) (“NRG Order”). As to all other persons, the Parties intend and agree that the same standard applies, to the maximum degree permitted under the NRG Order.”
- (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

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may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. 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 subsection (a).

44. The following shall be added as a new Section 10.13:

“Party B’s Deliveries. On the Effective Date and as a condition to the obligations of Party A under this Agreement, Party B shall provide to Party A a certificate, dated as of the Effective Date and signed by an authorized signatory of Party B, certifying as to the completeness and correctness of attached copies of (i) the deliveries of Party B under Section 3.4, and (ii) 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 name and signatures of employees of Party B with authority to act on behalf of Party B.”

45. The following shall be added as a new Section 10.14:

“Party A’s Deliveries. On the Effective Date and as a condition to the obligations of Party B under this Agreement, Party A shall provide to Party B a certificate, dated as of the Effective Date and signed by an authorized signatory of Party A, certifying as to the completeness and correctness of attached copies of (i) a certificate of good standing issued by the Delaware Secretary of State as of a recent date, (ii) resolutions of the managers, members, or other governing body, as applicable, of Party A approving the execution, delivery and performance of this Master Agreement and any Confirmations executed in connection therewith, and (iii) the incumbency and signatures of the signatories of Party A executing this Master Agreement and any Confirmations executed in connection herewith.”

46. The following shall be added as a new Section 10.15:

“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. 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.”

47. The following new Section shall be added as Section 10.16:

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“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 evidenced on paper, the Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.”

48. The following new Section shall be added as Section 10.17:

“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:

(i) Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of two dealer quotes obtained from dealers of the highest credit standing which satisfy all the criteria that the Seller applies generally at the time in deciding to offer or to make an extension of credit. Notwithstanding the foregoing and subject to time limitations set forth in Sub-Section (ii) below, if the Parties have determined a Floating Price pursuant to this Sub-Section (i) and at a later date the responsible Price Source announces or publishes the relevant Floating Price, then such Floating Price shall be treated as a corrected price pursuant to Sub-Section (ii) below.”

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

“Exchange” means, in respect of a Transaction, the exchange or principal trading market specified 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 or publish the specified Floating Price or information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price

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Source; (d) the temporary or permanent closing of any Exchange specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

“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.

“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

(ii) Corrections to Published Prices. For purposes of determining a Floating Price 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 within three (3) years of 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 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.

(iii) Calculation of Floating Price. For purposes of calculating a Floating Price, all numbers shall be rounded to four (4) decimal places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.”

49. The following new Section shall be added as Section 10.18:

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.”

50. The following new Section shall be added as Section 10.19:

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.”

[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.

NRG BUSINESS MARKETING LLC

**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.

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SCHEDULE M

(THIS SCHEDULE IS INCLUDED IF THE APPROPRIATE BOX ON THE COVER SHEET IS MARKED INDICATING A PARTY IS A GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEM)

- A. The Parties agree to add the following definitions in Article One.

“Act” means the Joint Power Act of the State of California (Government Code Section 6500, et seq.).

“Governmental Entity or Public Power System” means a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof.

- B. The following sentence shall be added to the end of the definition of “Force Majeure” in Article One:

If the Claiming Party is Party B, Force Majeure does not include any action taken by, or any omission or failure to act of, Party B in its governmental capacity.

- C. The Parties agree to add the following representations and warranties to Section 10.2:

Party B represents and warrants to Party A continuing throughout the term of this Master Agreement, with respect to this Master Agreement and each Transaction, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Master Agreement, including without limitation, to the extent applicable, 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 all applicable laws, ordinances, or other applicable regulations, (ii) all persons making up the governing body of Party B 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 laws, (iii) entry into and performance of this Master Agreement by Party B 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, and (v) obligations to make payments hereunder do not constitute any kind of indebtedness of Party B or create any kind of lien on, or security interest in, any property or revenues of Party B.

- D. The Parties agree to add the following sections to Article Three:

Section 3.4: Party B’s Deliveries. On the Effective Date and as a condition to the obligations of Party A under this Agreement, Party B shall provide Party A (i) 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 (ii) an opinion of counsel for Party B, in a form and substance reasonably satisfactory to Party A, regarding the validity, binding effect and enforceability of this Master Agreement against Party B in respect of the Act and all other

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relevant constitutional organic or other governing documents and applicable law.

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 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.).

E. If the appropriate box is checked on the Cover Sheet, as an alternative to selecting one or more of the options under Section 8.3, the Parties agree to add the following section to Article Three:

Section 3.6 Governmental Entity or Public Power System Security. With respect to each Transaction, Governmental Entity or Public Power System shall upon execution of this Master Agreement and prior to the commencement of each subsequent fiscal year of Governmental Entity or Public Power System during any Delivery Period, have obtained all necessary budgetary approvals and certifications for payment of all of its obligations under this Master Agreement for such fiscal year; any breach of this provision shall be deemed to have arisen during a fiscal period of Governmental Entity or Public Power System for which budgetary approval or certification of its obligations under this Master Agreement is in effect and, notwithstanding anything to the contrary in Article Four, an Early Termination Date shall automatically and without further notice occur hereunder as of such date wherein Governmental Entity or Public Power System shall be treated as the Defaulting Party. Governmental Entity or Public Power System shall have allocated to its general funds a revenue base that is adequate to cover Public Power System's payment obligations hereunder.

F. 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.

PARAGRAPH 10
to the
COLLATERAL ANNEX
to the
EEI MASTER POWER PURCHASE AND SALE AGREEMENT

Between
NRG Business Marketing LLC (“Party A”)
and
Silicon Valley Clean Energy Authority (“Party B”)

CREDIT ELECTIONS COVER SHEET

Paragraphs 1-9. Incorporation; Form of Agreement

Paragraphs 1-9, inclusive of the Collateral Annex, Version 1.0, published by the Edison Electric Institute as of February 21, 2002, as modified by the Errata, Version 1.1, published by the Edison Electric Institute, dated July 18, 2007 (the “Pre-printed Form”), are incorporated herein by reference and made a part hereof. The Collateral Annex will be formed in the style of the Pre-printed Form, and the Pre-printed Form will control to the extent of any inconsistencies with Paragraphs 1-9 of the Collateral Annex executed by the Parties. If any of the terms of this Paragraph 10 conflict with the Pre-printed Form, the terms of this Paragraph 10 will govern.

Paragraph 10. Elections and Variables

I. Collateral Threshold.

A. Party A Collateral Threshold.

- ☒ The “Threshold Amount” means the lesser of: (a) the specified maximum amount under the Guaranty that is in full force and effect provided by Party A’s Guarantor applicable to Transactions under this agreement, (b) the amount set forth below under the heading “Party A Collateral Threshold” opposite the lowest Credit Rating assigned by S&P and Moody’s to Party A’s Guarantor or the Credit Rating assigned by S&P or Moody’s if Party A’s Guarantor is not rated by both rating agencies on the relevant date of determination, or (c) zero if on the relevant date of determination Party A’s Guarantor does not have a Credit Rating from S&P or Moody’s or an Event of Default, or Potential Event of Default, or a Credit Event Upon Merger 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 Event of Default the Potential Event of Default or the Credit Event Upon Merger 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 Event of Default or 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	S&P Credit Rating	Moody’s Credit Rating
☐	A- (or above)	A3 and above
☐	BBB+	Baa1
☐	BBB	Baa2
☐	BBB-	Baa3
☐	Below BBB- or NR	Below Baa3 or NR

B. Party B Collateral Threshold.

- ☒ The “Threshold Amount” means the lesser of: (a) the amount set forth below under the heading “Party B Collateral Threshold” opposite the lowest Credit Rating assigned by S&P and

Moody's to Party B or the Credit Rating assigned by S&P or Moody's if Party B is not rated by both rating agencies on the relevant date of determination, or (b) zero if on the relevant date of determination Party B does not have a Credit Rating from S&P or Moody's or an Event of Default, or Potential Event of Default, or a Credit Event Upon Merger 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 Event of Default or Potential Event of Default or the Credit Event Upon Merger 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 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.

Party B Collateral Threshold	S&P Credit Rating	Moody's Credit Rating
	A- (or above)	A3 and above
	BBB+	Baa1
	BBB	Baa2
	BBB-	Baa3
	Below BBB- or NR	Below Baa3 or NR

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]	100%
(B) Letters of Credit	[X]	[X]	100% unless a Letter of Credit Default shall have occurred and be continuing with respect to such Letter of Credit in which case the Valuation Percentage shall be zero (0).
(C) Other	[]	[]	_____ %

III. Independent Amount.

A. Party A Independent Amount.

- ☐ Party A shall have a Fixed Independent Amount of \$0 (zero). 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 \$_____. 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 \$_____. 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 \$0 (zero). 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 \$_____. 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 \$_____. 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]

provided that, in each case, (i) if the Party is a Defaulting Party at the time, its Minimum Transfer Amount will be zero, (ii) if a Secured Party is holding an amount of Performance Assurance at the time, the Secured Party's Collateral Requirement is, or is deemed to be, zero at the time, and, but for its Minimum Transfer Amount, the Secured Party would be required to make a Transfer under Paragraph 4, the Minimum Transfer Amount for the Secured Party will be zero, and (iii) if no Transactions are outstanding, then the Minimum Transfer Amount for both Parties will be zero.

Rounding Amount.

C. Party A Rounding Amount: [REDACTED]

D. Party B Rounding Amount: [REDACTED]

V. 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 or Party A's Custodian 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; (2) Party A's Custodian, if any, is a Qualified Institution; and (3) 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.

- ☒ Federal Funds Effective Rate - the rate for that day opposite the caption "Federal Funds (Effective)" as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

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 or Party B's Custodian 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; (2) Party B's Custodian, if any, is a Qualified Institution; and (3) 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.

- ☒ Federal Funds Effective Rate - the rate for that day opposite the caption “Federal Funds (Effective)” as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

VI. Notification Time.

- ☒ Other - 10:00 a.m. Pacific Prevailing Time on a Local Business Day

VII. Demands and Notices.

All demands, specifications and notices to Party A under this Collateral Annex will be as set forth on the Cover Sheet to the Master Agreement.

All demands, specifications and notices to Party B under this Collateral Annex will be as set forth on the Cover Sheet to the Master Agreement.

VIII. General.

Amendment to Introductory Paragraph:

- (i) 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 Amended and Restated Master Power Purchase and Sale Agreement dated as of [REDACTED] between NRG Business Marketing LLC (“Party A”) and Silicon Valley Clean Energy Authority, a California joint powers authority (“Party B”) (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 Event Upon Merger” is added:

“Credit Event Upon Merger” is where a Designated Event (as defined below) occurs with respect to such Party, any Guarantor of such Party or any applicable Specified Entity of such Party (in each case, “X”) and the creditworthiness of X or, if applicable, the successor, surviving or transferee entity of X, after taking into account any applicable form of credit support, is materially weaker immediately after the occurrence of such Designated Event than that of X immediately prior to the occurrence of such Designated Event. A “Designated Event” with respect to X means that:—

(1) X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets (or any substantial part of the assets comprising the business conducted by X as of the date of this Agreement) to, or reorganizes, reincorporates or reconstitutes into or as, another entity;

(2) any person, related group of persons or entity acquires directly or indirectly the beneficial ownership of (A) equity securities having the power to elect a majority of the board of directors (or its equivalent) of X or (B) any other ownership interest enabling it to exercise control of X; or

(3) X effects any substantial change in its capital structure by means of the issuance, incurrence or guarantee of debt or the issuance of (A) preferred stock or other securities convertible into or exchangeable for debt or preferred stock or (B) in the case of entities other than corporations, any other form of ownership interest.

- (ii) The definition of “Credit Rating” is amended and restated in its entirety as follows:

““Credit Rating” shall mean, with respect to an entity on any date of determination, the respective rating then assigned to its unsecured and senior, long-term debt or deposit obligations (not supported by third party credit enhancement), or issuer rating, or long-term corporate family rating,) by S&P or Moody’s.”

- (iii) “Credit Rating Event” shall be amended by replacing “6(a)(iii)” with “6(a)(ii)”.
- (iv) The definition of “Current Mark-to-Market Value” is amended by adding at the end the words “as of the Valuation Time.”
- (v) “Downgraded Party” shall be amended by replacing “6(a)(i)” with “6(a)(ii)”.
- (vi) The definition of “Letter of Credit” shall be deleted from both the Master Agreement, as amended by the Cover Sheet thereto, and the Collateral Annex and replaced with the following:

“Letter(s) of Credit” shall mean an irrevocable, standby Letter of Credit, issued by an issuer or confirming entity, as applicable, that is a Qualified Institution 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 bank may require and as may be reasonably acceptable to the beneficiary thereof. Letters of Credit shall be issued and maintained in accordance with the provisions of this Credit Elections Cover Sheet hereto. All costs relating to any such Letter of Credit shall be for the account of the Pledging Party”.
- (vii) “Letter of Credit Default” shall be amended as follows:
 - a. Clause (a) shall be deleted and replaced with the following phrase: “(a) the issuer of such Letter of Credit shall fail to be a Qualified Institution”; and
 - b. Add to the end of clause (b) “if such failure shall be continuing after the lapse of any applicable grace period.”;
 - c. A new clause (f) shall be added after the existing clause (e) and immediately before the phrase “provided, however” as follows:

“(f) the Pledgor fails to extend or replace such Letter of Credit at least twenty (20) Local Business Days prior to its expiration” ; and
 - d. The following is added after the last sentence:

“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.”
- (viii) “Local Business Day” shall be amended by replacing the word “day” with “Business Day”.
- (ix) “Performance Assurance” shall be amended by replacing “6(a)(iv)” with “6(a)(iii)”.
- (x) “Qualified Institution” shall be amended to read as follows:

““Qualified Institution” means a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, (a) with a Credit Rating of at least “A-” by S&P or “A3” by Moody’s, and (b) having assets of at least TEN BILLION AND 00/100 DOLLARS (\$10,000,000,000.00).”
- (xi) “Reference Market-maker” is amended by adding “which is not an Affiliate of either Party” after the words “leading dealer” in the first line thereof.
- (xii) “Secured Party” shall be amended by replacing “3(b)” with “3(a)”.
- (xiii) The definition of “Valuation Time” is added:

“Valuation Time” means: 2:00 p.m., Pacific Prevailing time, on the Business Day immediately preceding the Calculation Date.

Amendments to Paragraph 3:

- (i) Section (b) is amended by adding the words “having the lower Exposure Amount at any time” after “for a Party” in the first sentence. Section (b)(2) shall be amended by adding the words “that has not been returned to the Pledging Party pursuant to this Collateral Annex,” after the words “the Secured Party” in line 1 and after the words “Letter of Credit” in line 3. Insert a paragraph break after “Secured Party;” in Paragraph 3(b)(3) such that it will be clear that the phrase beginning “provided however” applies to the entirety of Paragraph 3(b).

Amendments 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 second (2nd) 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 (3rd) 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 fourth 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)(i), the second sentence, is amended by inserting the words “(other than Paragraph 6(a)(ii)(B))” after the words “then the provisions of Paragraph 6(a)(ii)”.
 - (ii) 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.
 - (iii) 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 Pledging Party”.
 - (iv) Paragraphs 6(b)(iii) and 6(b)(iv) are deleted and replaced in their entirety as follows:

“(iii) Upon the occurrence of a Letter of Credit Default, the Pledging Party agrees to Transfer to the Secured Party either a substitute Letter of Credit or other Eligible Collateral, in each case on or before the second (2nd) Local Business Day after the occurrence thereof (or the third (3rd) Local Business Day after the occurrence thereof if only clause (a) under the definition of Letter of Credit Default applies).
- (iv) Notwithstanding anything herein to the contrary, (A) upon or at any time after the occurrence and during the continuation of an Event of Default with respect to the Pledging Party or (B) if an Early Termination Date has occurred or been designated and there exist any unsatisfied payment Obligations, then the Secured Party may draw on any outstanding Letter of Credit in an amount (up to the face amount for which the Letter of Credit has been issued) that is equal to all amounts that are due and owing from the Pledging Party but have not been paid to the Secured Party within the time allowed for such payments under this Agreement (including any related notice or grace period or both). If a Letter of Credit Default exists with respect to any Letter of Credit provided by or on

behalf of the Pledging Party, then the Secured Party may draw on the Letter of Credit subject to such Letter of Credit Default in an amount equal to the entire, undrawn portion of such Letter of Credit. Draws on outstanding Letters of Credit shall be made upon submission to the bank issuing such Letter(s) of Credit of one or more certificates specifying the amounts due and owing to the Secured Party in accordance with the specific requirements of the Letter of Credit. Cash proceeds received from drawing upon any Letter of Credit shall be deemed Performance Assurance as security for the Pledging Party's obligations to the Secured Party and the Secured Party shall have the rights and remedies set forth in Paragraph 7 with respect to such cash proceeds. Notwithstanding the Secured Party's receipt of Cash proceeds of a drawing under the Letter of Credit, the Pledging Party shall remain liable (y) for any failure to Transfer sufficient Performance Assurance or (z) for any amounts owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured Party."

Amendments to Paragraph 7:

- (i) Paragraph 7 is supplemented by adding the following subparagraph (e):

"(e) For purposes of Section 5.1 of the Agreement, an Event of Default will exist with respect to a Party if:

- (i) that Party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Performance Assurance or the Interest Amount, as applicable, required to be made by it and that failure continues for one (1) Local Business Day after notice of that failure is given to that Party;
- (ii) that Party fails to comply with any restriction or prohibition specified in this Collateral Annex with respect to the use of Performance Assurances and that failure continues for five (5) Local Business Days after notice of that failure is given to that Party; or
- (iii) that Party fails to comply with or perform any agreement or obligation under this Collateral Annex other than those specified in Paragraphs 7(e)(i) and 7(e)(ii) and that failure continues for 15 days after notice of that failure is given to that Party."

Amendments to Paragraph 8:

- (i) Paragraph 8(b) is amended by replacing the term "Secured Party" with "Pledging Party" at the beginning of the 2nd line.

Amendments to Paragraph 9:

- (i) Paragraph 9(d) is amended by inserting the word "Party" between the words "other" and "in" on the 10th line.
- (ii) Paragraph 9(g) is added with the inclusion of the following words:

"(g) Party A and Party B each represent to the other Party (which representation(s) will be deemed to be repeated as of each date on which it, as the Pledging Party, transfers Performance Assurance) that: their respective representations set forth in Section 10.2 of the Agreement are true and correct."

Amendments to Paragraph 10:

- (i) Paragraph 10 shall be amended by inserting the following new subparagraph 10(VI)(C) at the end thereof:

"In lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Performance Assurance in the form of Cash (all of which may be retained by the Pledging Party and shall not be considered Performance Assurance):

(x) if the Interest Amount for an Interest Period is a positive number, upon request of the Pledging Party, the Secured Party will transfer to the Pledging Party such Interest Amount by the fifth Business Day after the end of such Interest Period, to the extent that a Collateral Requirement as calculated by the Pledging Party would not be created or increased by that Transfer; any Interest Amount or portion thereof not transferred pursuant to this subsection (x) of this Paragraph will constitute Performance Assurance in the form of Cash and will be subject to the security interest granted under Paragraph 2 to the Collateral Annex.”

- (ii) Schedule 1 to the Collateral Annex is deleted in its entirety and replaced with an illustrative form of Letter of Credit to use as a guide attached as Schedule 1 to this Paragraph 10 to 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 EEI Master Power Purchase and Sale Agreement between the Parties.

**NRG BUSINESS MARKETING LLC
LLC**

**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: [_____]

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 *[insert Beneficiary name]* (“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 June 14, 2023 and as amended or otherwise modified 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]*, 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”).

The Drawing Certificate may be presented by (a) U.S. mail, (b) overnight courier or (c) as a PDF attachment to an e- mail 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), or any copy thereof, is not required to be presented in connection with any presentment of a Drawing Certificate by Beneficiary hereunder in order to receive payment.

We hereby agree with the Beneficiary that all documents presented under and in compliance with the terms of this Letter of Credit, that such drafts will be duly honored upon presentation to the Issuer on or before the Expiration Date.

All payments made under this Letter of Credit shall be made with Issuer’s own immediately available funds by means of wire transfer in immediately available United States dollars to Beneficiary’s account as indicated by Beneficiary in its Drawing Certificate or in a communication accompanying its Drawing Certificate.

Partial draws are permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance.

It is a condition of this Letter of Credit that the Expiration Date shall be deemed automatically extended without an amendment for a one year period beginning on the present Expiration Date hereof and upon each anniversary for such date, unless at least sixty (60) days prior to any such Expiration Date we have sent to you written notice by overnight courier

service that we elect not to extend this Letter of Credit, in which case it will expire on the date specified in such notice. No presentation made under this Letter of Credit after such Expiration Date will be honored.

Notwithstanding any reference in this Letter of Credit to any other documents, instruments or agreements, this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

[This Letter of Credit is 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 New York.]¹

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.

[All notices to Beneficiary shall be in writing and are required to be sent by certified letter, overnight courier, or delivered in person to: [*insert Beneficiary Notice Information*]. Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.]²

[*Bank Name*]

[Insert Officer's Name]

[Insert Officer's Title]

**EXHIBIT A DRAWING CERTIFICATE
(DRAW REQUEST SHOULD BE ON BENEFICIARY'S
LETTERHEAD)**

Drawing Certificate

[Insert Bank Name and Address]

The undersigned, a duly authorized representative of *[insert Beneficiary name]*, as beneficiary (the "Beneficiary") of the Irrevocable Letter of Credit No. [XXXXXXX] (the "Letter of Credit") issued by *[insert bank name]* (the "Bank") by order of _____ (the "Applicant"), hereby certifies to the Bank as follows:

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 June 14, 2023 and as amended or otherwise modified from time to time (the "Master Agreement").

An Event of Default (as defined in the Master Agreement) has occurred and is continuing with respect to Applicant under the Master Agreement or an Early Termination Date has occurred or been designated. Wherefore, the undersigned does hereby demand payment in an amount equal to all amounts due and owing of \$[_____].

