

**Board of Directors Regular Meeting Agenda
March 28, 2024, 2:00 p.m.
City of Oceanside, Council Chamber
300 North Coast Hwy, Oceanside CA 92054**

Members of the public can observe the livestream of the meeting via Zoom by clicking:

<https://us06web.zoom.us/j/81376410530>

or telephonically by dialing:

(253) 215-8782

Meeting ID: 813 7641 0530

Members of the public can provide public comment in writing or orally in person as follows:

Written Comments: If you are unable to participate in person and you wish to make a comment, you may submit written comments prior to and during the meeting via email to: Secretary@thecleanenergyalliance.org. All written comments will be posted online and become part of the meeting record. To ensure announcement of receipt of your written comments during the meeting, please submit all written comments by 12:00 p.m. prior to the commencement of the meeting. Public comments received in writing will not be read aloud at the meeting.

Oral Comments: Members of the public can address the Board on items on the agenda at the time the item is being addressed or during Public Comments for topics that are not listed on the agenda. Speakers are limited to three (3) minutes each. In conformance with the Brown Act, no Board action can occur on items presented during Public Comment.

If you desire to speak during Public Comment, please fill out a speaker card and submit it to the Board Secretary. When you are called to speak, please come forward to the podium and state your name. To address the Board regarding an item on the agenda, please fill out a speaker card and submit it to the Board Secretary before the Board Chair announces the item.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

BOARD COMMENTS & ANNOUNCEMENTS

PUBLIC COMMENT

APPROVAL OF MINUTES

Minutes of the Regular Meeting held February 29, 2024

Presentations

Consent Calendar

Item 1: Clean Energy Alliance Treasurer’s Report for January 2024

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer’s Report for January 2024.

CEO Report

Item 2: Clean Energy Alliance Chief Executive Officer Operational Report

Staff Reports

Item 3: Feed-In Tariff Program

RECOMMENDATION:

Adopt a resolution approving the Feed-In Tariff Program.

Item 4: Regulatory Update

RECOMMENDATION:

Receive the Regulatory Update from Keyes & Fox.

Item 5: Solar Plus Program Website Portal

RECOMMENDATION:

Receive the demonstration of the City’s Solar Plus Program.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

NEXT MEETING: Regular Board Meeting April 25, 2024, City of Oceanside, 300 North Coast Highway, Oceanside, CA 92054

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 Secretary@thecleanenergyalliance.org prior to the meeting for assistance.

Clean Energy Alliance Board of Directors Regular Meeting Minutes
February 29, 2024, 2:00 p.m.
City of Oceanside, Council Chamber
300 North Coast Hwy, Oceanside CA 92054

CALL TO ORDER: Chair Druker called to order the Regular Meeting of the Clean Energy Alliance at 2:02 p.m.

ROLL CALL: Board Members: Garcia, Becker, Sanchez, Vice Chair Musgrove, Chair Druker.
Board Member Sanchez – Absent.
Board Member Melendez arrived at 2:05 p.m.
Board Member Bhat-Patel arrived at 2:08 p.m.
Alternate Board Member Joyce arrived at 2:40 p.m.

FLAG SALUTE: Board Member Garcia led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS: Chair Druker reported that on February 7, 2024, he attended a quarterly meeting with SDG&E, along with CEO Greg Wade and Vice Chair Melendez, that reviewed past year accomplishments, as well as new software that allows CEA staff to access data in order to respond to customer inquiries.

APPROVAL OF MINUTES:

Minutes of the Special Meeting held October 26, 2023
Minutes of the Regular Meeting held October 26, 2023
Minutes of the Adjourned Meeting held November 9, 2023
Minutes of the Regular Meeting held January 25, 2024

Motion by Board Member Becker, seconded by Board Member Musgrove, to approve the minutes as presented. Motion carried unanimously, 6/0/1 (Sanchez – Absent).

PRESENTATIONS: California Community Choice Association Presentation

CalCCA Chief Executive Officer Beth Vaughn presented an overview of CalCCA and their services.

PUBLIC COMMENT: None.

Consent Calendar

Item 1: Clean Energy Alliance Treasurer’s Report for December 2023

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer’s Report for December 2023.

Motion by Vice Chair Melendez, seconded by Board Member Musgrove, to approve Consent Calendar Item #1. Motion carried unanimously, 7/0.

Item 2: Receive Clean Energy Alliance Chief Executive Officer Operational Report

RECOMMENDATION:

Receive and file the Clean Energy Alliance Chief Executive Officer Operational Report.

Chair Druker pulled Item #2 for discussion.

CEO Greg Wade presented a PowerPoint presentation.

Motion by Board Member Musgrove, seconded by Board Member Becker, to approve Consent Calendar Item #2. Motion carried unanimously, 7/0.

New Business

Item 3: Receive Regulatory Update from Keyes & Fox

RECOMMENDATION:

Receive the Regulatory Update from Keyes & Fox.

Keyes and Fox Partner and CEA Regulatory Counsel Tim Lindl presented the update.

CEA Board received report.

Item 4: Amend JP Morgan Line of Credit

RECOMMENDATION:

Adopt the resolution to approve the amendment to the JP Morgan Line of Credit.

CEO Greg Wade and Interim Chief Financial Officer Andy Stern presented a PowerPoint presentation and provided background on the history and the future of CEA's financial health status.

Motion by Board Member Becker, seconded by Vice Chair Melendez, to adopt Resolution 2024-001. Motion carried unanimously, 7/0.

Item 5: Amend Community Advisory Committee 2024 Meeting Schedule

RECOMMENDATION:

Approve the amendment to the Community Advisory Committee 2024 Meeting Schedule.

Motion by Vice Chair Melendez, seconded by Board Member Becker, to amend the Community Advisory Committee 2024 Meeting Schedule. Motion carried unanimously, 7/0.

NEXT MEETING: Regular Board Meeting March 28, 2024, City of Oceanside