OR

Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. \$_____, which equals the full available amount under the Letter of Credit, because Applicant is required to maintain the Letter of Credit in force and effect beyond the Expiration Date of the Letter of Credit but has failed to provide Beneficiary with a replacement Letter of Credit or other acceptable instrument within twenty (20) Local Business Days prior to such Expiration Date or a Letter of Credit Default (as defined in the Master Agreement) exists.

The undersigned is a duly authorized representative of *[insert Beneficiary name]* 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 *[insert Beneficiary name]* by wire transfer in immediately available funds to the following account:

[specify account information] [insert Beneficiary name]

[Name and title of the authorized representative]

[Date]



Staff Report – Item 2j

Item 2j: Receive Executive Committee Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Pat Showalter, Executive Committee Chair

Date: 8/12/2026

The Silicon Valley Clean Energy (SVCE) Executive Committee (Committee) met June 26, 2026 with five out of six members present and considered the following: 1) the Integrated Decarbonization Roadmap, and 2) 2026 SVCE and Electrification Awareness Residential Customer Survey Results.

Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies, presented an overview of the Integrated Decarbonization Roadmap with a request for input from the Committee to develop SVCE’s 2045 vision statement and role in achieving that vision. The Committee discussed the values identified by staff (comprehensive and exclusive, safer and healthier, affordable and accessible, community-centered, and people-focused) and transition phases. Staff noted a study session incorporating the feedback provided would be planned for a future Board meeting.

Pamela Leonard, Deputy Director of Marketing and Communications, and Shawn Orgel-Olson, Programs Marketing Manager, presented an informational item on the 2025 annual residential customer survey results and key takeaways. These results will also be shared with the Board of Directors at the August 12, 2026 Board of Directors meeting.

Materials from this meeting can be found on SVCE’s website: [SVCE Executive Committee Meeting, June 26, 2026](#)

The next meeting of the Executive Committee will be held August 28, 2026 at 10:00 a.m.; materials will be posted no later than 72 hours in advance of the meeting.

**Staff Report – Item 2k**

Item 2k: Receive 2026 Legislative Ad Hoc Committee Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Pat Showalter, Committee Chair

Date: 8/12/2026

The 2026 Legislative Ad Hoc Committee (Committee) met virtually Monday, July 20, 2026 with four members present:

Committee Chair Pat Showalter

Committee Vice Chair Zach Hilton

Director Bryan Mekechuk

Alternate Director Tina Walia

Director Yvonne Martinez Beltran and Director Barbadillo were absent.

The Committee received information from staff on the state and federal legislative landscape and priority legislation aligned with SVCE's 2026 Legislative Policy Platform and focus areas.

The next meeting of the Committee is expected to take place in October and will be scheduled based on member availability.

**Staff Report – Item 2l**

Item 2l: Receive Additional Committees Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Andrea Pizano, Sr. Executive Assistant and Board Clerk

Date: 8/12/2026

There is no report for the Finance and Administration Committee and Audit Committee, as they have not met since the last report. The Finance and Administration Committee will meet in August 2026, and the Audit Committee will meet in September/October 2026, based on member availability.

Materials for these meetings will be posted 72 hours in advance of the meeting date.

**Staff Report – Item 2m**

Item 2m: Receive California Community Power Report

To: Silicon Valley Clean Energy Board of Directors

From: Monica Padilla, CEO

Date: 8/12/2026

Per direction from the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) on December 9, 2020 for the Chief Executive Officer 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's June 17 and July 18, 2026 meetings were canceled.

On June 18, 2026, CC Power hosted a ribbon-cutting event in Rosamond, CA celebrating the Tumbleweed Energy Storage project. The project is the first eight-hour utility-scale battery energy storage system in California. Select staff and Chair Klein represented SVCE at the event; other participating CC Power members include CleanPowerSF, Redwood Coast Energy Authority, San Jose Clean Energy, Sonoma Clean Power, Valley Clean Energy, and Westlight Energy (formerly Peninsula Clean Energy).

The next meeting of the CC Power board will be August 19, 2026 at 1:00 p.m.; meeting materials can be found on the CC Power website: <https://cacomunitypower.org/meetings/>



Staff Report – Item 2n

Item 2n: Receive California Community Choice Financing Authority Report

To: Silicon Valley Clean Energy Board of Directors

From: Monica Padilla, CEO

Date: 8/12/2026

The California Community Choice Financing Authority (CCCFA) is a Joint Powers Authority established to reduce the cost of power purchases for CCAs through pre-payment structures. Silicon Valley Clean Energy (SVCE) was a founding member in 2021, along with Central Coast Community Energy, Clean Power Alliance, Ava Community Energy (formerly East Bay Community Energy), and Marin Clean Energy. This report is intended to provide an update on the monthly meetings of the CCCFA Board.

The CCCFA held a regular board meeting on Thursday, June 25, 2026 and addressed the following:

- Approval of a resolution authorizing the amendment of certain existing energy prepayment transaction documents;
- Ava bond issuance authorization;
- Approval of a resolution authorizing the issuance of one or more series of clean energy project revenue bonds in an aggregate principal amount not to exceed \$900,000,000 to finance the acquisition of a long-term supply of electricity for Desert Community Energy and Redwood Coast Energy Authority and other matters relating thereto;
- Revenue options for CCCFA fees; and
- An update from the General Manager’s Working Group.

Materials from this meeting can be found on CCCFA’s website: [CCCFA Meeting, 6/25/26](#)

This is the first report to the SVCE Board on CCCFA activities. Going forward, staff will provide monthly updates to the Board as part of the consent agenda. The next meeting of the CCCFA board will be August 27, 2026 at 1:00 p.m.; meeting materials can be found on the CCCFA website: <https://www.cccfa.org/board-meetings.html>



Staff Report – Item 2o

Item 2o: Authorize the Chief Executive Officer to Amend the Agreement with SERA Design and Architecture Inc. for Planning, Architecture, & Design Services for Silicon Valley Clean Energy Headquarters and Increase the Not-to-Exceed Amount from \$660,000 to \$726,000

From: Monica Padilla, CEO

Prepared by: Zoe Elizabeth, Director of Decarbonization Policy & Community Strategy

Date: 8/12/2026

RECOMMENDATION

Staff requests the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) authorize the Chief Executive Officer (CEO) to negotiate, execute, and administer amendments to the contract with SERA Design and Architecture Inc. ("SERA") for Planning, Architecture, and Design Services for a total not-to-exceed of \$726,000, an increase of \$66,000.

The Board had previously authorized the CEO to execute an agreement for such services in an amount not to exceed \$660,000 with a 10% contingency. Staff reviewed the authority and misread the approval to be \$660,000 plus a 10% contingency. Under this misinterpretation, staff issued a contract amendment with SERA, bringing the contract NTE to \$698,855. While staff has not yet paid out invoices in excess of the authorized \$660,000, staff needs the increased dollar authority to complete the new building renovation project.

BACKGROUND

At the June 2025 SVCE Board meeting, the SVCE Board delegated authority to 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 (NTE) \$660,000, inclusive of a ten percent (10%) contingency to support the development of SVCE's new headquarters at 298 S. Sunnyvale Avenue." ([Item 5](#)).

Through a competitive solicitation process that included interviewing six firms, SVCE contracted with SERA. The firm developed project plans, supported the permitting process, and is providing ongoing design oversight throughout construction. The scope of service increased to include furniture and art design oversight, the construction timeline is extended until September (originally scheduled for June 30), and several non-essential elements (e.g., sound insulation and art installation) will not be finalized until later in the fall, after SVCE staff has moved in. The coordination with the builders and modifications to the project has required more time than previously anticipated from the architect team. For these reasons, the expected expenditures will exceed the original \$660,000 originally approved, but no more than \$726,000.

ANALYSIS & DISCUSSION

Under the delegated authority, SVCE contracted SERA for a limited scope for a NTE amount of \$490,543. As the work progressed, it became clear that more services were needed to fully support the intent of the project. Staff amended the contract to add \$135,032, increasing the NTE to \$625,575 in October 2025. As construction delays increased in June 2026, SERA's role became more critical to get the construction timeline on track and to provide additional detailed oversight to the construction team, particularly critical path lighting

Agenda Item: 2o**Agenda Date: 8/12/2026**

design and installation. On July 22, staff executed a second amendment for \$73,280, increasing the NTE to \$698,855. As noted above, this was inadvertently in excess of the existing Board delegated authority. SVCE has not yet paid any invoices in excess of the authorized amount. To date, staff have approved \$619,000 in invoices. Given project delays that will bring staff's move-in date to September and full completion of peripheral design work later into the fall and the critical role that SERA is playing in overseeing many elements of construction including adherence to design plans, the additional \$66,000 in delegated spending authority is necessary to complete the project.

STRATEGIC PLAN

Expanding the new office space falls under SVCE's Strategic Focus Area 5 to Attract & Retain Employees.

ALTERNATIVE

Staff can cease work with SERA and halt spending. Staff does not recommend this alternative given that SERA is leading several critical activities that are needed to ensure the building is operational by the anticipated September move-in date.

FISCAL IMPACT

The Board of Directors established the Building Fund and allocated \$20 million to support the purchase and development of SVCE's new headquarters in the March 2024 Board of Directors meeting ([SVCE Board of Directors meeting, March 13, 2025, Item 4](#)). The Board subsequently approved an additional \$5.5 million to be added to the Building Fund at the December 2025 Board of Directors meeting ([SVCE Board of Directors meeting, December 10, 2025, Item 5](#)). SERA's contract, including this additional request, is within the overall Building Fund and approved Fiscal Year 2025-2026 Operating Budget.



Staff Report – Item 3

Item 3: CEO Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Monica Padilla, CEO

Date: 8/12/2026

REPORT

Staff Update

Silicon Valley Clean Energy (SVCE) welcomed three summer interns in June:

Cheyenne Lippe

Cheyenne joined SVCE as a Community Engagement Intern.

Chris Ndungu

Chris will be supporting the Customer Success team as a Demand Flexibility Analytics Intern.

Sonia LeMonier

Sonia will be working on SVCE's programs team this summer as a Decarb Programs Intern.

In addition to SVCE's summer interns, two additional full-time employees joined:

Alon Robbins

Alon Robbins started July 20, 2026 as SVCE's Associate Power Settlements Analyst. Alon is a familiar face, as he was first introduced to SVCE as an intern on SVCE's programs team in 2025 Summer cohort. He recently completed his master's degree in Environmental Science and Management at Bren School at UC Santa Barbara, specializing in Energy & Climate and Business & Sustainability.

Tatiana Makoni

Tatiana Makoni joined SVCE August 4, 2026, as Senior Administrative Assistant. Tatiana previously served as the Senior Records Clerk with the Oakland California Temple and holds a B.A. in Political Science and Economics. She is currently pursuing a Master of Archives and Records Administration (MARA) at San Jose State University and is completing an internship with the City of Brisbane as the City Clerk Records Manager Intern this summer.

Promotions

Marvin Jiang has been promoted from an Associate Finance, Data, and Risk Analyst to Finance, Data, and Risk Analyst in the Finance and Data team. In his new position, Marvin will continue supporting the same variety of activities in which he has demonstrated strong capability, while also taking on additional duties related to financial operations.

Personnel Officer Update

Vacancies & Recruitment

Agenda Item: 3**Agenda Date: 8/12/2026**Vacancies

SVCE has two positions under review for a backfill of the Senior Finance and Data Analyst and Manager of Finance positions. SVCE also carries one part-time headcount that is not currently active.

Recruitment

SVCE is currently recruiting for three full-time roles: Key Accounts Manager (final stages), Manager of Decarbonization Planning and Strategy (interview stage), and Manager of IT (application stage).

SVCE is also interviewing for two fellowships with SEI for the 2026/2027 Cohort (final stages): Decarbonization Data Analyst in the Finance Analytics and Data Department, and Community Engagement Coordinator in the Customer Success Department.

Job postings for positions in the application stage can be found on SVCE's website: [Current Job Openings](#)

Power Resources & Clean Energy Update

Current expected clean percentage for SVCE in 2026 is 104%. For 2027 SVCE is expected to be 101% clean. For 2028, the expected clean position is 90%.

Aratina [80/50MW solar+storage] project did reach commercial operation on Wednesday 7/22/2026. The resource will contribute 6-7% of SVCE Renewable Portfolio Standard. SVCE now has sixteen long-term clean contracts in operation.

As part of the CAISO Interconnection Process Enhancement stakeholder process, SVCE has launched its Queue Cluster 16 solicitation. This process will allow SVCE to assign commercial interest points (CIP) to projects that they think provide value to SVCEs portfolio. In addition to looking for new build resources, SVCE is looking for existing resources that could fit SVCEs' needs.

Attachment 1 provides a summary of clean energy procurement and development progress.

Budget and Financial Outlook Update

Treasurer's Report: The Board packet includes the Treasurer's report (Item 2b), which indicates that SVCE's Total Net Position increased from \$522.6 million to \$527.6 million compared to the prior month's report, reflecting SVCE's \$4.9 million net income in June, which was \$3.2 million larger than the -\$1.8 million monthly net income anticipated in the Mid-Year budget. Slightly higher revenues due to potential favorable changes in load profile, combined with lower energy prices and savings from other operating expenses, contributed to better than budgeted results for the month of June.

Customer Success Department Updates

EV Charging Rebates Expand to Serve Multifamily, Businesses, and Publicly Accessible Locations In June 2026, SVCE's EV Charging Rebate Program expanded eligibility to include multifamily properties, businesses, and publicly accessible locations. With this expansion, the program aims to scale local EV charging to meet community needs, fill funding gaps, and encourage more daytime charging. Simplified flat rebates of \$2,500- \$5,500 for Level 1 and Level 2 chargers are now available to eligible properties, covering up to 100% of total project costs (up from 75%). Additionally, the City of Mountain View Adder Rebate went live on June 30, 2026, offering an additional \$2,000-\$3,000 per charger rebate for multifamily properties, layered on top of SVCE's rebates. Customers can learn more at <https://svcleanenergy.org/ev-charging-rebates>.

Bonus Rebates Drive Strong Interest in Home Rebates and Full-Service Home Upgrade Programs

SVCE offered its first limited-term \$500 bonus heat pump water heater (HPWH) rebate for customers reserving rebates between May 1 through June 30. This bonus was stacked with the new standard HPWH \$2,500 rebate (up from \$2,000), for a total of \$3,000. The promotion generated 300 new Home Rebates applications (an increase of ~200% from May-June 2025), and 28 committed Full-Service Home Upgrade direct installation projects with several more in the pipeline. The next bonus campaign will be from September 1 through October 31.

Agenda Item: 3**Agenda Date: 8/12/2026****Annual EmpowerSV Scholarship Competition Winners**

SVCE held another successful annual student scholarship competition. Each year, the competition evolves to try and increase participation from schools throughout the SVCE service area. This year had very high participation with 19 entries, including from new schools, as the competition was an art contest, making it more accessible to more grades.

There were categories for students from K-12 to participate and submit art for the theme "Powering Communities." High school students were asked to design an art piece for display in the new SVCE headquarters, and elementary school students were asked to design a sticker for use at community events.

Local Sunnyvale students will receive recognition for their submissions. The scholarship recipients include Chloe D., a rising senior at Homestead High School, and Rihaan P., a rising 5th grader at Stockmeir Elementary School.

Press and Media**Press Releases**

- [Silicon Valley Business Journal Recognizes SV Clean Energy CEO Monica Padilla as Woman of Influence](#), 5-29-26
- [Santa Clara County Students Receive Scholarships from SV Clean Energy Art Competition](#), 7-02-26

Media Mentions

- [A single evening plug-in across millions of U.S. driveways is part of the load surge pushing the five-year peak forecast to 166 gigawatts, and the math that could erase most of that cost has utilities racing to reach your car before you do](#), GCN, 7-27-26
- [Avantus completes Aratina 1, secures phase 2 financing, targets 952 MWh of solar-charged storage](#), PV Magazine, 7-22-26
- [Avantus' Aratina 1 solar-storage project goes live in California](#), Energy Innovation Review, 7-21-26
- [Avantus completes 1st phase of Aratina solar + storage project in California](#), Solar Power World, 7-20-26
- [Avantus' Aratina 1 Solar Project Powers More Than 105,000 California Homes](#), Energy Magz, 7-21-26
- [Avantus' Aratina 1 Project Officially Online, Generating Enough Clean, Reliable Energy to Power 105,000 California Homes](#), Avantus, 7-20-26
- [Letter: Promotion of clean cars brings hope](#), Gilroy Dispatch, 7-09-26
- [Letters: Critics are using scare tactics to stop switch to electric](#), The Mercury News, 7-07-26
- [Gilroy EV show promotes benefits of cleaner road travel](#), Gilroy Dispatch, 7-02-26
- [Guest View: Uninformed criticism of data center plan is misleading](#), Gilroy Dispatch, 7-01-26
- [Mountain View doubles funding for heat pump water heater rebates](#), Mountain View Voice, 6-18-26
- [SunZia Wind Project Goes Live: Single Farm Lifted California Grid Record by 20 Percent](#), 6-15-26
- [Op-Ed: Hakhamaneshi: Why I walked away from a \\$4,000 water heater rebate](#), San Jose Spotlight, 6-15-26
- [REV Renewables and Northern California Community Choice Aggregators Launch First-Ever Eight-Hour Energy Storage Project in California](#), Informed Infrastructure, 5-29-26
- [California's Community Choice Aggregators are leading the way on energy storage](#), PV Magazine, 5-29-26

Recent & Upcoming Events

August 4 – Royal Court Apartments National Night Out - Tabling - Time TBA	August 4 – SNAIL National Night Out - Sponsorship, tabling, and powering stage - 5 p.m. - sundown - 400 block of E. Arbor Ave

Agenda Item: 3**Agenda Date: 8/12/2026**

- 17925 Monterey Rd, Morgan Hill, CA 95037	
August 8 – SVYCA Summit - Panelist, sponsorship, and tabling - 9 a.m. – 3 p.m. - Cupertino Quinlan Community Center	August 29 – CUHSD Summit - Tabling - 9 a.m. - 1 p.m. - Location TBA
August 29 – Sunnyvale Library Community Grant Ribbon Cutting - Photobooth sponsorship and tabling - 10 a.m. – 5 p.m. - 760 Lakechime Dr, Sunnyvale, CA 94089	August 29 – Electrification Collaboration Resource Fair - Panelist - 10:30 a.m. - 1 p.m. - Cupertino Library, 10800 Torre Ave, Cupertino, CA 95014
September 12 – Silicon Valley Fall Festival - Sponsorship - 10 a.m. – 7 p.m. - Memorial Park, 21121 Stevens Creek Blvd, 95014	September 12-13 – Mountain View Arts & Wine Festival - Dream Home, sponsorship, and tabling (tentative) - September 12 from 11 a.m. to 7 p.m. and September 13 from 10 a.m. to 6 p.m. - Downtown Mountain View

Regulatory & Legislative UpdateRegulatory:

Power Charge Indifference Adjustment (PCIA): The 3rd District Court of Appeal denied CalCCA’s appeal of the California Public Utilities Commission’s (CPUC) June 2025 Track 1 Decision that updated the methodology for calculating the market-price benchmark (MPB) for resource adequacy. The appeal argued that the CPUC engaged in retroactive ratemaking by applying the new methodology to the 2025 EERRA proceeding. CalCCA will now appeal the decision to the California Supreme Court.

Legislative:

At the state level, AB 1761 (Rogers) to provide data transparency around the PCIA, a CalCCA-sponsored and SVCE-supported bill, passed out of the Senate Energy, Utilities, and Communications Committee, and is awaiting a vote in the Senate Appropriations Committee. SB 1138 (Padilla) to allow Resource Adequacy obligation trading, a CalCCA-sponsored and SVCE-supported bill, passed out of the Assembly Utilities and Energy Committee, and is awaiting a vote in the Assembly Appropriations Committee. SVCE is working closely with CalCCA to ensure the passage of the bills.

SVCE had an Oppose Unless Amended position on AB 2383 (Zbur), a bill that would direct the California Public Utilities Commission to set tariffs for large-loads and data centers. However, CalCCA was able to negotiate significant amendments to address the jurisdictional issues in AB 2383, and both CalCCA and SVCE moved to a neutral position.

On the federal level, the Federal Energy Regulatory Commission (FERC) issued a “show cause” order to six regional transmission and independent system operators. FERC found that the tariffs of these organizations, including the California Independent System Operator (CAISO) have unjust and unreasonable tariffs for large loads that fail to interconnect them in a timely and fair way. On July 22, 2026, CAISO responded in a report which notes that the California Energy Commission’s demand forecast includes significant data center load and that the California Public Utilities Commission has ordered load serving entities to procure additional resources, partially in response to anticipated increase in data center loads.

On July 2, 2026, the Department of Energy released a Notice of Proposed Rulemaking to update energy efficiency standards for home appliances including gas stoves and water heaters. SVCE is working with the national CCA trade association, the Community Choice Energy Alliance, to respond to this rulemaking.

Agenda Item: 3**Agenda Date: 8/12/2026**

Attachment 2 contains a summary of current regulatory proceedings and legislative initiatives SVCE staff are either participating in or monitoring.

New SVCE Headquarters

Construction on the new SVCE Headquarters started in February. As of July 31, SVCE has fully moved out of 333 W El Camino Real #330, Sunnyvale, CA. Due to unforeseen delays, the construction timeline was pushed back by a few weeks, with an estimated completion in late August. Staff will be fully remote until move-in in September and have reserved an external space for committee meetings in the meantime. The project remains on budget.

Strategic Plan – FY 2025-2027 Quarter 3 Update

On September 10, 2025, the SVCE Board of Directors adopted the five Strategic Focus Areas and Strategic Plan for fiscal years 2025-2027. Attachment 3 provides the highlights of the accomplishments and progress on the Strategic Focus Areas and Strategic Plan for the third quarter, April – June 2026. The Senior Leadership Team met recently to review the goals and measures of the current Strategic Plan to assess if the goals are still relevant; if there are any substantive changes, they will be presented to the Board before the end of the year.

Look Ahead Update

Staff continues to plan for Board and committee meetings for the year. Below is a preview of what's ahead for the Board from September through November 2026:

**Upcoming Events**

1. August 31: Upcoming Air District Regulations: What Elected Officials Need to Know

ATTACHMENTS

1. SVCE Clean Power Update, August 2026
2. Regulatory and Legislative Update, August 2026
3. Q3 Strategic Focus Areas and Strategic Plan Progress and Accomplishments

Agenda Item: 3**Agenda Date: 8/12/2026****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	CITY OF MOUNTAIN VIEW	Member Agency Grant Program	NTE - \$379,921	6/3/2026 - 12/31/2028	BOD approved 3/2024
Agreement	Peter Mustacich	Decarb Roadmap Development	NTE - \$100,000	7/1/2026 - 10/31/2026	CEO Spending Authority
Agreement	dryvIQ	Sharepoint Migration	NTE- \$32,047	6/10/2026 - 9/31/2026	CEO Spending Authority
Amendment	Acterra	Education Nonprofit Grant Agreement	no new money	extending term 12/31/2026	BOD Approved 10/9/2024
Agreement	Locus Environmental	Carb GHG Verification Services for Data Year 2025	NTE - \$8720.00	6/16/2026 - 6/1/2027	CEO Spending Authority
Amendment	KMVT15 Mountain View Community Television	Professional Video Production Services	increased NTE to \$40,000	extending term 12/31/2026	CEO Spending Authority
Amendment	Cohen Ventures, Inc., dba Energy Solutions	For Residential Accessible On-Bill Financing Pilot Support	increased NTE from vendor to SVCE to \$918000	extending term 3/31/2027	BOD approved 8/14/2024
Agreement	Ecology Action	Electric Vehicle Charging Technical Assistance Services	NTE - \$900,000	6/24/2026 - 6/21/2029	BOD approved 6/10/2026
Task Order	E Source (formerly Opinion Dynamics)	Data Analytics Support – Hourly Flex Pricing Pilot EM&V	NTE - \$96,680	no change in term	BOD Approved (12/13/23)
Amendment	Municipal Resource Group	Consulting Services	NTE- \$109,250	no change in term	CEO Spending Authority


Exhibit 2 - CEO Power Supply Agreements Executed Under Delegated Authority

Counterparty Name	Execution/Effective Date	Transaction Type	Product	Start Date	End Date	Notional Value
3PR Trading, Inc	6/11/2026	Sale	Resource Adequacy	8/1/2026	8/31/2026	\$76,500
Shell Energy North America (US), L.P.	6/17/2026	Purchase	Carbon Free Energy	1/1/2030	12/31/2030	\$1,050,000
Brookfield Renewable Trading and Marketing LP	6/18/2026	Purchase	Carbon Free Energy	1/1/2028	12/31/2028	\$925,000
Morgan Staley Capital Group Inc.	6/29/2026	Purchase	Carbon Free Energy	1/1/2028	12/31/2029	\$4,225,000
Peninsula Clean Energy Authority	6/29/2026	Sale	Resource Adequacy	9/1/2026	9/30/2026	\$29,400
Clean Power Alliance of Southern California	7/1/2026	Sale	Resource Adequacy	9/1/2026	9/30/2026	\$294,000

CEO Report Clean Power Update

SVCE Board Meeting
August 12, 2026



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

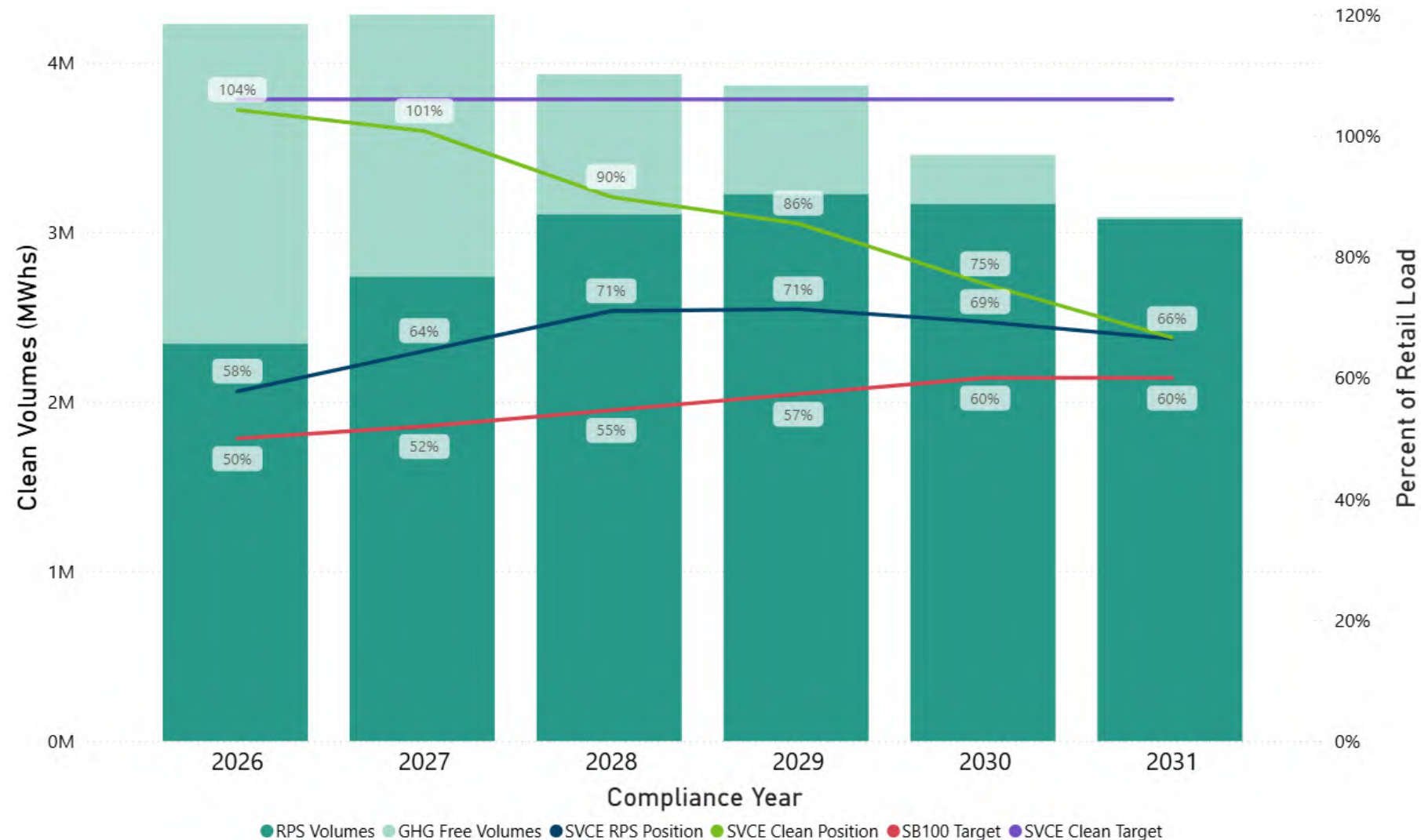
- Mid-Term Reliability
- Established by the CPUC to focus on securing sufficient online resources to meet expected demand in the coming few years

SVCE BOD

- 100% Clean – annually, with line losses
- 75% Renewable by 2030
- 100% Renewable by 2035 (adopted late 2024)



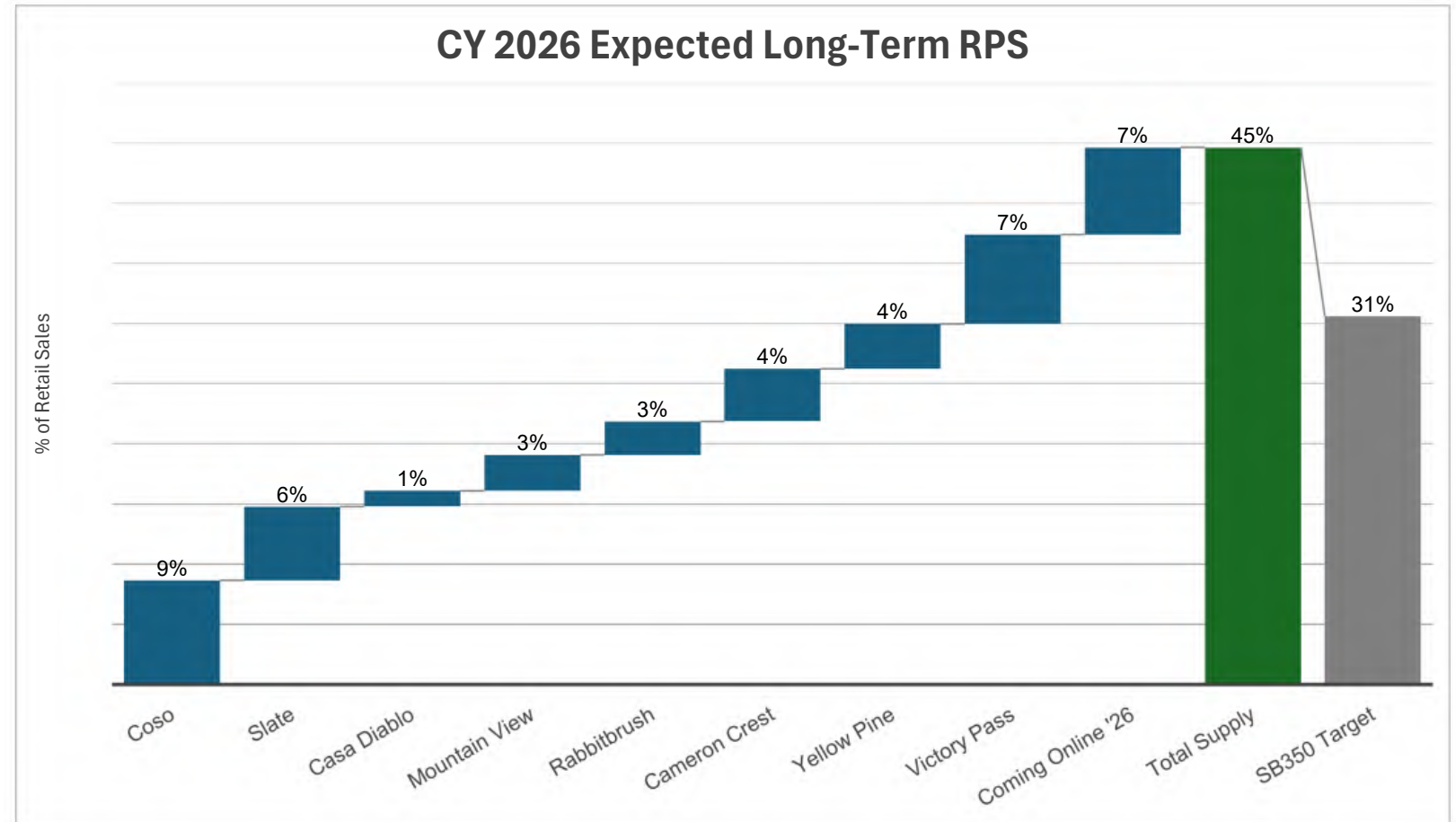
SVCE is On Track to Meet SB100 and Agency Goals for Clean and RPS...





And Making Significant Progress Toward Meeting Long-Term RPS Targets

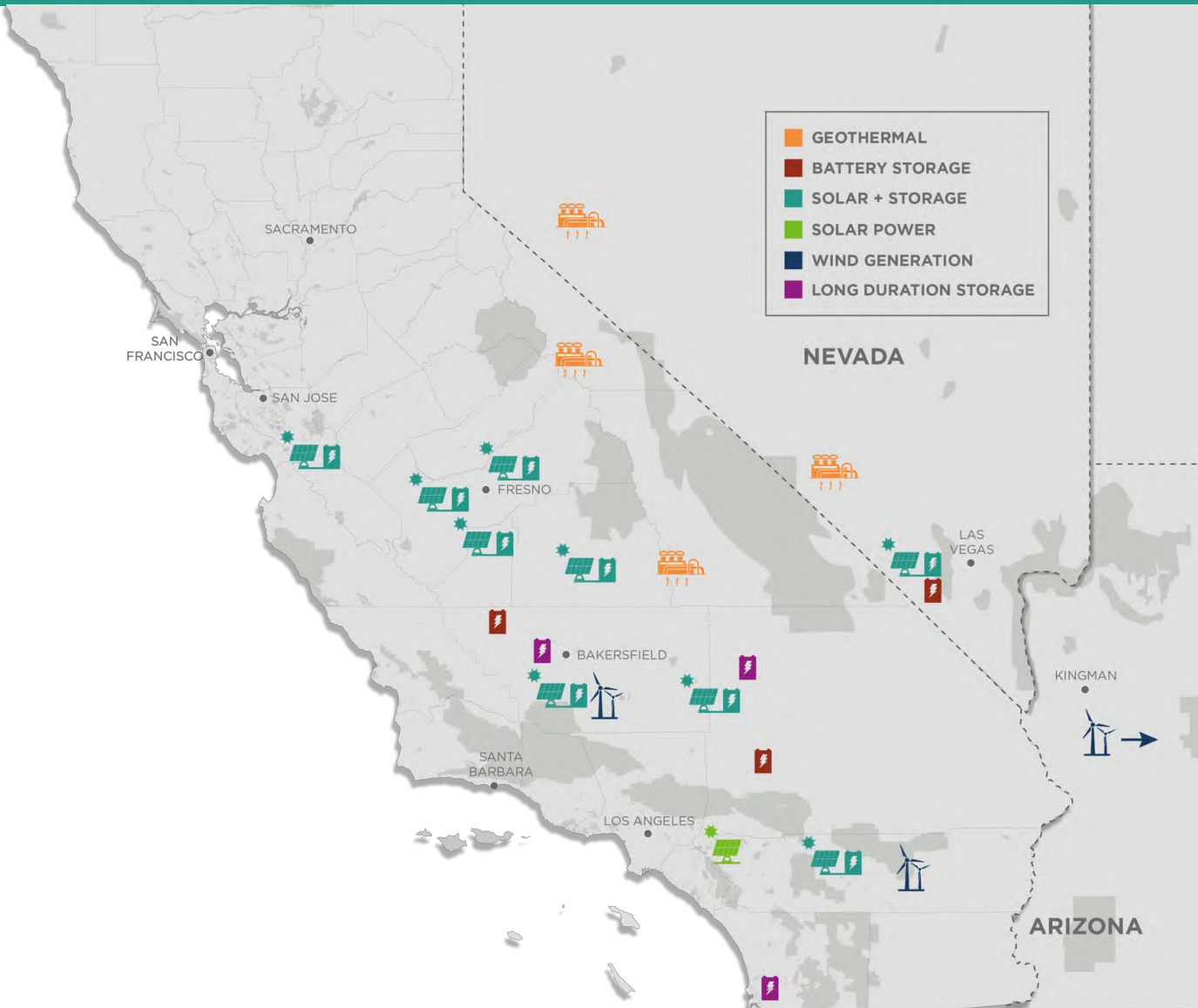
SB350 is a multi-year compliance period obligation, which has interim annual targets



- Currently in Compliance Period 5: 2025-2027



Long-Term Power Purchase Agreements



- \$4.2B+ in commitments
- 26 PPAs signed
 - 23 new build projects
 - 16 projects online and delivering
- 1,000+ MW of Renewable Power
- 2,000+ MWh of Battery Storage

Projects online this year:

- Angela Solar + Storage – May 2026
- SunZia Wind (4 PPAs) – May 2026
- Tumbleweed LDS – June 2026
- Aratina Solar + Storage – June 2026



Long-Term Contracts: Online

Item 3
Attachment 1

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Term (years)	SVCE Board Approval	Online Date
1	MN8	Slate	Solar + Storage	93	46.5	186	17	Oct-18	Jan-22
2	Ormat	Casa Diablo	Geothermal	7.5			15	Feb-20	Jul-22
3	Atlantica	Coso	Geothermal	43.8			15	Mar-20	Jan-22
4	Leeward	Rabbitbrush	Solar + Storage	40	8	20	15	Apr-20	Oct-22
5	NextEra	Yellow Pine	Solar + Storage	50	26	104	20	May-20	Jul-23
6	AES	Mountain View	Wind	33.3			20	Apr-21	Jul-22
7	Clearway	Victory Pass	Solar + Storage	100	25	100	15	May-21	Mar-24
8	Terra-Gen	Cameron Crest	Wind	77.7			15	May-21	Jan-23
9	AES	Baldy Mesa (RA-only)	Storage	0	75	300	10	Sep-22	Jun-24
10	Middle River Power	Hanford	Thermal + BESS	99.4	131.4	131.4	12	Apr-23	Aug-25
11	SB Energy	Angela	Solar + Storage	20	10	40	15	Mar-21	May-26
12	Pattern	SunZia South	Wind	70.2			15	Nov-23	May-26
13	Pattern	SunZia North	Wind	29.8			15	Nov-23	May-26
14	Pattern	SunZia South Incremental	Wind	17.54			10	May-25	May-26
15	Pattern	SunZia North Incremental	Wind	7.46			10	May-25	May-26
16	Avantus	Aratina	Solar + Storage	80	50	200	20	Jun-20	Jul-26



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	Origis	San Luis West	Solar + Storage	62.5	15.625	62.5	15	Apr-21	Pre-construction
2	Rev Renewables	Tumbleweed	Long Duration Storage	0	15.9375	127.5	15	Feb-22	Construction
3	Ormat	Geothermal Portfolio	Geothermal	16.75			20	Jun-22	Pre-construction
4	OME	Fish Lake	Geothermal	1.82			20	Jun-22	Pre-construction
5	NextEra	Grace	Solar	120			15	Aug-23	Pre-construction
6	NextEra	Yellow Pine III	Storage	0	24	96	15	Aug-23	Pre-construction
7	NextEra	Yellow Pine III	Long Duration Storage	0	9	72	15	Apr-25	Pre-construction
8	VCI Energy	Garden Green Solar	Solar + Storage	50	50	200	10	Oct-24	Pre-construction
9	Intersect Power	Darden III	Solar + Storage	91.48	91.48	365.92	15	Sep-25	Construction
10	Hydrostor	Willow Rock	Long Duration Storage (Compressed Air)	0	5.7	45.6	20	Jan-26	Pre-construction



SunZia Wind & Transmission



Clean Energy Resources Online Progress

as of July 22, 2026

2026

- San Luis West Solar + Storage: *Pre-construction - delayed (from 2025)*

2027

- Fish Lake Geothermal: *Pre-construction*
- Grace Solar: *Pre-construction*
- Ormat Geothermal Portfolio: *Pre-construction*

2028

- Yellow Pine III Storage: *Pre-construction*
- Yellow Pine III LDS: *Pre-construction*
- Darden: *Construction mode*

2029+

- Garden Green Solar: *Pre-construction*
- Willow Rock: *Pre-construction*

THANK YOU!



SVCE Legislative and Regulatory Update

August 12, 2026



Policy Updates

Regulatory Update:

1. Timely Energization
2. High Distributed Energy Resources (DER)
3. Billing Modernization
4. Power Charge Indifference Adjustment
5. Integrated Resource Planning

Legislative Update:

1. SVCE's Bill Positions
2. State Budget Update
3. 2026 Legislative Calendar



Regulatory Update



Key Regulatory Activities

Activity	Purpose	Status
Timely Energization	To implement energization timelines in California	The CPUC's consultant has issued an analysis of the investor owned utilities' biannual energization reports. The consultant found that the reports have significant amounts of missing data, which make it hard to evaluate whether or not the utilities are adhering to the Commission's timelines for completing service energizations. The consultant also provided recommendations on improvements which would include the adoption of a data sufficiency standard. SVCE, through its trade association, CalCCA is supporting the data sufficiency recommendations and plans to oppose certain recommendations made by the utilities that would change the reports, lessening transparency on progress made to improve energization timelines.
High DER	To prepare the grid for the high number of distributed energy resources	There have been two Rulings in the High DER case. The first Ruling continues record development for the CPUC to eventually adopt rules expanding further use of Flexible Service Connections (FSCs). FSCs allow customers to connect to the grid even if there are upstream capacity constraints under either static or variable operating limits (sometimes both) earlier than what would have normally been possible. The second Ruling requests party feedback on the contents of a workshop held earlier this summer on the development of a framework for better orchestrating distributed energy resources on the grid. SVCE plans to respond to both Rulings through CalCCA.
Billing Modernization	PG&E's application to upgrade its billing system	On July 9, 2026, PG&E and a group of Joint CCAs (of which SVCE was a part) filed a motion for the Commission to review and approve a settlement agreement in the Billing Modernization case. This settlement represents over a year of work between the settling parties. The settlement contains terms that would make several improvements to the CCA page of a customer's bill as well as to the data sharing between PG&E and CCAs. Other parties have 30 days to file opening comments, after which the settling parties (PG&E and Joint CCAs) would be able to respond to comments or concerns with the settlement.



Key Regulatory Activities

Activity	Purpose	Status
Power Charge Indifference Adjustment	Proceeding to Update the PCIA Methodology	The 3 rd District Court of Appeal denied CalCCA's appeal of the CPUC's June 2025 Track 1 Decision that updated the methodology for calculating the market-price benchmark (MPB) for resource adequacy. The appeal argued that the CPUC engaged in retroactive ratemaking by applying the new methodology to the 2025 ERRRA proceeding. CalCCA will now appeal the decision to the California Supreme Court.
Integrated Resource Planning	Ensure LSEs are collectively on track to build a reliable system while meeting CA's clean energy targets	At the end of June, the CPUC issued an additional proposal in the Reliable Clean Power Procurement Program (RCPPP). This proposal would require LSEs to procure their load share of the Preferred System Plan each IRP cycle starting with the 2030 IRP. The proposal acknowledges some flexibility is needed for LSE procurement to be viable but does not provide specifics on what this flexibility will be. The proposal also contemplates both specific resource requirements and "attribute" based requirements as possible methods of evaluating compliance. SVCE is reviewing the proposal and drafting responses which are due to the CPUC on August 14th.



Legislative Update



SVCE Bill Positions

Bill Number	Summary	SVCE Position	Position Taken Under which Board-Adopted Legislative Platform Policy	Status
AB 1761 (Rogers)	Requires CPUC to share all data used in calculation of the Power Charge Indifference Adjustments to CCAs and other stakeholders.	Support	Affordability and Rates	Senate Appropriations Committee
SB 1138 (Padilla)	Requires CPUC to allow load-serving entities to trade Resource Adequacy compliance obligations.	Support	Affordability and Rates	Assembly Appropriations Committee



SVCE Bill Positions

Bill Number	Summary	SVCE Position	Position Taken Under which Board-Adopted Legislative Platform Policy	Status
AB 2313 (Berman)	Requires establishment of Gas Distribution Service Line Replacement Alternatives Program to offer financial incentives for zero-emission appliances.	Support	Climate Change/Fuel Switching	Senate Appropriations Committee
AB 2383 (Zbur)	Requires CPUC to set a large loads and data center tariff.	Neutral	Do No Harm/Competitive Equity	Senate Appropriations Committee



SVCE Bill Positions

Bill Number	Summary	SVCE Position	Position Taken Under which Board-Adopted Legislative Platform Policy	Status
AB 2748 (Quirk-Silva)	Reverts electric vehicle charging standards to the 2022 state building code for affordable housing developments.	Neutral	Climate Change/Fuel Switching	Senate Appropriations Committee
SB 1265 (Richardson)	Establishes the GoGreen Program as a permanent statewide financing program that offers electrification loans.	Support	Climate Change/Fuel Switching	Died



SVCE Bill Positions

Bill Number	Summary	SVCE Position	Position Taken Under which Board-Adopted Legislative Platform Policy	Status
SB 913 (Becker)	Directs state agencies to enhance existing market-integrated pathways for aggregated distributed energy capacity resources.	Support	Clean, Reliable Grid	Assembly Appropriations Committee



FY '26-27 State Budget

Includes modest investments in climate/energy. Does not include funding for building electrification through TECH or Low-income Weatherization Program.

Investment	Funding Amount	Details
Light-duty EV Rebates	\$135.5 million	Funding for new point-of-sale rebates for first-time EV customers.
Heavy-duty EV Incentives	\$135 million	Funding for Hybrid Zero=Emission Truck and Bus Voucher program
Demand Side Grid Support Program	\$22 million	Shifted unused funding from the Distributed Energy Back-up Generation program to this demand response program.
Geothermal	\$10 million	Funding for exploration, mapping, and development of geothermal. Funding must be matched by non-state resources.



Key 2026 State Legislative Milestones

- ~~January 5 — Legislature Reconvenes~~
- ~~January 31 — Last day for each house to pass bills introduced in that house in 2025~~
- ~~February 20 — Last day for bills to be introduced~~
- ~~April 24 — Last day for policy committees to hear fiscal bills~~
- ~~May 15 — Last day for fiscal committees to hear bills introduced in that house~~
- ~~May 29 — Last day for each house to pass bills introduced in that house~~
- ~~June 15 — Budget bill must pass by midnight~~
- ~~July 2 — Last day for policy committees to vote on bills~~
- August 14 – Last day for fiscal committees to vote on bills
- August 31 – Last day for each house to pass bills
- September 30 – Last day for Governor to sign bills
- November 3 – Statewide General Election

Silicon Valley Clean Energy STRATEGIC PLAN

FY 25-27 Q3 Progress Update April - June 2026

Strategic Focus Areas

SFA 1: Expand Affordability Efforts

This fall, SVCE will conduct community workshops at local community centers and libraries in South County and Milpitas with our Community Based Organization partner Breathe California. The plan is to integrate SVCE income-qualified program promotion with the existing services offered by these facilities and cohost 3-4 workshops; other goals include sharing bill and energy efficiency resources and enrolling eligible customers for payment assistance programs.

SFA 2: Expand Clean & Reliable Grid Actions

One of two geothermal power purchase agreements (PPAs) were amended within the authority approved by the Board to help meet the Renewable Portfolio Standard (RPS) and Resource Adequacy (RA) requirements. Assessments on power portfolios were performed for the development of the Integrated Resource Plan submissions of a Preferred Conforming Plan and an Alternate Conforming Plan.

SFA 3: Expand Offerings and C/I Customers

Continued progress in commercial and industrial (C&I) decarbonization programs to deliver gas, electric, and bill savings for these customers. Staff is in the process of hiring a new key account management role that will greatly expand SVCE's engagement with large customers. Staff continued discussions with local large loads including data centers - evaluating non-standard agreements and alternative default rate designs.

SFA 4: Prepare Region for Electrification at Scale

Four member agencies adopted two-way AC codes that will support electrification at a lower upfront cost. Joint Bay Area CCA group developed a collaborative contractor engagement model program. SVCE increased HPWH rebates to \$2,500 and offered a \$500 limited-term bonus in May-June, leading to a significant increase in Home Rebate and FSHU program participation.

SFA 5: Attract & Retain Employees

SVCE held its organization-wide quarterly in-person days in June in Los Gatos. Staff reviewed core competencies, received a presentation on how to banish burnout, and engaged in connection activities. SVCE welcomed a Senior Human Resources Manager in June, who has since been reviewing SVCE's current procedures and is developing a human resources workplan.

Silicon Valley Clean Energy STRATEGIC PLAN

FY 25-27 Quarter 3 Progress Update

Goal Accomplishments

Goal 1 - Advance policies which support SVCE's mission to reduce dependence on fossil fuels. (SFA1, SFA4)

- SVCE is supporting two CalCCA-sponsored bills - AB 1671 (Rogers) on Power Charge Indifference Adjustment data transparency and SB 1138 (Padilla) on Resource Adequacy transactability. Both bills are still moving through the legislative process. SVCE is also advocating to maintain key affordability tools like municipal tax-exempt financing at the federal level.
- Worked through CalCCA to successfully advocate for changes to data center bills to ensure SVCE can serve data center customers and protect SVCE's Board's ratemaking authority.
- Advocating for AB 2313 (Berman), which would create a new electrification incentive program instead of certain gas distribution line upgrades.

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)

- Developed 2026 Integrated Resource Plan for CPUC compliance. Included two scenarios which achieve 100% clean annually (with differing RPS levels) with preliminary plans reviewed by the Board in June.
- Staff continues to iterate on specific demand flex programs, and develop strategy for next load management standards (LMS) plan. Staff is beginning to develop project plan for broader demand flexibility assessments.

Goal 3 - Create a long-term decarbonization plan that integrates supply and demand changes, opportunities, and challenges. (SFA1, SFA2)

- Staff is on track to bring a draft set of plan recommendations for the Integrated Decarbonization Plan to the Board in September and for final adoption in October.

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)

- Exploration of mutually beneficial default rate design specifically for customers with new large loads in the territory.
- Continued analysis and thought leadership on the obtainable value of VPP and demand flexibility resources owned by SVCE customers to inform the maximum incentives and dispatch instructions that can be offered. Including potential improvements to current statewide valuations.

Goal 5 - Manage and optimize load and power resources to meet affordability, GHG reduction and reliability objectives. (SFA1, SFA2)

- The last few months have led to several resources coming online adding to Silicon Valley Clean Energy Portfolio.
 - Angela, an SB Energy project of 40 MW Solar and 20 MW Battery Energy Storage System (BESS) came online. This resource is a buyer share resource that is split 50/50 with Central Coast Community Energy (3CE), making SVCE' share 20 MW of Solar and 10 MWs of BESS.
 - Pattern SunZia a 3,650 MW wind park located in New Mexico came online. These resource contracts were jointly negotiated with 3CE and SVCE is holder of 125 MW of the project.
 - The Rev Renewables Tumbleweed project, a 75 MW Long Duration Energy Storage (LDES) CC Power project went commercial. The project has 5 CC Power member off-takers, SVCE's share is ~15.94 MW.
 - The Avantus Aratina project is a combined 200 MWs solar and 125 MWs BESS. The project was jointly negotiated with 3CE, of which SVCE gets 40% (80 MWs Solar and 50 MW BESS).
- In total this brings 245 MW of generation and ~76 MW of storage into SVCE's portfolio.

Goal 6 - Maintain healthy financial position; avoid failures in management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks.

- SVCE financial liquidity remains strong. Through Financial Levers analysis, the Board proactively approved a playbook to further enhance SVCE's finances if needed, given an outlook of rising PCIA.
- Staff is working to mitigate a significant liquidity drop resulting from large collateral postings to PG&E by using a surety bond to meet the financial security requirements.
- Staff is developing Power Prepay Strategies that can also significantly increase savings and enhance SVCE finances.

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)

- SVCE completed its first \$500 bonus HPWH rebate from 5/1 - 6/30. This bonus stacked with the new standard HPWH \$2,500 rebate (up from \$2,000), for a total of \$3,000. The promotion generated 300 new Home Rebates applications for HPWH (an increase of ~200% from May-June 2025), and 28 committed Full-Service Home Upgrade projects with several more in the pipeline.
- In June, SVCE's EV Charging Rebate Program expanded eligibility to include multifamily properties, businesses, and publicly accessible locations. With this expansion, the program aims to scale local EV charging to meet community needs, fill funding gaps, and encourage more daytime charging. Additionally, the City of Mountain View Adder Rebate was implemented to offer an additional \$2,000-\$3,000 per charger rebate for multifamily properties, layered on top of SVCE's rebates.
- Continued work with a handful of large customers to sign non-standard pricing agreements to lock in clean supply benefits and support local decarbonization projects at these sites.

Goal 8 - Engage customers and community stakeholders to build trust of SVCE and advance decarbonization. (SFA1, SFA3, SFA4)

- Earth Month was a success with 11 events and engaging over 1,000 with the SVCE Dream Home.
- The inaugural SVCE EV Ride and Drive was event held in Gilroy on June 27. Collaborating with CBO partner, Breathe California, SVCE facilitated nearly 60 test drives over the course of four hours, attracting a little over 100 attendees. The event also garnered positive EV articles in the Gilroy Dispatch, furthering the reach of the event to the local community.

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).

- Policy and Standards review and updates are largely complete, with many policies being reviewed and approved by the Board in June. Staff continues to refine the internal process for review.
- The RADaR project (Repository for Analytics, Data, and Reporting), phase 1 will be complete in 2026.

Goal 10 - Hire, retain and develop high-performing talent via competitive benefits and rewarding work culture. (SFA5)

- The Operations team has changed SVCE's benefits broker to get a fresh set of eyes on our benefits program.
- Acquired Lattice as it's new performance management platform to strengthen employee development and feedback.
- Hosted two HR Essentials trainings for supervisory and potential supervisory staff, building foundational management and compliance skills.
- Hosted an in-person De-escalation Training for on-site staff and those partaking in community outreach.



Staff Report – Item 4

Item 4: Receive Silicon Valley Clean Energy Audit Committee Resignation from Director Bryan Mekechuk and Appoint Members to Serve on the 2026 Silicon Valley Clean Energy Audit Committee

From: Monica Padilla, CEO

Prepared by: Andrea Pizano, Sr. Executive Assistant/Board Clerk

Date: 8/12/2026

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) receive Director Bryan Mekechuk's resignation from the SVCE Audit Committee and consider appointing additional members to serve on the 2026 Silicon Valley Clean Energy Audit Committee.

BACKGROUND

Per SVCE's Operating Rules and Regulations, annual appointments for SVCE's Executive Committee were made in January and remaining committees (2026 Legislative Response to Industry Transition Ad Hoc Committee, Finance and Administration Committee, and Audit Committee) were appointed in February. The Board conducted a second round of appointments in May 2026 to provide an opportunity for additional members to be added to committees with open seats.

When making these committee appointments, Director Mekechuk announced his intention to resign from the Audit Committee once the FY 2024-2025 financial audit was complete.

ANALYSIS & DISCUSSION

Staff received Director Mekechuk's verbal notice of Audit Committee resignation at the June 10, 2026 Board meeting and formal resignation letter on June 30, 2026 (Attachment 1).

Following is the remaining 2026 Audit Committee roster:

1. Committee member Harjot Sangha (Vice Chair), Gilroy
2. Committee member Jessie Kim, Los Altos
3. Director George Tyson, Los Altos Hills
4. Committee member Dat Nguyen, Morgan Hill

With Director Mekechuk's resignation, Alternate Director Terry McCarthy expressed interest in filling Director Mekechuk's seat (Attachment 2). Being that both members represent the City of Monte Sereno, they could not both serve on the committee simultaneously.

Per SVCE's Operating Rules and Regulations, which were last updated in October 2025, the Audit Committee shall consist of no fewer than three members and no greater than six members. Eligible members shall be Board members, Alternate Board members, and Member Agency Staff.

STRATEGIC PLAN

N/A

Agenda Item: 4**Agenda Date: 8/12/2026**

ALTERNATIVE

The Board could choose not to appoint additional members and leave the Audit Committee membership at four members. Staff is open to additional alternatives from the Board.

FISCAL IMPACT

No fiscal impact as a result of the proposed membership changes.

ATTACHMENTS

1. Resignation Letter from SVCE's Audit Committee from Director Bryan Mekechuk
2. Letter of Interest in SVCE's Audit Committee from Alternate Director Terry McCarthy

*Bryan J. Mekechuk
17509 Via Sereno
Monte Sereno, CA 95030
408.655.0400
bmekechuk@cityofmontesereno.org*

June 30, 2026

SVCE Board of Directors
Silicon Valley Clean Energy
333 W. El Camino Real
Suite 330
Sunnyvale, CA 94087

Dear SVCE Board Members:

Re: Resign from SVCE Audit Committee

I have enjoyed serving on SVCE's Audit Committee and contributing to SVCE's decarbonization journey to reduce carbon emissions and reduce the consumption of fossil fuels.

The Audit Committee duties for the September 30, 2025 concluded with the acceptance of Sorren's opinion on the financial statements for the year then ended so it is appropriate for me to resign from the Audit Committee.

At the most recent Board of Directors meeting on June 2026, I announced my resignation – please take this letter as my written resignation from the Audit Committee.

I look forward to staying involved with SVCE as a member of the Executive and Finance Committees.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bryan J. Mekechuk', with a long horizontal flourish extending to the right.

Bryan J. Mekechuk
Councilmember, City of Monte Sereno

cc Mr. Terry McCarthy, Alternate Director

Andrea Pizano

From: Terry McCarthy
Sent: Tuesday, June 23, 2026 11:29 PM
To: Andrea Pizano
Cc: Monica Padilla; Bryan Mekechuk; Amrit Singh; Michael Callahan Re SVCE audit
Subject: Committee position

ATTENTION: This message is from an external user. Confidential information such as social security, credit card bank routing, wire transfer and other personally identifiable information should not be transmitted to this user. For questions, please contact the SVCE IT Department.

Hello Andrea:

I understand that now that Bryan is no longer on the audit committee, that I am eligible.
Not sure if the formal request(if required) for candidates has been sent out, but this is my formal notice that I am interested in the audit committee position.

Regards

Terry McCarthy



Staff Report – Item 5

Item 5: Bay Area Air District Rule 9-6 (Zero NOx Water Heater Standard) Update

From: Monica Padilla, CEO

Prepared by: Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies

Date: 8/12/2026

RECOMMENDATION

Staff requests the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) receive an informational update on the Bay Area Air District's ("Air District") draft amendments to Regulation 9, Rule 6 (Rule 9-6), including the proposed compliance date change, the proposed exemption framework, and SVCE's role in providing technical input and coordinating with other load serving entities and local agencies in advance of the Air District Board's tentatively scheduled November 2026 decision.

SVCE has not taken an official position on the Air District's draft amendments. Staff are not seeking action from the Board either in support or opposition to the Air District's draft amendments but if directed to do so can return with a recommendation.

BACKGROUND

Rule 9-6 sets nitrogen oxides (NOx) emission standards for natural gas-fired water heaters sold or installed in the Bay Area. It applies at the point of sale and installation only. It does not require anyone to remove or replace a working water heater, and it does not cover any other appliance.

In March 2023, the Bay Area Air District adopted a zero NOx standard for these water heaters, effective January 1, 2027. Because only electric appliances currently meet a zero NOx standard, this effectively requires a heat pump water heater at the point of replacement. The Air District has estimated that its 2023 water heater and furnace standards together would prevent up to 85 premature deaths and avoid up to \$890 million in health impacts each year.

At its Board's direction, the Air District studied the cost and readiness challenges of the standard and has since run a public process to add flexibility before the rule takes effect. That process produced draft amendments now out for public comment.

ANALYSIS & DISCUSSION

Where Things Stand

The Air District released draft amendments in July 2026. Public comments are due August 13, 2026, and the Air District Board is tentatively scheduled to decide in November 2026. The current January 1, 2027 date stays in effect unless the Board acts. In summary, the draft would:

- **Delay the standard by one year**, moving the small water heater deadline to January 1, 2028 (and larger commercial units to 2033).
- **Create targeted exemptions** for property owners who would face the greatest cost or feasibility barriers, issued through a new Air District certificate system.

Agenda Item: 5**Agenda Date: 8/12/2026****What Would Be Exempt**

The draft focuses relief on the situations where installing an electric unit is hardest or most expensive. At a high level, exemptions are proposed for:

- Low-income and housing cost-burdened property owners.
- Properties with space or electrical panel constraints that make a compliant install unusually difficult.
- Certain multifamily and deed-restricted affordable housing (time-limited).
- Specialized businesses with high hot water demand, such as restaurants and laundries.

Small units (30 gallons or less), mobile home water heaters, and pool and spa heaters fall outside the standard entirely. Exact eligibility rules and thresholds are still being finalized through the comment process.

What This Means for SVCE

- A one-year delay shifts the timing of demand for SVCE's heat pump water heater rebates and the contractor pipeline into 2028.
- The share of installations that end up exempt is the biggest unknown in forecasting near-term participation. Early Air District estimates suggested a meaningful portion could qualify (up to 38% of water heater projects).
- Many customers who qualify for an exemption are the same customers eligible for SVCE and partner incentives that can make an electric install affordable, which is a natural handoff for our programs.

SVCE's Role

SVCE is not regulated under Rule 9-6 and has no compliance obligation. Our role is to bring practical, on-the-ground input to the Air District and to help customers and partners prepare. That has taken three forms:

- **Technical input.** SVCE has shared cost, market readiness, and incentive data through the Air District's stakeholder process.
- **Multi-agency coordination.** Staff works with peer CCAs, cities, and partners to prepare our respective customers in a coordinated way so residents across the region get consistent information.
- **Customer, contractor, and elected official readiness.** SVCE's rebates, Go Electric Advisor, and contractor and community outreach are positioning customers ahead of the deadline. Staff is also co-hosting an "Upcoming Air District Regulations – What Elected Officials Need to Know" workshop for local elected officials on August 31 at Sunnyvale City Hall.

Timeline

- August 13, 2026: Air District public comment period closes.
- August 31, 2026: Upcoming Air District Regulations – What Elected Officials Need to Know, Sunnyvale City Hall, 6:00 – 7:30 PM
- November 2026 (tentative): Air District Board decision.
- January 1, 2028 (if adopted): standard applies to small water heaters.

Staff will return to the Board with an update after the Air District's decision, including any program or outreach adjustments needed.

STRATEGIC PLAN

This effort is supports SVCE Strategic Plan Goal 1 – "Advance policies which support SVCE's mission to reduce dependence on fossil fuels." It supports Goal 7 – "Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions" – and Goal 8 – "Engage customers and community stakeholders to build trust of SVCE and advance decarbonization."

ALTERNATIVE

N/A

Agenda Item: 5**Agenda Date: 8/12/2026**

FISCAL IMPACT

None associated with this item. Adoption of the amendments could affect the timing of program participation and rebate demand in future budget years.

ATTACHMENTS

1. Bay Area Air District, Draft Regulatory Language, Rule 9-6 (revised July 14, 2026).
2. Bay Area Air District, Updated Regulatory Overview: Rule 9-6 Flexibility Amendments (revised July 14, 2026).

**REGULATION 9
INORGANIC GASEOUS POLLUTANTS
RULE 6
NITROGEN OXIDES EMISSIONS FROM
NATURAL GAS-FIRED BOILERS AND WATER HEATERS
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REGULATION 9
INORGANIC GASEOUS POLLUTANTS
RULE 6
NITROGEN OXIDES EMISSIONS FROM NATURAL GAS-FIRED BOILERS
AND WATER HEATERS

(Adopted April 1, 1992)

9-6-100 GENERAL

9-6-101 Description: This rule limits the emissions of nitrogen oxides from natural gas-fired water heaters and boilers.

(Amended November 7, 2007)

9-6-102 Applicability: This Rule applies to any person who sells, purchases, installs, or offers for sale a natural gas-fired water heater ~~for use~~ within the District (Section 9-6-300s Standards and Section 9-6-500s Monitoring and Records) and any manufacturer who ~~intends to~~ sell or distributes for sale or installation a natural gas-fired water heater for use within the District (Section 9-6-400s Administrative Requirements, Section 9-6-500s Monitoring and Records, and Section 9-6-600s Manual of Procedures).

(Adopted March 15, 2023)

9-6-110 Exemptions: The requirements of Sections 9-6-301 and 9-6-303.5 shall not apply to the following:

110.1 Natural gas-fired boilers and water heaters with a rated heat input capacity of greater than 2,000,000 BTU/Hour.

110.2 Natural gas-fired water heaters used in recreational vehicles.

110.3 Water heaters using a fuel other than natural gas.

110.4 Natural gas-fired pool/spa heaters with less than 400,000 Btu/Hour rated heat input capacity used exclusively to heat swimming pools, hot tubs or spas.

(Amended November 7, 2007)

9-6-111 Limited Exemptions for Qualifying Projects: Notwithstanding the limitations of Sections 9-6-301.5 and 9-6-303.5, any person may install a natural gas-fired water heater that does not meet the requirements specified in Sections 9-6-301.5 and/or 9-6-303.5 in the following circumstances, provided they obtain an Exemption Certificate pursuant to Section 9-6-405 prior to installation; and any person may sell or purchase a water heater that does not meet the requirements specified in Sections 9-6-301.5 and/or 9-6-303.5 for installation in such circumstances upon presentation of such Exemption Certificate.

111.1 Qualifying Businesses with Specialized Applications and High Hot Water Demand – Installation of a water heater at a business that is classified as a Restaurant, Food Service, Laundry, Dry Cleaner, Healthcare or Assisted Living business, as stated on the business license.

111.2 Ventilation Space Constraint (One-Time) – One-time replacement of an existing natural gas-fired water heater in an enclosed space that (i) is less than 700 cubic feet in volume and (ii) cannot be fitted with a louvered door, transfer grille or air duct(s) because it is not adjacent to a space of greater than 700 cubic feet in volume.

111.3 Ceiling Height Space Constraint (One-Time) – One-time replacement of an existing natural gas-fired water heater in (i) a garage with a ceiling height less than 7.2 feet high or (ii) any other indoor space with ceiling height less than 6 feet high.

111.4 Low-Income Program Qualified Property Owner – Installation of a water heater at a property owned by a person who is a participant in a Low-Income Program as defined in Section 9-6-211.

111.5 Housing Cost Burdened Property Owner – Installation of a water heater at a property owned by a person whose annual property taxes and mortgage - costs are 28 percent or more of annual household gross income.

The “One-Time” exemptions in Subsections 111.2 and 111.3 shall be limited to a single installation of a water heater that does not comply with the requirements specified in Sections 9-6-301.5 and/or 9-6-303.5 at an installation address. Once a non-compliant water heater has been installed at an address, no further non-compliant water heater may be installed at that installation address pursuant to either of the exemptions in Subsections 111.2 and 111.3 (although other exemptions may still apply).

9-6-112

Time-Limited Exemptions for Water Heaters Larger than 30 gallons and Less than 75,000 BTU/Hour: Notwithstanding the limitations of Section 9-6-301.5, any person may install a natural gas-fired water heater that does not meet the requirements specified in Sections 9-6-301.5 in the following circumstances, provided they obtain an Exemption Certificate pursuant to Section 9-6-405 prior to installation; and any person may sell or purchase a water heater that does not meet the requirements specified in Section 9-6-301.5 for installation in such circumstances upon presentation of such Exemption Certificate.

112.1 Hydronic Units – Installation of a natural gas-fired storage tank hydronic water heater manufactured prior to January 1, 2031.

112.2 Multifamily Buildings – Installation of a water heater manufactured prior to January 1, 2033 in a residential building containing five or more separate dwelling units with separate mailing addresses.

112.3 Deed-Restricted Affordable Housing – Installation of a water heater manufactured prior to January 1, 2033 in a building covered by a Federal, State, or Local Deed Restriction/Regulatory Agreement (e.g. HUD HAP, CA HCD, LITC).

9-6-113

Limited Exemptions for Licensed Contractor Installations: Notwithstanding the limitations of Sections 9-6-301.5 and 9-6-303.5, a Licensed Contractor may install a natural gas-fired water heater that does not meet the requirements specified in Sections 9-6-301.5 and/or 9-6-303.5 in the following circumstances, provided the Licensed Contractor obtains an Exemption Certificate pursuant to Section 9-6-405 prior to installation; and any person may sell or purchase a water heater that does not meet the requirements specified in Sections 9-6-301.5 and/or 9-6-303.5 for installation in such circumstances upon presentation of such Exemption Certificate.

113.1 Contractor-Certified Electrical Constraints (One-Time) – One-time installation of a water heater in a building under any of the following circumstances:

- 1.1** The building has knob-and-tube wiring and installation of the water heater would require more than 50 feet of conduit connecting the water heater to the electrical panel or subpanel;
- 1.2** The electrical panel that would serve the water heater is less than 100 amps, or is less than 60 amps for a residential building containing five or more separate dwelling units with separate mailing addresses;
- 1.3** The water heater would require a new 240v electrical connection with more than 50 feet of conduit; or
- 1.4** The electrical panel that would serve the water heater has no open circuit breaker space nor expansion slot(s).

113.2 Contractor Temporary Replacement – Replacement of an existing natural gas-fired water heater on a temporary basis pending permanent replacement with a compliant water heater, provided that the Licensed Contractor (i) ensures that the temporary replacement water heater is removed within 12 months after installation and (ii) complies with the reporting requirements specified in Section 9-6-406.

The “One-Time” exemption in Subsection 113.1 shall be limited to a single installation of a water heater that does not comply with the requirements specified in Sections 9-6-301.5 and/or 9-6-303.5 at an installation address. Once a non-compliant water heater has been installed at an address, no further non-compliant water heater may

be installed at that installation address pursuant to either of the exemptions in Subsection 113.1 (although other exemptions may still apply).

9-6-114 **Limited Exemption for Wholesale Sales:** The limitations of Sections 9-6-301.5 and 9-6-303.5 do not apply to wholesale sales and purchases in which sales tax is not charged.

9-6-200 DEFINITIONS

9-6-201 Boilers and Water Heaters: Any combustion equipment used to heat water or produce steam and that is not exclusively used to produce electricity for sale. For the purposes of this Rule, a boiler does not include any waste heat recovery boiler that is used to recover sensible heat from the exhaust of a combustion turbine or any unfired waste heat recovery boiler that is used to recover sensible from the exhaust of any combustion equipment.

(Adopted November 7, 2007)

9-6-202 BTU: British thermal unit or units.

(Adopted November 7, 2007)

9-6-2033 Direct-Vent Water Heater: A storage tank water heater with air intake and exhaust ducts that use a gravity system to collect air from outside a building for combustion and exhaust combustion byproducts to the outside of a building.

(Adopted November 7, 2007)

9-6-204 **Distributor:** Any business that sells water heaters primarily to retailers, builders, and contractors.

9-6-205 **Exemption Certificate:** A certificate with a unique authorization number issued by the Air District upon completion of registration pursuant to Section 9-6-405.

9-6-2046 Heat Input: The heat of combustion released by fuels burned in a unit based on the higher heating value of fuel. This does not include the enthalpy of incoming combustion air.

(Adopted November 7, 2007)

9-6-2057 Heat Output: The product obtained by multiplying the recovery efficiency, as defined by Section 6.1.3 of the Code of Federal Regulation, Title 10, Part 430, Subpart B, Appendix E, by the input rating of the water heater.

(Renumbered November 7, 2007)

9-6-208 **Hydronic Water Heater:** A water heater serving a system that heats water and circulates it through pipes or through an air handler to provide space heating.

9-6-2069 Instantaneous Water Heater: A device in which water is heated only when the water flows through a heat exchanger.

(Adopted November 7, 2007)

9-6-210 **Licensed Contractor:** A plumber, electrician, heating ventilation & air conditioning (HVAC) contractor, or general contractor licensed through the California Contractors State License Board.

9-6-211 **Low-Income Program:** Any of the following programs, or other program designated by the APCO as a "Low Income Program" eligible for an exemption under Section 9-6-111.4:

Covered California Silver 94

Covered California Silver 87

Covered California Silver 73

[Medi-Cal for Adults](#)
[Medi-Cal for Pregnant Individuals](#)
[Bureau of Indian Affairs General Assistance](#)
[CalFresh/SNAP \(Food Stamps\)](#)
[CalWorks \(TANF\) or Tribal TANF](#)
[California Alternate Rates for Energy \(CARE\)](#)
[Family Electric Rate Assistance Program \(FERA\)](#)
[Free or Reduced National School Lunch Program \(NSLP\)](#)
[Head Start Income Eligible \(Tribal Only\)](#)
[Women, Infants and Children \(WIC\)](#)
[Supplemental Security Income \(SSI\)](#)
[Low Income Home Energy Assistance Program \(LIHEAP\)](#)

9-6-212 **Mobile Home:** Any home that is a “manufactured home” or “mobile home” as defined in California Health and Safety Code (H&SC) Sections 18007 and 18008. Mobile home does not include a commercial modular, as defined in H&SC Section 18001.8; factory-built housing, as defined in H&SC Section 19971; a manufactured home, as defined in H&SC Section 18007; or a multifamily manufactured home, as defined in H&SC Section 18008.7.

9-6-20713 **Mobile Home Water Heater:** A closed vessel manufactured exclusively for mobile home use in which water is heated and is withdrawn for use external to the vessel at pressures not exceeding 160 psig, including the apparatus by which heat is generated and all controls and devices necessary to prevent water temperatures from exceeding 210°F (99°C).

(Adopted November 7, 2007)

9-6-20814 **Natural Gas:** A mixture of gaseous hydrocarbons containing at least 80 percent methane by volume as determined according to Standard Method ASTM D1945-64.

(Renumbered November 7, 2007)

9-6-20915 **NO_x Emissions:** The sum of nitric oxide and nitrogen dioxide in the flue gas, collectively expressed as nitrogen dioxide.

(Adopted November 7, 2007)

9-6-24016 **Pool/Spa Heater:** A device in which water is heated when pool or spa water circulates through a heat exchanger.

(Adopted November 7, 2007)

9-6-24417 **Power Direct-Vent Water Heater:** A storage tank water heater with an air intake duct outside of a building with a blower installed to assist in the expulsion of exhaust gases.

(Adopted November 7, 2007)

9-6-24218 **Power-Vent Water Heater:** A storage tank water heater with an air intake duct outside of a building with a blower installed to assist in the expulsion of exhaust gases.

(Adopted November 7, 2007)

9-6-24319 **Rated Heat Input Capacity:** The heat input capacity specified on the nameplate of the combustion unit.

(Renumbered November 7, 2007)

9-6-220 **Retailer:** Any business that purchases water heaters from manufacturers, wholesalers or distributors and sells them to individuals, including contractors, for end use and charges sales tax.

9-6-24421 **Storage Tank Water Heater:** A closed vessel, in which water is heated and is withdrawn for use external to the vessel at pressures not exceeding 160 psig, including the apparatus by which heat is generated and all controls and devices necessary to prevent water temperatures from exceeding 210°F.

9-6-300 STANDARDS

9-6-301 Natural Gas-Fired Storage Tank Water Heaters with a Rated Heat Input Capacity of 75,000 BTU/Hour or Less:

- 301.1** No person shall sell, install, or offer for sale within the District any natural gas-fired storage tank water heater, manufactured after July 1, 1992, with a rated heat input capacity of 75,000 BTU/Hour or less, that emits more than 40 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output.
- 301.2** No person shall sell, install, or offer for sale within the District any natural gas-fired storage tank water heater less than or equal to 50 gallons capacity that is manufactured after January 1, 2009, and that emits more than 10 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output. This subsection shall not apply to direct-vent, power-vent, power direct-vent water storage tank heaters and water heaters used for mobile homes.
- 301.3** No person shall sell, install, or offer for sale within the District any natural gas-fired storage tank water heater greater than ~~530~~ gallons capacity that is manufactured after January 1, 2010, and that emits more than 10 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output. This subsection shall not apply to direct-vent, power-vent, power direct-vent storage tank water heaters and water heaters used for mobile homes.
- 301.4** No person shall sell, install, or offer for sale within the District any natural gas-fired storage tank water heater with a capacity of 30 gallons or smaller that is manufactured after January 1, 2011, and that emits more than 10 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output. This subsection shall not apply to water heaters used for mobile homes.
- 301.5** ~~No-Except as provided in Sections 9-6-111 through 114, no~~ person shall purchase, sell or install, ~~or offer for sale~~ within the District any natural gas-fired storage tank water heater that is manufactured after January 1, 202~~7~~⁸, with a capacity greater than 30 gallons and a rated heat input capacity rating of 75,000 BTU/hour or less, that emits more than 0 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output. This subsection shall not apply to mobile home water heaters.

(Amended 11/7/07 and 3/15/23)

- 9-6-302 Certification of Boilers and Water Heaters:** No person shall purchase, sell or install, ~~or offer for sale~~ within the District any natural gas-fired boiler or water heaters subject to Section 9-6-301, 303, 304, or 305 unless the water heater manufacturer brand name and model is tested and certified in accordance with Sections 9-6-401 and 402.

(Amended November 7, 2007)

9-6-303 Natural Gas-Fired Boilers and Water Heaters with a Rated Heat Input Capacity of greater than 75,000~~4~~ to 2,000,000 BTU/Hour:

- 303.1** No person shall sell, install, or offer for sale within the District any large natural gas-fired boiler, storage tank water heater, or instantaneous water heater with a rated heat input capacity of greater than 75,000~~4 from~~ to 400,000 BTU/Hour, ~~inclusive,~~ manufactured after January 1, 2008, that emits more than 40 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output.
- 303.2** No person shall sell, install, or offer for sale within the District any large natural gas-fired boiler, storage tank water heater, or instantaneous water heater with a rated heat input capacity of greater than 75,000~~4 from~~ to 400,000 BTU/Hour, ~~inclusive,~~ manufactured after January 1, 2013, that emits more than 14 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output.
- 303.3** No person shall sell, install, or offer for sale within the District any large natural gas-fired boiler, storage tank water heater, or instantaneous water heater with a rated heat input capacity of greater than 400,000~~4 from~~ to 2,000,000 BTU/Hour, ~~inclusive,~~ manufactured after January 1, 2008, that emits more

than 20 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output, or more than 30 ppm NO_x at 3% O₂, dry.

303.4 No person shall sell, install, or offer for sale within the District any large natural gas-fired boiler, storage tank water heater, or instantaneous water heater with a rated heat input capacity of greater than 400,000~~1 from~~ to 2,000,000 BTU/Hour, ~~inclusive~~, manufactured after January 1, 2013, that emits more than 14 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output, or more than 20 ppm NO_x at 3% O₂, dry.

303.5 ~~No Except as provided in Sections 9-6-111 through 114, no~~ person shall purchase, sell or install, ~~or offer for sale~~ within the District any large natural gas-fired boiler, storage tank water heater, or instantaneous water heater with a rated heat input capacity of greater than 75,000~~1 from~~ to 2,000,000 BTU/Hour, ~~inclusive~~, manufactured after January 1, 203~~13~~¹³, that emits more than ~~0.0~~ nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output.

(Adopted 11/7/07; Amended 3/15/23)

9-6-304 Natural Gas-Fired Mobile Home Water Heaters: No person shall sell, install, or offer for sale within the District any natural gas-fired mobile home water heater manufactured after January 1, 2008, that emits more than 40 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output.

(Adopted November 7, 2007)

9-6-305 Natural Gas-Fired Pool/Spa Heaters:

305.1 No person shall sell, install, or offer for sale within the District any natural gas-fired pool/spa heater with an input rating from 400,001 to 2,000,000 BTU/Hour, inclusive, manufactured after January 1, 2008, that emits more than 40 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output, or more than 55 ppm NO_x at 3% O₂, dry.

305.2 No person shall sell, install, or offer for sale within the District any natural gas-fired pool/spa heater with an input rating from 400,001 to 2,000,000 BTU/Hour, inclusive, manufactured after January 1, 2013, that emits more than 14 nanograms of nitrogen oxides (calculated as NO₂) per joule of heat output, or more than 20 ppm NO_x at 3% O₂, dry.

(Adopted November 7, 2007)

9-6-400 ADMINISTRATIVE REQUIREMENTS

9-6-401 Compliance with Emissions Standards: The manufacturer shall obtain confirmation from an independent testing laboratory that each boiler or water heater model it intends to sell or distribute for sale into the District that is subject to the requirements of Sections 9-6-301, 303, 304, or 305 has been tested in accordance with the procedures in Section 9-6-601.

(Amended November 7, 2007)

9-6-402 ~~Compliance Statement~~ Equipment Certification: To certify a boiler or water heater for sale and installation in the District pursuant to Section 9-6-302, the manufacturer shall submit to the APCO either of the following:

402.1 The manufacturer shall submit a statement to the APCO that ~~each the~~ boiler or water heater model meets the emission standard set forth in Section 9-6-301 or 303. The compliance statement must:

~~402-1.1~~ Provide the following general information: name and address of manufacturer, brand name, trade name, model number and heat input rating as it appears on the water heater rating plate.

~~402-1.2~~ Provide a description of the model being certified.

~~402-1.3~~ Include a complete certification source test report demonstrating that the boiler or water heater model was tested in accordance with procedures in Section 9-6-601 and a written statement that the

model complies with Section 9-6-301.1 through 301.4, 303.1 through 303.4, 304, or 305.

~~402.1.4~~ Be submitted to the APCO no more than 90 days after the date of the emissions compliance test conducted in accordance with Section 9-6-401.

~~402.1.5~~ Be submitted to the APCO no less than 90 days before ~~the intention to selling~~ or distributing a new water heater model within the District, or no less than 90 days before the effective dates in Section 9-6-301.1 through 301.4, 303.1 through 303.4, 304, or 305.

402.2 The manufacturer shall submit to the APCO an approved South Coast Air Quality Management District (SCAQMD) certification issued pursuant to SCAQMD Rules 1121 and 1146.2 to demonstrate compliance with Section 9-6-301.1 through 301.4, 303.1 through 303.4, 304, or 305.

(Amended 11/7/07 and 3/15/23)

9-6-403 Identification: ~~The water heater manufacturer shall display~~ No person shall sell, install, or offer for sale within the District any natural gas-fired water heater subject to Section 9-6-301, 303, 304, or 305 unless the model number, and certification status, and date of manufacture of a the water heater complying with this rule is displayed on the shipping carton and on the rating plate of each the unit.

(Amended November 7, 2007)

9-6-404 Interim Report: At least two years prior to the compliance date listed in Sections ~~9-6-301.5 and~~ 303.5, the APCO shall present to the Air District Board of Directors for consideration at a public meeting a report that includes the technology options currently (and projected to be) available to be sold, installed or offered for sale that do not conflict with the standard in Section 9-6-301.3; the projected costs of purchase and installation of such technology, including any ancillary costs, as applicable; any incentive programs available to reduce these costs; and infrastructure readiness associated with rule compliance.

(Adopted March 15, 2023)

9-6-405 Exemption Certificate Requirements for Non-Compliant NOx-Emitting Equipment: A person seeking an Exemption Certificate to authorize the installation, sale, and purchase of a water heater that does not meet the requirements specified in Sections 9-6-301.5 or 9-6-303.5 shall apply to the APCO, provide the following information, and certify that the information is true and accurate:

405.1 Address where the NOx-emitting water heater will be installed

405.2 Applicant name and contact information

405.3 Information required by the APCO to demonstrate applicability of an exemption under Sections 9-6-111 through 114.

Upon receipt of a complete application with information demonstrating eligibility for an exemption under Sections 9-6-111 through 9-6-114, the APCO shall issue an Exemption Certificate allowing the installation, sale, and purchase of one non-compliant NOx-emitting water heater.

9-6-406 Reporting Requirements for Temporary Replacement Loaners: Any Licensed Contractor that has purchased a NOx emitting water heater under the exemption in Section 9-6-113.2 shall report the serial number of each water heater purchased pursuant to the exemption, its Exemption Certificate number, and any address that the unit was installed at during the prior year to the APCO by January 31st of each year. If any water heater purchased pursuant to Section 9-6-113.2 is sold or disposed of, the annual report must state who the equipment was sold to or how it was disposed of.

9-6-407 Noticing Requirements for NOx Emitting Equipment Offered for Sale: Any person selling or offering for sale any water heater that does not meet the requirements of Sections 9-6-301.5 or 9-6-303.5 must display prominent notice within the vicinity of the following information:

407.1 [Notice that any water heater that does not meet the requirements of Sections 9-6-301.5 and 9-6-303.5 can be purchased and installed only with a valid Exemption Certificate issued pursuant to Section 9-6-405.](#)

407.2 [Web address to access Air District information on compliance and registration form to obtain an Exemption Certificate.](#)

9-6-500 **MONITORING AND RECORDS**

9-6-501 **Recordkeeping Requirements for Water Heater Sellers:** Beginning January 1, 2028, any person who sells or offers for sale any NOx emitting water heater or boiler subject to this rule shall maintain records of each purchase or sale of a NOx emitting water heater or boiler subject to this rule for a period of at least five years from the date of the purchase or sale, and make these records available to the APCO upon request. The records must include the following information:

501.1 [The date and location of the purchase or sale;](#)

501.2 [The sale price and amount of sales tax charged, if any;](#)

501.3 [The identity of the seller and purchaser, and whether the purchaser is a reseller or an installer/end user of the water heater or boiler;](#)

501.4 [If the sale/purchase of the water heater is covered by an Exemption Certificate under Sections 9-6-111 through 9-6-114, the associated Exemption Certificate number.](#)

9-6-502 **Recordkeeping Requirements for Licensed Contractors:** Beginning January 1, 2028, any Licensed Contractor who purchases and/or installs a NOx emitting water heater shall maintain records of the date and location of the purchase and/or installation; and if the water heater was purchased and/or installed pursuant to an exemption under Sections 9-6-111 through 9-6-114, the associated Exemption Certificate number. The Licensed Contractor must maintain the records for a period of at least five years from the date of purchase or installation, and make the records available to the APCO upon request. If the License Contractor purchases and installs a water heater subject to this provision, it must maintain records for both the purchase and the installation.

9-6-600 **MANUAL OF PROCEDURES**

9-6-601 **Determination of Emissions:** Emissions of oxides of nitrogen from water heaters subject to Section 9-6-301, 303, 304, or 305 shall be tested in accordance with the following provisions:

601.1 Each water heater model shall receive certification based on emission tests of a randomly selected unit of that water heater model.

601.2 The measurement of nitrogen oxides emissions shall be conducted in accordance with EPA Reference Method 7, including 7A-7E.

601.3 Each tested water heater shall be operated in accordance with Section 2.4 of American National Standards ANSI Z21.10.1-1990 at normal test pressure, input rates, and with a five-foot exhaust stack installed during the nitrogen oxides emissions tests.

601.4 The following procedure shall be used to calculate the NO_x emission rate in nanograms of NO_x per joule of heat output:

$$N = \frac{4.566 \times 10^4 \times P \times U}{H \times C \times E}$$

Where:

N = NO_x Emission Rate in nanograms of NO_x emitted per joule of heat output

P = Concentration of NO_x in the flue gas in parts per million (volume)

U = Dry volume percent of CO₂ in flue gas necessary for stoichiometric combustion

H = Gross heating value of the gas, BTU/ft³ (at 60°F and 30"Hg)

C = Dry volume percent of CO₂ in flue gas

E = Recovery efficiency, percentage, as defined in Section 6.1.3 of the Code of Federal Regulation, Title 10, Part 430, Subpart B, Appendix E.

(Amended 12/7/07 and 3/15/23)

UPDATED REGULATORY OVERVIEW: RULE 9-6 DRAFT FLEXIBILITY AMENDMENTS

JULY 2026
Bay Area Air District

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Executive Summary

In March 2023, the Bay Area Air District Board of Directors adopted amendments to Regulation 9, Rule 6 (“Rule 9-6”) that established a zero nitrogen oxides (NOx) standard for all sales and installations of covered water heaters beginning with those manufactured after January 1, 2027. These amendments did not include any flexibilities or exemptions for any potential extenuating circumstances. Over the past two years, Air District Staff have collaborated with stakeholders to develop and refine potential amendments to introduce flexibility into the zero NOx standard, with the intention of easing requirements and potential cost impacts and provide options for an easier transition.

The Air District convened an external Implementation Working Group (IWG) comprised of over 40 members representing a variety of stakeholder segments to identify and compile potential solutions to identify implementation barriers. The IWG’s focus areas included technology readiness, costs, permitting, workforce, grid capacity, and equitable access to incentives and financing. Over 20 IWG meetings were held between May 2023 and August 2024 that informed staff’s December 2024 Board update and subsequent October 2025 preliminary concepts paper for flexibility and affordability amendments.

This Updated Regulatory Overview is being released in tandem with draft amendments to Rule 9-6 for public review and comment in advance of a final rule proposal and anticipated hearing of the Air District Board of Directors in November 2026.

The draft amendments include delayed implementation dates for zero NOx standards for water heaters as follows:

January 1, 2028	Water heaters less than 75,001 BTU/hr ¹ (typically residential tank water heaters)
January 1, 2033	Water heaters between 75,001 and 2 million BTU/hr (typically commercial and multifamily as well as tankless units)

The draft amendments included in these draft amendments include additional exemptions from the zero NOx standard for:

- Challenging installations due to space constraints (one-time exemption)
- Existing electrical system or panel upgrades (one-time exemption)
- Low-income qualified property owners

¹ BTU/hr means British thermal unit per hour

- Water heaters with a capacity of less than 30 gallons
- Hydronic water heating systems (delay until 2031)
- Multifamily and deed-restricted affordable housing installations (delay until 2033)
- Businesses with high-heat demand (Examples: restaurants, healthcare, dry cleaners, etc.)
- Temporary emergency gas water heater installed by licensed contractors

The draft amendments also include additional registration, reporting and recordkeeping requirements to ensure compliance with the zero NOx standards and associated exemption provisions.

Staff estimate that the average incremental cost to install a heat pump water heater for a “standard” project is approximately \$3,500. Of this, the incremental retail cost of a heat pump water heater as compared to a new natural-gas fired unit ranges from \$600 - \$1,600. The remaining cost difference is due to additional labor to install the unit.

Income-based eligibility exemptions for low-income or housing cost burdened property owners would account for approximately 18 percent of installations. Project or building constraints, such as space or electrical limitations, account for another 20 percent of installations.

Staff plans to provide a mobile-friendly website for property owners to request and immediately receive exemptions. The goal is to make that process as fast and seamless as possible while ensuring that rule requirements are met.

Introduction: Rules 9-4 & 9-6

The Bay Area Air District has two adopted building appliance rules that address pollution from gas fueled equipment in buildings.²

- Regulation 9, Rule 4: Nitrogen Oxides from Fan Type Residential Central Furnaces, which regulates small residential and commercial furnaces that heat indoor air
- Regulation 9, Rule 6: Nitrogen Oxides from Natural Gas-Fired Boilers and Water Heaters regulates natural gas water heaters and small boilers that are used to heat water
- These rules **do not** apply to gas stoves, laundry drying, or any other appliance that may use natural gas.



Rules 9-4 and 9-6 were first **adopted more than 30 years ago** to reduce nitrogen oxides (NOx) emissions from these everyday appliances, because NOx contributes to the formation smog and fine particles (i.e. particulate matter, or PM) that result in harmful health effects.

In March 2023, the Board adopted amendments to Rules 9-4 and 9-6 that tighten **“point-of-purchase”** emission standards for small furnaces and water heaters, including new zero NOx standards that start to phase in between 2027 and 2031 depending on the size and type of equipment. These updated standards apply to the new replacement appliances that would be installed when an existing appliance reaches the end of its life (“burn out”) and needs to be replaced, and to new equipment manufactured after the future compliance dates.

² <https://www.baaqmd.gov/en/rules-and-compliance/rule-development/building-appliances>

Clarifying Common Misconceptions

The overarching goal of this rule amendment effort for Rule 9-6 is to support equity and affordability for residents while continuing to achieve the air quality benefits associated with the replacement of polluting equipment over time.

Staff have received several recurring questions regarding the applicability and implementation of Rule 9-6 during stakeholder engagement. In some cases, the interpretations stem from misunderstandings about when or how the rule applies. **Table 1** below highlights several common misconceptions and provides clarification of the actual requirements of the currently adopted Rules 9-4 and 9-6, prior to any potential changes discussed elsewhere in this document.

Table 1. Simplified Myths Vs. Facts for the Currently Adopted Rule 9-6

Myths	Facts
<i>Mandatory replacements of all equipment starting in 2027</i>	Existing water heaters can remain in operation until they burn out or need replacement
<i>Point-of-purchase requirement</i>	The rule is triggered when equipment is replaced (purchased), not when a property is sold
<i>Applicability based on building type or installation date</i>	Requirements are based on the appliances btu rating and date of manufacture
<i>This rule is an electrification or decarbonization mandate</i>	The rule reduces regional NOx emissions caused by natural gas combustion and the associated PM_{2.5} formation to improve air quality and public health
<i>This rule applies to stoves, ovens and dryers</i>	The rule does not apply to stoves, ovens, nor dryers.

Health Benefits from Implementing Rules 9-4 & 9-6 Amendments

By phasing out polluting gas furnaces and water heaters starting in 2027, Rules 9-4 and 9-6 will help clean up the air we all breathe, prevent dozens of early deaths every year, and save

the region hundreds of millions of dollars in health costs. A summary of the health benefits is shown in the table below.³

Table 2. Health Benefits from Rule 9-4 & 9-6

Major health benefits from Rules 9-4 and 9-6	
These appliance rules help improve regional air quality by reducing pollution from furnaces and water heaters.	 Cleaner outdoor air Less NO_x & PM_{2.5} from venting
Lower pollution means lower exposure to fine particles (PM _{2.5})	 Cleaner Bay Area Communities Biggest PM_{2.5} reductions in communities of color & overburdened neighborhoods
Reducing PM _{2.5} and NO _x exposure can prevent dozens of early deaths every year in the Bay Area.	 Up to 85 early deaths avoided each year from cleaner air
Health improvements from cleaner air avert unnecessary costs from health impacts.	 Up to \$890M Annual health benefits saved in avoided illnesses, hospital visits, and early deaths⁴
Climate co-benefits resulting from electrification of appliances	Based on current technology, zero NO _x appliances are electric, and their use would result in a reduction of greenhouse gas emissions

³ https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20230307_fsr_rules0904and0906-pdf.pdf?rev=100de6caff2342e6b095b59acf2321d0

⁴ https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20221220_sr_appe_rg09040906-pdf.pdf?rev=d4b056153496491fad817c6d4a87df78&sc_lang=en

Background

Current Status and Compliance Timeline

For the past 30 years, the Air District has been updating these rules to reflect newer, cleaner technologies and to help meet the region’s clean air goals. In March 2023, the Board adopted amendments to Rules 9-4 and 9-6 that tighten **“point-of-purchase”** emission standards for small furnaces and water heaters, including new zero NOx standards that start to phase in between 2027 and 2031 depending on the size and type of equipment. These updated standards apply to the new replacement appliances that would be installed when an existing appliance reaches the end of its life (“burn out”) and needs to be replaced, and to new equipment manufactured after the future compliance dates. The current compliance schedule for zero NOx equipment is shown below.

Table 3. Current Compliance Schedule for Rules 9-4 and 9-6⁵

January 1, 2027	Water heaters less than 75,001 BTU/hr ⁶ (typically residential tank water heaters)
January 1, 2029	Residential and commercial furnaces
January 1, 2031	Water heaters between 75,001 and 2 million BTU/hr (typically commercial and multifamily as well as tankless units)

(The above only applies to appliances manufactured after the noted date)

Together, Rules 9-4 and 9-6 are a key part of the Air District’s broader strategy to reduce air pollution from stationary sources, including buildings. The staff’s technical analysis for these rules clearly show that emissions from gas furnaces and water heaters affect both local and regional air quality, contribute to ozone and secondary particulate matter formation, and exacerbate health and equity concerns in the Bay Area.

The 2023 amendments to Rules 9-4 and 9-6 included a provision to report back to the Board of Directors two years prior to each implementation date on the current state of available technologies, costs and other potential implementation challenges. The Board of

⁵ Please note that the above table shows compliance dates currently in effect based on active regulations. The draft amendments accompanying this regulatory overview introduce delayed compliance dates of January 1, 2028 and January 1, 2033 for small and large water heaters, respectively. More information on this can be found in the “Overview of Draft Amendments” section of this document. The compliance date for furnaces is currently being evaluated as part of the Implementation Working Group process and more a full report from that process is forthcoming in Fall 2026.

⁶ BTU/hr means British thermal unit per hour

Directors directed staff to include a provision in the 2023 amendments to establish an Implementation Working Group, consisting of a wide spectrum of stakeholders, and called for the corresponding report to inform any further changes to the rules.

Table 4 below summarizes the Board's actions over time, showing what has happened so far and where the rule currently stands. This timeline provides context for how Rule 9-6 has progressed from adoption to subsequent discussions regarding updates and flexibility.

Table 4. Post-Adoption Timeline of Regulatory Events for Rules 9-4 & 9-6

Date	What happened?	Brief description
March 15, 2023	The Board of Directors adopted amendments to 9-4 & 9-6. The Board also directed staff to come back with a Rule 9-6 implementation report in 2024.	The Board held a public hearing and adopted the proposed amendments to Rules 9-4 and 9-6, and certified the CEQA Environmental Impact Report, formally approving the new zero NOx standards and related requirements.
June 21, 2023	The Board heard details on SIP submittal of Rules 9-4 & 9-6	The Board of Directors held a public hearing and directed staff to submit the current versions of Rules 9-4 and 9-6 to U.S. EPA and the California Air Resources Board for inclusion in the State Implementation Plan (SIP). That process is currently on hold while the Air District develops its attainment plan for the new PM _{2.5} air quality standard.
December 4, 2024	The Board received information on staff's research on Rule 9-6 implementation per the 2023 direction.	Staff presented informational updates on implementation readiness of the zero NOx requirements for residential water heaters under Rule 9-6, summarizing the Implementation

Date	What happened?	Brief description
		Working Group findings and professional research in a Rule 9-6 Implementation Report . ⁷
October 2025	Public Release of Rule 9-6 Concepts Paper (flexibility options)	Staff released the Rule 9-6 Concepts Paper , outlining potential flexibility concepts for amending Rule 9-6. The flexibility amendments are a result of findings from the 2024 implementation report that recognized constraints for seamless adoption of Rule 9-6. ⁸
December 10, 2025	The Stationary Source Committee received information from staff on potential flexibility amendments based on affordability and availability issues for Rule 9-6.	Staff presented informational updates on flexibility amendments to Rule 9-6 which would address issues that would make the rule more practical to implement. Staff's discussion highlighted the concept paper and the public comments received on the concept paper. <i>The Committee directed staff to come back with information on possible exemptions for low-income property owners.</i>
February 11, 2026	Per direction from the 12/10/2025 Stationary Source Committee meeting, staff presented specifics on options for defining and qualifying low-income affordability	Staff presented to the Stationary Source Committee on: 1. Who qualifies as "low-income" – presenting two options including different income limits as well as considerations for housing cost burden

⁷ https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20241127_board-report-dec-2024-pdf.pdf?rev=f9b89cc7ceb54588b5c505d6f20635e3&sc_lang=en

⁸ https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/rule-09_06-concepts-paper_final-v1-pdf.pdf?rev=9eac6fc7a84e4b259fd2017c838de68c&sc_lang=en

Date	What happened?	Brief description
		2. How much does it cost to help low-income households switch to cleaner water heaters <i>The Committee directed staff to return in May 2026 with a full set of final options so the full Board can give clear directions on how to proceed with the rule.</i>
May 6 & 13, 2026	Staff presented the initial Regulatory Overview and flexibility concepts for Board of Directors discussion and direction	Staff presented on flexibility concepts including exemptions for space and electrical constraints, low income and housing cost burdened property owners, as well as delays for hydronic and small units and reporting requirements. <i>The Board of Directors directed staff to continue in developing flexibility amendments and to release draft language for public review and comment.</i>

Implementation Working Group

As part of the 2023 zero NOx amendments, the Board required that two years prior to each compliance date, staff must provide updates to the Board regarding implementation challenges, especially focused on concerns raised by stakeholders during rulemaking—such as costs, workforce, market development, and equity issues in terms of incentives and tenant impacts. With this direction, staff coordinated and led a multi-stakeholder Implementation Working Group (IWG) focusing primarily on the Rule 9-6 amendments (IWG Phase 1), holding **21 meetings** from May 2023 through August 2024⁹ to provide input on those topics relevant to January 2027 implementation for small water heaters less than 75,000 BTU/hr. Members included industry representatives, union representatives, industry associations, local governments, utilities, community choice aggregators and subject matter expert organizations, among others.

⁹ <https://www.baaqmd.gov/community-health/building-appliances-rule-implementation/building-appliances-implementation-working-group>

The IWG was comprised of various subcommittees. The Technical Subcommittee compiled and reviewed the most up-to-date technical information relevant to implementing Rule 9-6 to present to the Working Group, such as market availability and projected cost of compliant appliances, and potential financial incentives for consumers. The Technical Subcommittee also provides recommendations for the Working Group and/or Steering Committee to consider.

IWG Phase 1 Findings

Overall, staff found that even in just a short two-year timeframe (2023-2024), several significant challenges brought up during the 2022 rulemaking process had been mitigated or were found not to be major barriers to Rule 9-6 implementation (e.g., water heater impacts to the grid and reliability, market readiness including post-Covid supply chain, workforce availability, and local jurisdictional permit streamlining). However, some challenges remain, and staff's overall recommendation highlighted the need for future flexibility and amending the 100 percent sales requirement. To review all findings, please see the [IWG Phase 1 Staff Report Informational Update Regarding Regulation 9, Rule 6](#),¹⁰ which was presented to the Board of Directors in December 2024.

The following table provides a brief overview of the milestone deliverables prepared for the Building Appliances Implementation Working Group. Each technical report addresses a distinct implementation issue and helped inform the Air District's analysis of Rule 9-6 implementation.

Table 5. Technical Research on Implementation Issues

Technical Report	Brief Description
Installation Costs for Zero NOx Space and Water Heating Appliances	Updates the estimated installation costs of zero NOx heating appliances and how incentives affect household bills and upfront costs.
Workforce Challenges for Zero NOx Requirements	Reviews contractor availability, training needs, and workforce readiness for heat pump adoption.

¹⁰ https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20241127_board-report-dec-2024-pdf.pdf?rev=f9b89cc7ceb54588b5c505d6f20635e3

Technical Report	Brief Description
Challenging Use Cases and Emerging Solutions for Zero NOx Appliances	Identifies difficult retrofit situations and summarizes practical solutions for constrained sites.
Renter Protections Policy Landscape Summary	Reviews renter-protection policies and suggests ways to reduce possible negative impacts on tenants.
Market and Sales Trends for Zero NOx Appliances	Summarizes market conditions, sales trends, and contractor input on the current and future heat pump market.
Permitting Requirements for Zero NOx Appliances	Describes permitting barriers, requirements, and best practices for installing zero NOx appliances.
Grid Reliability and Interconnection Challenges	Examines concerns about electric grid reliability, service upgrades, outages, and appliance-level performance.
Lived Experience Interviews Summary	Summarizes renter interviews on housing insecurity, displacement, energy burden, and other quality-of-life impacts.

Overview of Draft Rule Amendments

In October 2025, staff released a [Concepts Paper](#) outlining potential future amendments to Rule 9-6 directly addressing the challenges identified in the implementation working group report described above. In July 2026, accompanying this report, staff released draft rule amendments for public review and comment. The draft rule amendments are summarized below.

General Provisions and Exemptions

Sections 9-6-100 through 9-6-114

1) **Section 111: Limited Exemptions for Qualifying Projects:**

A natural gas-fired water heater that does not meet the zero NOx requirements may be installed in the following situations, but only if the purchaser obtains an Exemption Certificate before installation.

- **Low-income property owners:** Property owners who participate in a qualifying low-income assistance program may install a non-compliant water heater. Draft amendments to Rule 9-6 define qualifying low-income programs for this exemption which include Covered California, Medi-Cal, food assistance programs, energy rate assistance programs and supplemental security income (SSI). This exemption is intended to provide relief from potentially higher incremental costs of installation for low-income property owners.
- **Housing cost-burdened property owners:** Property owners whose annual mortgage and property tax payments are at least 28% of their annual household gross income may install a non-compliant water heater. Property owners will self-attest to their status as housing cost-burdened. This exemption is intended to provide relief for property owners who spend a large portion of their income on housing cost and may not be able to afford the incremental cost of installing a zero NOx water heater.
- **Certain businesses:** Restaurants, food service businesses, laundries, dry cleaners, healthcare facilities, and assisted living facilities may install a non-compliant natural gas water heater. These businesses have been identified to have specialized high hot water heat demands whose needs may not be met by the technical capabilities of zero NOx water heaters that are currently available on the market.

- **Space constraints (one-time only):** A one-time non-compliant replacement is allowed if the existing water heater is in an enclosed space smaller than 700 cubic feet that cannot be modified to provide required ventilation, or in a garage with a ceiling lower than 7.2 feet or another indoor space with a ceiling lower than 6 feet. This exemption is intended to provide relief from additional potential costs associated with water heater relocation and major construction due to existing space constraints within the home.

The "one-time" exemptions for ventilation constraints and low ceiling height can only be used once at a given property. After a non-compliant water heater has been installed under either of those exemptions, that address cannot use either one-time exemption again, although it may still qualify for one of the other exemptions.

2) **Section 112: Time-Limited Exemptions for Water Heaters Larger than 30 gallons and Less than 75,000 BTU/Hour:**

This section provides a temporary exemption for certain natural gas-fired water heaters (over 30 gallons and under 75,000 BTU/hour) that do not meet the zero NOx requirements if an Exemption Certificate is obtained before installation. This exemption is only available for qualifying equipment types or properties and water heaters manufactured before the applicable deadlines. The exemption applies to:

- **Hydronic heating systems:** Non-zero NOx water heaters manufactured before January 1, 2031. Though there are currently a limited number of hydronic heat pump water heaters on the market, the product carries a significant price premium. In order to ensure minimal impacts and to allow for new technology to develop in this category, the draft amendments delay this project category to a 2031 compliance date
- **Multifamily and affordable housing:** Non-zero NOx water heaters manufactured before January 1, 2033 may be purchased, sold, or installed in residential buildings with five or more dwelling units or in properties covered by qualifying federal, state, or local affordable housing programs. This additional time recognizes that these properties often require longer planning horizons to coordinate cost-effective equipment replacements, particularly for deed-restricted affordable housing with long-term budgeting and regulatory requirements.

3) **Section 113: Limited Exemptions for Licensed Contractor Installations:**

A licensed contractor may install a water heater that does not meet the zero NOx requirements if they obtain an Exemption Certificate before installation. This exemption is intended to prevent costly or time-sensitive installation challenges where replacing or upgrading building systems to support a compliant water heater may not be immediately feasible.

- **Electrical constraints (one-time only):** Applies to buildings where installing a compliant water heater is expected to be particularly expensive due to conditions such as knob-and-tube wiring requiring more than 50 feet of conduit, an electrical panel below 100 amps (or below 60 amps for multifamily buildings with five or more units), the need for a new 240V connection requiring more than 50 feet of wiring/conduit, or a panel with no available breaker space or expansion capacity.
- **Temporary replacements:** Allows a non-compliant water heater to be installed temporarily while awaiting permanent replacement with a compliant unit. The temporary unit must be removed within 12 months and required reporting must be completed.

- 4) **Section 114: Limited Exemption for Wholesale Sales:** In order to allow for the continued retail availability of water heaters that do not meet the zero NOx requirements for the above exempt scenarios, this section allows for continued wholesale distribution of these units.

To support the exemption process, Staff plan to develop a web application accessible from the Air District's home webpage for anyone seeking an Exemption Certificate for any of the exemption options listed above. The portal would be mobile friendly and would require some documentation and attestation prior to purchase and installation.

When applying for an exemption, staff intend to provide educational resources embedded into the web portal to notify property owners and contractors of incentives that may be available to them based on their location and income level. It is staff's intention to provide residents information to make an informed decision about whether they would like to continue to pursue an exemption to Rule 9-6 or to purchase and install a zero NOx appliance with the help of incentives or other financing.

The certification process as part of the registration portal could be designed to require that contractors must make property owners aware of their zero NOx options, right-sizing (120-

volt plug-in HPWHs; circuit-sharing; skinny breakers, etc.), benefits, as well as the incentive programs available to them.

Definitions

Sections 9-6-200 through 9-6-221: Definitions are added and updated to improve clarity throughout the rule. New definitions included in these draft amendments include: Distributor, Exemption Certificate, Hydronic Water Heater, Licensed Contractor, Low-Income Program, Mobile Home and Retailer. Staff welcomes public comment on these definitions to ensure understanding of rule applicability.

Emissions Standards

Sections 9-6-300 through 9-6-305

- 1) **Section 301: NOx Standards for Water Heaters Less than 75,000 BTU/hr:**
Water heaters manufactured after January 1, 2028 must meet the zero NOx standard to be sold, purchased, or installed in the Bay Area. This deadline has been extended one year to ensure appropriate rollout of the exemption process, and to provide more time for outreach to the public. There are a few exceptions to the January 1, 2028 deadline as follows:
 - a. Units less than 30 gallons are subject to the 10 ng/J¹¹ standard set forth in Section 301.4. Continued sales are allowed as there are currently no 30-gallon or smaller zero NOx water heaters available in the US market. Editorial changes have been made to Sections 301.3 and 301.4 for consistency in applying this standard.
 - b. The zero NOx standard does not apply to exempt projects as limited and described above in the exemptions section (Sections 111 through 114).
- 2) **Section 303: NOx Standards for Water Heaters greater than 75,000 BTU/hr to 2,000,000 BTU/hr:** Water heaters manufactured after January 1, 2033 must meet the zero NOx standard to be sold, purchased, or installed in the Bay Area. This deadline has been extended two years to allow time for new multifamily incentive programs such as the Equitable Building Decarbonization Program to collect additional cost data for evaluation.

The zero NOx standard does not apply to exempt projects as limited and described above in the exemptions section (Sections 111 through 114). This

¹¹ Nanograms of nitrogen oxides (measured as NO₂) per joule of heat output.

deadline and additional exemptions will be re-evaluated as a report to the Board of Directors by January 1, 2031 as required by Section 9-6-404.

Additionally, editorial changes to this section were made to clarify the applicability of the standard to units greater than 75,000 BTU/hr (as opposed to 75,001 BTU/hr).

Administrative Requirements

Sections 9-6-400 through 9-6-406: The draft amendments include new administrative requirements to facilitate the Exemption Certification process. New requirements include:

- **Section 405: Exemption Certificate requirements:** Anyone purchasing or installing a non-compliant NOx-emitting water heater under an approved exemption must first register with the Air District, certify that the information provided is accurate, and obtain an Exemption Certificate. The application must include the installation address, registrant contact information, and some documentation showing that the exemption requirements are met.
- **Section 406: Emergency replacement loaner reporting:** Licensed contractors using the temporary replacement exemption must report each unit's serial number, Exemption Certificate number, and installation address to the Air District by January 31 each year. Reports must also identify any units that were sold or disposed of and provide details on the transfer or disposal.
- **Section 407: Sales notice requirements:** Sellers offering non-compliant water heaters must clearly display a notice stating that the equipment may only be purchased and installed with a valid Exemption Certificate. The notice must also provide information on how to access Air District compliance guidance and the exemption registration process.

Additionally, Section 402 (Interim Report) was updated to remove the interim reporting requirement for water heaters less than 75,000 BTU/hr. This report was given to the Air District Board of Directors in December 2024 and has informed the draft amendments summarized here. Interim reporting is still required two years prior to the January 1, 2033 deadline for larger water heaters.

Monitoring and Records

Section 9-6-501 and 9-6-502: New recordkeeping requirements are introduced to ensure compliance with the zero NOx and related exemption provisions. Beginning January 1, 2028, sellers must keep records of each sale, including the date, location, price, buyer and

seller information, and exemption certificate number as applicable. Licensed contractors must keep records of each purchase and installation, including the date, location, and any exemption certificate number. If they both purchase and install the water heater, they must keep records for both.

Economic Considerations

Challenging Installations

Variations across the building stock (i.e. existing space configuration, existing electrical system and panel condition, amount of deferred maintenance) will result in some challenging installation cases for zero NOx water heating. TECH Clean CA¹² program data for heat pump water heater (HPWH) installations in the Bay Area showed costs ranging from \$2,900 to \$38,800, with the high end of costs representing the most challenging installation cases. It should be noted that this data on costs only includes completed jobs and includes data from years before new and improved products were available on the market. These high-cost edge cases are typically driven by either electrical or space constraints. Specifics around drivers for electrical and space constraints, potential heat pump configurations and available data on projects that face these constraints can be found in Appendix A. The previously described exemptions present in the draft rule amendments are designed to address these situations and allow for relief where needed.

Average Upfront and Operational Costs

For the remaining projects that may not be eligible for one of the potential exemptions, or more “standard” projects or “drop-in” replacements, staff estimate average incremental cost to remain at approximately \$3,500. Original IWG research was based on a large dataset of over 4,000 incentive program projects with very little difference between mean versus median costs. These amendments would help to eliminate the high-cost projects or other outliers. Therefore, staff expect average costs to be similar to the IWG estimates.

Retail additional (incremental) cost for the equipment only is as follows for most basic models with 50 gallon tanks:

- **120V:** \$1,100-\$1,600
- **240V:** \$600-\$1,300¹³

¹² TECH Clean California is a statewide initiative to accelerate the adoption of heat pumps across California homes, overseen by the CA Public Utilities Commission and the CA Energy Commission.

<https://techcleanca.com/>

¹³ Baseline assumes midpoint of \$900 MSRP for ultra low NOx natural gas tanked water heaters: Low end: \$770 (e.g. Rheem Performance 50 gal. Tall 6-Year 34,000 BTU Ultra Low NOx Natural Gas Tank Water Heater; A.O. Smith Signature 100 50-Gallon Tall 6-year Warranty 50000-BTU Natural Gas Water Heater) ; Higher end: \$1100 (e.g. Rheem Performance Platinum 50 Gal. Tall 38,000 BTU Ultra Low NOx Natural Gas Water Heater)
Zero NOx water heater costs: 120V: \$2,000 - \$2,500 (e.g., GE GeoSpring 120V, Rheem 120V); 220V: \$1,500 - \$2,200 (e.g. A.O. Smith Signature 900, Rheem ProTerra, A.O. Smith HPTS-50 Voltex)
 Online retailer websites accessed February and March 2026.

Note that most of the upfront costs for HPWH projects consist of labor and installation, along with permitting costs. HPWHs can require extra labor compared to a like-for-like gas water heater due to:

- new electrical wiring
- condensate management or new drain lines
- potential ventilation measures for water heaters in confined spaces (ducts, louvered doors)
- capping the old water heater gas line; and
- further components such as mixing valves, heat exchangers, and vibration-reducing flexible piping.

These are mostly one-time upgrades that will also support future water heater replacements. The number of higher cost installations that need these upgrades will be significantly reduced through the potential exemptions.

Staff expect that over time, larger pools of contractors and greater experience region-wide will lead to lower labor costs.

Operational costs analyses found that with the switch to HPWHs, households will either see utility bill savings or a very small monthly increase. 95 percent of high-usage customers (5,000 kWh or more annual usage before electrifying) see bill savings or no change in bills after switching to a HPWH. For low-use customers, approximately 35 percent of single-family and 60 percent of multi-family (MF) market-rate customers (those not receiving any low-income program discounts) experience a bill increase of around \$2 per month on average.

To understand upfront costs, the Air District analyzed incentive program data from multiple agencies (statewide, regional and local) covering over 4,000 projects installed exclusively in the Bay Area between 2021-2023. The average upfront additional incremental cost to install a zero NOx HPWH compared to a NOx-emitting gas water heater is estimated to fall between \$1,840, and \$3,496,¹⁴ before rebates^{Error! Bookmark not defined.}. This number varies based on the program analyzed and the types of projects and baseline appliance (tanked and tankless vs. tanked only) being replaced.

As noted in the IWG report, actual costs may vary depending on site conditions, equipment size, electrical upgrades, installation complexity, and energy prices. Although upfront costs for certain HPWH configurations can be higher than their gas counterparts, these costs can

¹⁴ Installation Costs for Zero NOx Space and Water Heater Appliances
https://www.baaqmd.gov/~media/files/community-health/building-appliance-implementation/task1_electrificationcosts-pdf.pdf?rev=3cb66a09f3094f94b35fa7fc90cfd4ec

often be offset through various available rebates or incentives, while comparable gas options may not. Zero NOx water heaters are expected to have lower operational energy costs for most customers.¹⁵

Socioeconomic Impact Evaluation

The California Health and Safety Code requires that whenever an air district intends to propose the adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations, that agency must actively consider the socioeconomic impact of regulations and make a good faith effort to minimize adverse socioeconomic impacts. A “socioeconomic impact” means the following:

- a. The type of industries or business, including small business, affected by the rule or regulation.
- b. The impact of the rule or regulation on employment and the economy of the region affected by the adoption of the rule or regulation.
- c. The range of probable costs, including costs to industry or business, including small business, of the rule or regulation.
- d. The availability and cost-effectiveness of alternatives to the rule or regulation being proposed or amended.
- e. The emission reduction potential of the rule or regulation.
- f. The necessity of adopting, amending, or repealing the rule or regulation to attain state and federal ambient air standards.

For the 2023 Appliance Rule Amendments for Rules 9-4 and 9-6 for Nitrogen Oxide Emissions from Natural Gas-Fired Water Heaters, Boilers and Furnaces, staff additionally analyzed:¹⁶

- a. The direct impacts of increased compliance costs on residential consumers installing and replacing space and water heaters
- b. Potential equity impacts at the household level by different income groups, housing tenure, and poverty level.
- c. Monetized health impacts and benefits analysis of residents across the region based on race, including a range of valuations, based on modeled particulate matter exposures across the region and an equity assessment by race.
- d. Potential shifts in consumer spending and potential job losses (both direct and indirect/induced)
- e. Impacts to electrical grid capacity and reliability and related potential costs of related electric utility infrastructure upgrades

¹⁵ *ibid* 15

¹⁶ https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20221220_sr_appc_rg09040906-pdf.pdf?rev=0680bc8794e74d53909fc180e4936de0&sc_lang=en

f. Air District costs to implement the proposals

The flexibility amendments being discussed at this time are expected to decrease costs as compared to the analysis conducted for the 2023 amendments and therefore does not necessitate conducting a socioeconomic analysis under the California Health and Safety Code. Nevertheless, staff intend to publish an updated analysis outlining expected costs and other relevant items described above for consideration by the Board of Directors and the public. At the July 8th meeting of the Stationary Source Committee of the Air District Board of Directors, the Committee recommended that a [newly developed proposed Socioeconomic Impact Analysis Policy](#) be brought to the full Board of Directors for further consideration and potential adoption at its September meeting. Staff currently plans to follow the draft policy as the updated socioeconomic analysis is developed for the draft amendments.

Available Rebates

A variety of rebates currently exist across federal, state, utility, and local programs, though availability can vary depending on funding cycles and program capacity. The low-income exemptions will help those property owners who are unable to afford the switch to compliant equipment, even with available funding.

Updated information on HPWH rebates available by zip code can also be found at incentives.switchison.org. This information will be also be provided to property owners when they apply for the low-income exemption.

An updated snapshot of currently available rebates is included in **Table 6** below.

Table 6. Available HPWH rebates in the Bay Area as of March 2026¹⁷

Geographic Scope	Program or Funder Name	Incentive amount per HPWH
Statewide	Multifamily HEEHRA ¹⁸	\$1,750
City of Alameda	Alameda Municipal Power (AMP)	\$1,500
Palo Alto	City of Palo Alto Utilities	\$3,500
PCE customers	Peninsula Clean Energy (PCE)	up to \$3,000

¹⁷ <https://incentives.switchison.org/residents/incentives?state=CA> and filter for equipment “Heat Pump Water Heater”

¹⁸ [High-Efficiency Electric Home Rebate Act \(HEEHRA\)](#), now often called [Home Electrification and Appliance Rebates \(HEAR\)](#)

PG&E customers	California Energy Smart Homes	\$1,000 for Integrated Heat Pump Space and Water Heating
PG&E customers	Golden State Rebates	\$400-\$700
Pinole	City of Pinole	up to \$3,000
Redwood City	Redwood City	Up to \$500
San Francisco	Clean PowerSF Water Heater Upgrade Program	\$1,200 - \$1,800 in bill credits (\$50/month)
SCP customers	Sonoma Clean Power (SCP)	\$700
SJCE customers	San Jose Clean Energy (SJCE)	\$2,000 to \$3,000
SVCE customers	Silicon Valley Clean Energy (SVCE)	up to \$2,000

Note that **Table 6** does not include highly targeted funding programs available to limited households, including PG&E's Energy Savings Assistance (ESA) program;¹⁹ the California Energy Commission's Equitable Building Decarbonization (EBD) Program;²⁰ and upcoming SB 1221 Neighborhood Decarbonization pilots.²¹

¹⁹ <https://www.pge.com/en/save-energy-and-money/energy-saving-programs/energy-savings-assistance-program.html>

²⁰ <https://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program>

²¹ <https://www.cpuc.ca.gov/industries-and-topics/natural-gas/sb-1221-implementation>

Summary of Potential Impacts and Considerations

Grid and Reliability Impacts

Though often cited by the public as a concern, new electrical loads resulting from Rule 9-6 are highly unlikely to cause power outages. The change in electrical load due to the implementation of these rules will be spread over at least 15 years and is included in the State's ongoing planning for future enhancements of the electric grid. There are current and new (SB 410) requirements for utilities and the California Energy Commission (CEC) regarding grid planning for increasing loads, which will include added load from the building appliance rules.

The large majority of power outages are not caused by electrical load or bulk capacity issues but are instead caused by external physical impacts (e.g. downed trees, storms) or public safety power shutoffs (PSPS), which have been significantly reduced since 2019.²²

For the rare instances of bulk capacity issues (e.g., statewide Flex Alerts), many HPWHs allow users to shift energy usage to off-peak hours (sometimes with the direct support from utilities), essentially using electricity to make and “store” hot water during periods of lower electricity demand and prices. HPWHs are increasingly being used by utilities for demand response to help improve overall grid reliability.

In the event of a power outage, tanked water heaters, including HPWHs, can stay hot for several hours, especially when installed with a cold-water mixing valve. Note that, some new NOx- emitting gas water heaters have dampers and fans (including tankless on-demand, tanked models with power venting) that rely on electricity and cannot operate during power outages.²³

Potential Renter Impacts

The Air District commissioned research and engaged stakeholders regarding concerns for renter impacts due to Rule 9-6. These analyses confirmed that implementation of the 2023 amended rule language could lead to capital cost pass-throughs, potential rent increases, and temporary evictions for some tenants, though water heaters covered under the 2027

²² Rincon and E3. *Grid Reliability and Interconnection Challenges*.

https://www.baaqmd.gov/~media/files/community-health/building-appliance-implementation/grid-impacts-final-pdf.pdf?rev=14a3ea4d46704d19a48cf03e3984c90e&sc_lang=en

²³https://docs.bradfordwhite.com/Spec_Sheets/1118_0815.pdf

<https://www.hotwater.com/info-center/water-heater-venting.html#:~:text=Power%20Vent,professional%20plumbing%20contractor%20for%20installation>

requirements of Rule 9-6 posed a lower risk than other appliances due to lower costs and construction impacts.

Landlords could use a “substantial repair” clause found in the local and state renter protection laws for “no-fault evictions,”²⁴ creating potential eviction risk for some high-cost water heater installations. In these cases, “substantial repair” refers to significant construction work that requires the renter to vacate while the work occurs, takes more than 30 days, and requires a permit to complete.

Cities with the highest concentration of renters also have the strongest renter protections. San Jose, San Francisco, Oakland and an additional 13 Bay Area jurisdictions have local renter protection laws that go beyond state law. Each major jurisdiction has its own limits on rent increases and capital improvement pass-through costs, as well as eviction protections. In cities without local rent stabilization, renters rely on state protections. AB 1482 provides statewide rent increase limits and just cause eviction protections but does not specifically address capital improvement pass-throughs. The law expires in 2030.

Workforce Development and Availability

Bay Area workforce research shows positive signs for contractor availability and readiness. Compared to national benchmarking, the Bay Area has equivalent levels of relevant contractors compared to the US average. Based on region-wide surveys, the majority of contractors are available to respond to emergency water heater failures within a couple days. A two-thirds majority of surveyed contractors were already aware of the building appliance rules and at least one category of applicable incentives, though slightly less than half of the surveyed contractors participated in incentive programs.

Further education for many installers is needed, however. Large-scale public awareness campaigns and specific outreach to installers are planned for 2026.

Quantitative Estimates on Number of Exemptions

Total estimates for potential certified exemptions are estimated to be up to 38 percent of residential small water heater unit installs. This varies slightly depending upon how the low-income qualified exemption is defined. See **Table 7** below for a more detailed break out.

²⁴ No-fault evictions allow landlords to remove tenants who have not violated lease terms, but can occur under strict reasons, such as owner move-in, substantial remodeling, or removing units from the market.

Table 7. Residential Certified Exemptions Expected by Category

Annual Residential Small Gas Water Heater Turnover:		120,000
Exemption type	Percentage	Annual Number
Very Low Income & Housing Cost Burdened	15.8%	19,000
Project/ building constraints	20% ²⁵	24,000

The certified exemption estimates do not include continued sales of 30 gallon and below tanked water heaters, which are estimated at 10 percent per year.

Given that the purchase of Emergency Replacement Loaner water heaters will not displace zero NOx water heaters nor be installed permanently, numbers are not quantified below. However, in the nine-county Bay Area, current numbers of licensed contractors who would be eligible to purchase a limited number of NOx emitting water heaters (larger than 35 gallons tanked and less than 75,000 btu/hour) for emergency replacement loaners is listed below:²⁶

- B (General Contractor License) 15,967
- C36 (Plumbing) 1,762
- C20 (HVAC) 868

Lastly, for businesses with specialized applications and high hot water demand, many may already be utilizing water heaters above the 75,000 btu/hour threshold based on high hot water needs. However, estimated numbers of these businesses are listed below.

- Food service/restaurant facilities - approximately 2,427 food service buildings²⁷
- Healthcare clinics and assisted living facilities - while not separate categories, BayREN buildings inventory estimates “Medical - Hospital & Clinic” and “Medical – Other” at 3,021 buildings in the Bay Area²⁸
- Laundry, dry cleaner and laundromat - estimates in the Bay Area are not available.

Overall, staff expect the annual number of exemptions granted to specialized business applications to be low as compared to other exemption pathways as described above.

²⁵ Reasonable estimate based on program data and case studies citing prevalence of space and electrical constraints. See **Appendix C**.

²⁶ <https://www.cslb.ca.gov/online-services/dataportal/> accessed October 2025.

²⁷ <https://bayren-existing-buildings.mtcanalytics.org/>

²⁸ Ibid.

Health Equity vs. Economic Equity Considerations

Staff considered both health equity and economic equity implications when evaluating future potential amendments to Rule 9-6. From a health equity perspective, the rule is intended to reduce NOx and PM_{2.5} exposure, particularly in communities that have historically experienced higher pollution burdens. At the same time, staff evaluated potential economic impacts on low-income property owners and renters, including whether compliance costs could create financial hardship or housing instability. To address these considerations, the potential rule amendments incorporate targeted exemptions, phased implementation timelines, and other implementation safeguards intended to mitigate potential cost impacts and help preserve access to housing. **Table 8** below summarizes several of the key policy considerations staff evaluated in balancing these health and economic equity objectives.

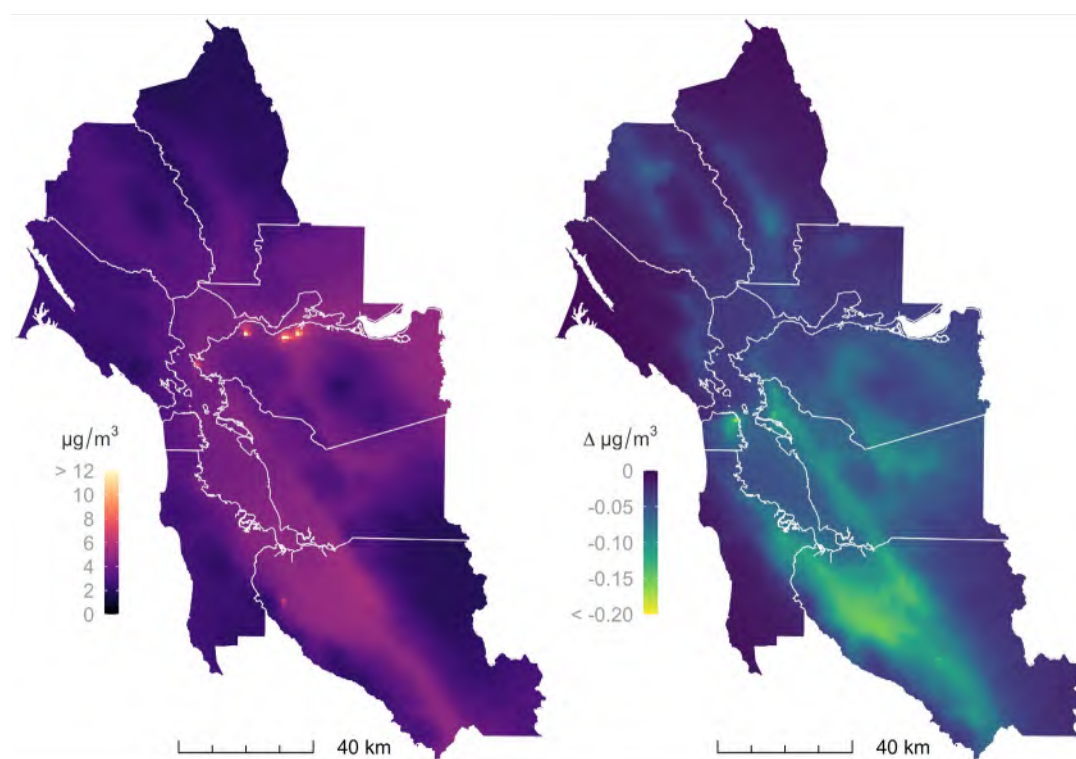
Table 8. Equity Considerations

Health Equity
Reduced indoor and outdoor air pollution exposure
Health-protective technology standards
Protections for renters and occupants
Fewer exemptions to maximize health benefits
Prioritize reductions in overburdened communities
Faster reduction of NOx and PM _{2.5} emissions
Economic Equity
Manage cost impacts for residents and businesses
Phased-in compliance timelines
Protections for landlords and property owners
Targeted exemptions to address barriers
Flexibility pathways for cost or technical constraints
Incentives, rebates, and market support programs

For the zero NOx amendments to Rules 9-4 and 9-6 in 2023, staff evaluated ambient air quality and health impacts from covered appliances. Staff estimated NOx and PM_{2.5} emissions from these sources, as well as their contributions to levels of fine particulate

matter exposures.²⁹ Approximately 60 percent of average PM_{2.5} exposure in the Bay Area associated with the target appliances results from secondary formation driven by NOx emissions. In general, because secondary PM_{2.5} formation requires time and atmospheric transport, exposure to secondary PM_{2.5} occurs at a regional scale rather than near the original emission sources. As a result, certain homes or locations that may forgo local emission reductions due to an exemption would still benefit from region-wide improvements in exposure if the flexibility amendments were implemented. **Figure 1**, below, depicts the modeled annual average baseline concentrations and reductions of secondary particulate matter attributed to the elimination of emissions associated with appliances impacted by the 2023 zero NOx amendments to Rules 9-4 and 9-6, which accrue on a regional basis.

Figure 1. Baseline concentrations (left) and reductions (right) for secondary PM_{2.5}



Staff believe that it is too speculative at this time to make assumptions about the locations at which property owners will choose to utilize a certified exemption for project constraints or low-income qualification as there are many factors that would impact this decision. As

²⁹ [https://www.baaqmd.gov/~media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20221220_sr_appe_rg09040906-pdf.pdf?rev=d4b056153496491fad817c6d4a87df78&sc_lang=en](https://www.baaqmd.gov/~/media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20221220_sr_appe_rg09040906-pdf.pdf?rev=d4b056153496491fad817c6d4a87df78&sc_lang=en)

summarized above, up to 38 percent of small water heaters could be eligible for an exemption or extension of the compliance timeline. However, due to the regional benefit of reduction of secondary fine particulate matter exposure and the focus of Rule 9-6 on the reduction of nitrogen oxides, a precursor for secondary particulate matter, staff does not believe that the flexibility amendments discussed in this document will result in a significantly different disparity in health benefits in existing overburdened communities. Additionally, the exemption pathways are intentionally designed as one-time exemptions so that any disparity does not exist in perpetuity. Staff intend for outreach related materials and the exemption portal to point all projects, including low-income property owners, to available incentives to mitigate any remaining equity concerns.

With regards to renters, under the Air District's flexibility concepts, exemptions would be provided in scenarios requiring significant construction including space and/or electrical constraints. Landlords would *not* be required to install zero NOx water heaters in scenarios that align with "substantial repair" exemptions, thus greatly decreasing "renoviction" risks.

Since the remaining projects that would be required will be more standard, average-cost projects, the risk of major pass-through costs will also be reduced as a result.

Appendix A

Electrical Constraints

In most homes, some electrical work will be needed to switch to a HPWH from an older gas water heater. This can range from minor work (e.g., simply installing a short length of new electrical conduit or outlet), to major work resulting in significant time and cost (e.g., extensive rewiring, electrical panel upsizing and potential utility service upgrades).

A minimum of 44 percent of single-family homes in the Bay Area is estimated to have electric panels with 200 amps,³⁰ which is considered to be the modern standard, and could fully electrify without panel upsizing.

32 percent of single-family and 59 percent of multifamily homes in California have panels of intermediate size (100 amps for single-family, 60 amps for multi-family)³¹ and will likely require “right-sizing”, “watt diet” or panel optimization strategies (low-voltage appliances; circuit pausing/sharing; smart panels) to avoid panel and service upsizing in these homes. Newer 120-volt plug-in HPWHs (see **Figure 1A**) can also help mitigate the need for extensive electrical upgrades, particularly for smaller households with less hot water demand. For a small portion of homes, extensive electrical work likely cannot be avoided and would be especially costly, encompassing panel upsizing and in some cases, subsequent utility service upsizing. Statewide, 3 percent of single-family homes had panels smaller than 100 amps and 10 percent of multi-family homes had panels smaller than 60 amps (per dwelling unit) which will most likely require upsizing for electrification. In disadvantaged communities (DACs), the number of single-family homes with panels smaller than 100 amps is disproportionately higher at 8 percent.³²

³⁰ NREL model, as described in Table 19. https://www.baaqmd.gov/~media/files/community-health/building-appliance-implementation/task1_electrificationcosts-pdf.pdf?rev=3cb66a09f3094f94b35fa7fc90cfd4ec&sc_lang=en

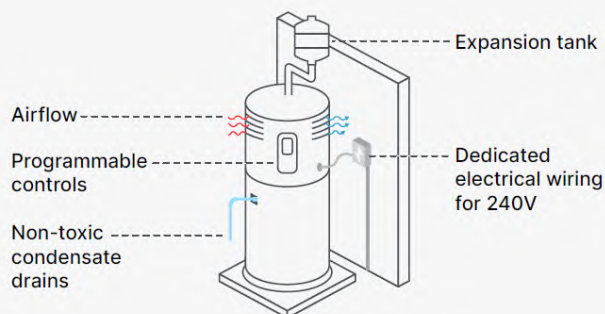
³¹ Fournier, Eric et al. *Quantifying the electric service panel capacities of California's residential buildings*. 2024. <https://www.sciencedirect.com/science/article/pii/S0301421524002581>

³² Ibid.

Figure 1A. Heat Pump Water Heater (HPWH) configurations and wiring, siting and installation needs

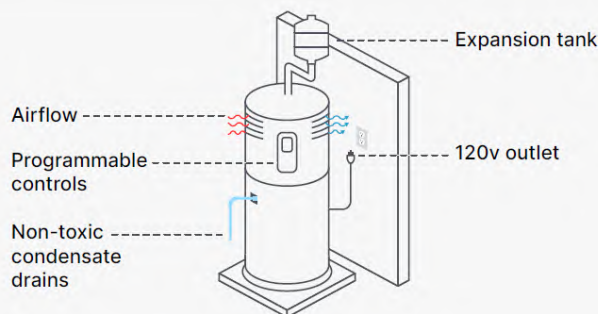
240V HPWH

- Most common type.
- Can operate in heat pump/efficiency mode for lowest cost or hybrid mode for faster hot water recovery.
- Most HPWH units are programmable to utility rates, demand response, and vacation modes.



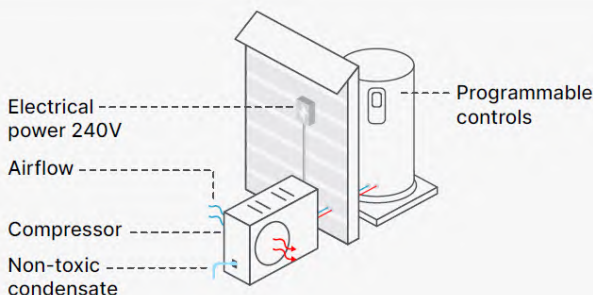
120V Plug-in HPWH

- Can reduce permitting time, costs, and inspection for new electrical service.
- Some models can be plugged into existing shared circuits.
- Helpful when running new wiring is too costly.
- Easier to install for emergency replacements.



Split System HPWH

- Useful for tight spaces where ventilation, piping, and other construction limitations occur.
- Eliminates interior noise concerns and venting.
- Allows for flexibility of location for tanks, sizes, and plumbing connections.



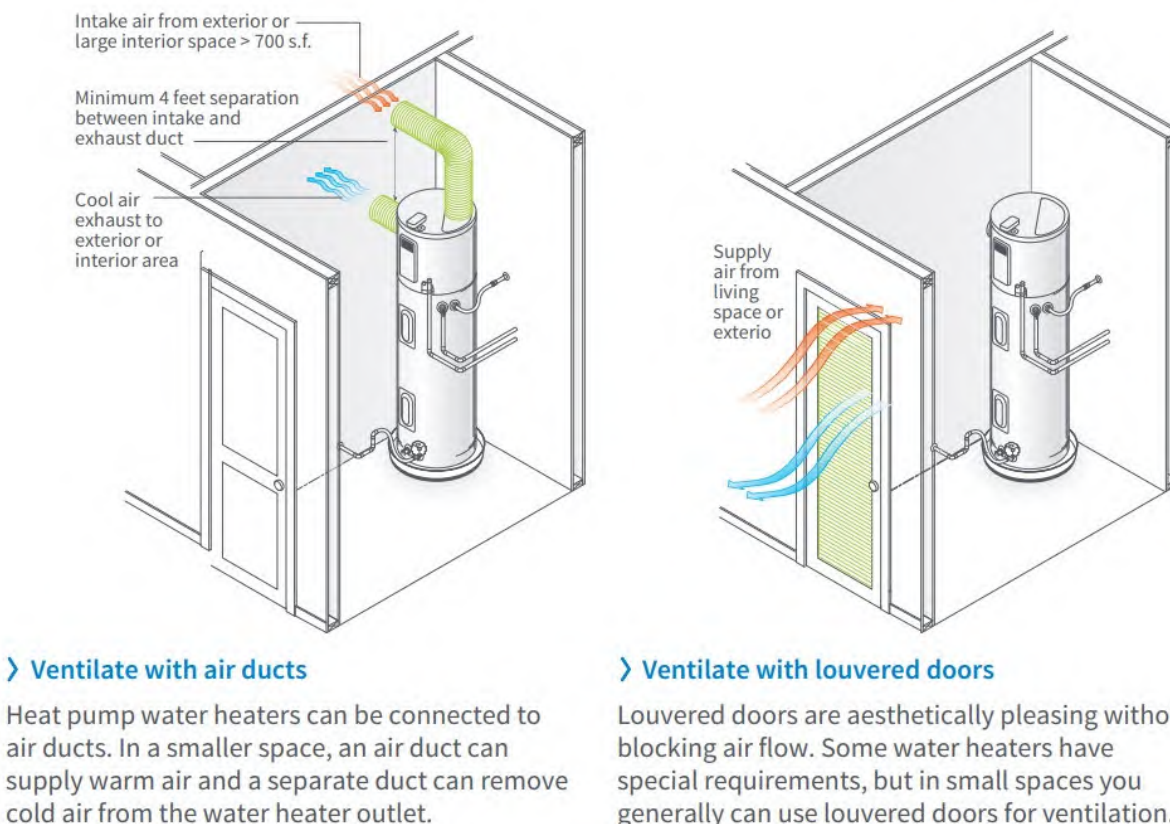
Space Constraints

HPWHs need adequate ventilation space as well as physical space (because of the integrated compressor unit, they are typically a bit taller than NOx-emitting units). Modifications to address space constraints range in costs.

Ventilation measures (air openings such as louvered doors, see **Figure 2A**) were mostly relatively low cost (average=\$208 and max=\$1,701) according to Palo Alto HPWH program

data.³³ Lower costs for these measures are also dependent upon having adequate ventilation space in the adjoining room or access to an outdoor wall.

Figure 2A. Ways to circulate more air³⁴



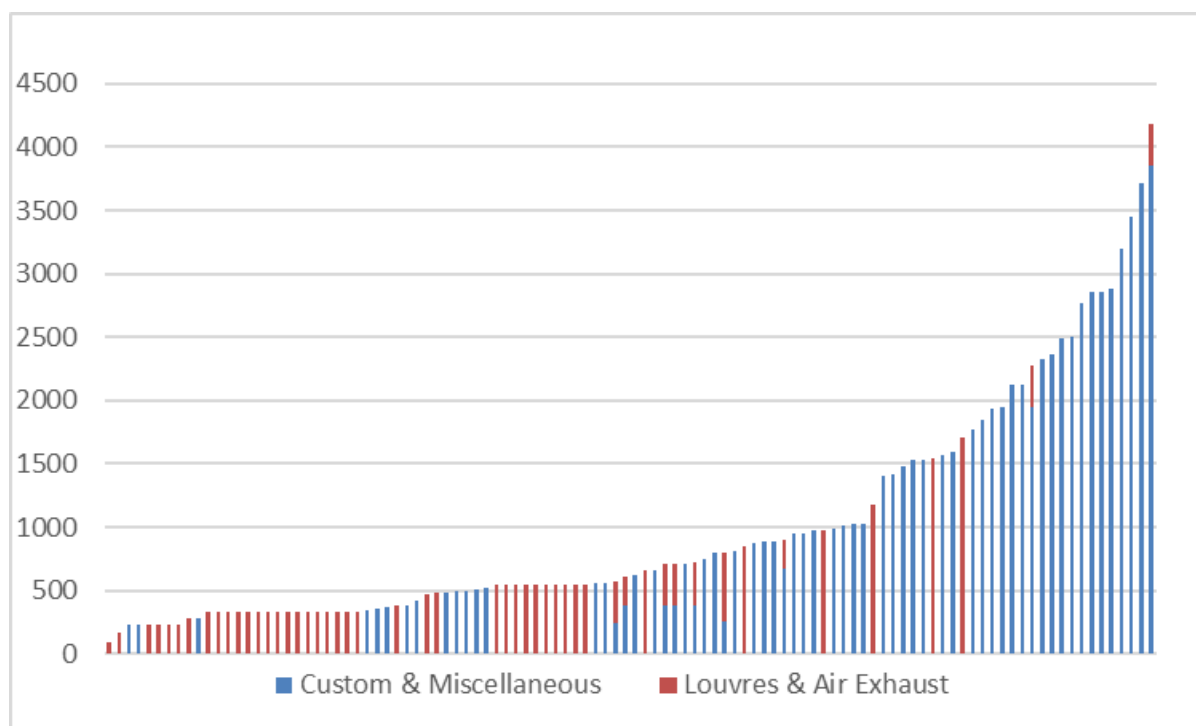
HPWHs, due to their slower recharge times, are typically upsized approximately 10-15 gallons compared to a gas water heater; these larger tanks, in addition to the integrated compressor, can lead to lack of physical space for the new HPWH if the existing location is a utility closet, a basement space with low ceilings, etc. Space reconfiguration or relocating the water heater can cause significant costs (average= \$1,287 and max= \$4,540), according to Palo Alto HPWH program data, as seen below in **Figure 3A**. Program data as illustrated in the **Figure 3A** bar chart shows that for individual projects, ventilation measures (red bars) were generally less expensive to add (<\$1,000) compared to space reconfiguration and carpentry measures (blue bars). Bars showing both red and blue

³³ Data provided by Palo Alto Utilities staff, September 2024. Note that the Palo Alto program is one of the few programs documenting detailed measures such as ventilation or carpentry measures, with hundreds of projects.

³⁴ <https://library.peninsulacleanenergy.com/m/c76176ab7d47195/original/Heat-Pump-Water-Heater-Space-and-Air-Guidance.pdf>

represent projects and costs that deployed both ventilation measures and space reconfiguration or carpentry measures.

Figure 3A. Palo Alto HPWH Program: Additional Space Constraint Costs (\$) for Space Reconfiguration, Carpentry, and Ventilation Measures³⁵



HPWH solutions for small spaces are emerging. Split-system HPWHs offer an unattached, outside condenser/heat pump (see **Figure 1A**) but there are fewer and less common market options.

³⁵ Data provided by Palo Alto Utilities staff, September 2024. Note that the Palo Alto program is one of the few programs documenting detailed measures with hundreds of projects.

Appendix B

References for Income Qualified Calculations

For 2025 values of 250 percent Federal Poverty Guidelines for each household size:

<https://aspe.hhs.gov/sites/default/files/documents/dd73d4f00d8a819d10b2fdb70d254f7b/detail-guidelines-2025.pdf>

For 2023 5-year American Community Service Tables:

B25009 - tenure by household size for owner and renter occupied homes - use owner occupied:

[https://data.census.gov/table/ACSDT5Y2023.B25009?g=050XX00US06001\\$1400000,06013\\$1400000,06041\\$1400000,06055\\$1400000,06075\\$1400000,06081\\$1400000,06085\\$1400000,06095\\$1400000,06097\\$1400000](https://data.census.gov/table/ACSDT5Y2023.B25009?g=050XX00US06001$1400000,06013$1400000,06041$1400000,06055$1400000,06075$1400000,06081$1400000,06085$1400000,06095$1400000,06097$1400000)

B25118 - number of households in different income bins for owner- and renter-occupied homes - used owner-occupied housing units: Tenure by Household Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars):

[https://data.census.gov/table/ACSDT5Y2023.B25118?q=California+Income+and+Poverty&t=Owner/Renter+\(Householder\)+Characteristics&g=050XX00US06001,06013,06041,06055,06075,06081,06085,06095,06097&y=2023](https://data.census.gov/table/ACSDT5Y2023.B25118?q=California+Income+and+Poverty&t=Owner/Renter+(Householder)+Characteristics&g=050XX00US06001,06013,06041,06055,06075,06081,06085,06095,06097&y=2023)

For Area Median Income (AMI) for each county and household size:

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2023.pdf>

Appendix C

Sources for Project Constraint Estimates

Program/ Source	Geographic Scope	Constraint	Prevalence
Palo Alto	Palo Alto	Space, electrical, drainage measures >\$1500 per project	15%
TECH / NBI 120V HPWH study	Statewide	Space constraint. (Note: program did not use any space ventilation measures e.g. louvered doors)	28%
UCLA <i>Quantifying the electric service panel capacities of California's residential buildings.</i>	Statewide	Electrical	3% SF, 10% MF
BayREN Home Energy Score Audits (included water heater location information)	Santa Clara Co.	Space: interior utility closets (some basements may also be constrained)	4% interior closet, 20% Basement

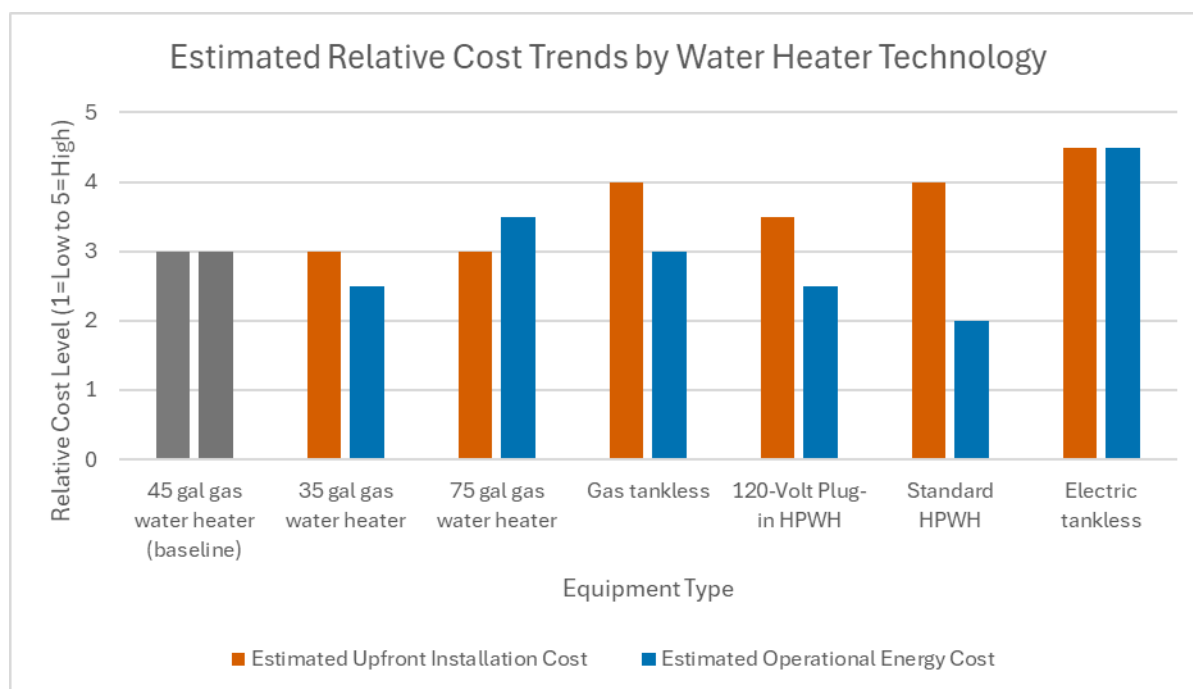
Appendix D

Average Estimated Upfront and Incremental Costs

The costs presented below are general estimations and are not meant to represent exact costs for any specific project or installation. Actual costs will vary based on site conditions, equipment size, and installation requirements.

Unit Type	Upfront Installation Cost	Long-Term Energy Cost
35-gal gas water heat	Moderate	Moderate-low
75-gal gas water heater	Moderate	Moderate-high
Gas tankless	Moderate-high	Moderate
120-volt Plug-in HPWH	Moderate-high	Moderate-low
Standard HPWH	Moderate-high	Low-moderate
Electric tankless	High	High

Figure 4A Illustrative Relative Costs Trends by Water Heater Technology³⁶



³⁶ Adapted from *ibid* 15; values are illustrative and reflect staff interpretation of available data



Staff Report – Item 6

Item 6: Silicon Valley Clean Energy Programs + Marketing: Mid-Year Highlights

From: Monica Padilla, CEO

Prepared by: Raul Hernandez, Marketing Manager
 Nupur Hiremath, Manager of Decarbonization Programs

Date: 8/12/2026

This item will be addressed in the form of a presentation to the Board of Directors covering selected mid-year highlights from programs and marketing initiatives.

ATTACHMENT

The presentation for this item is posted to the SVCE website.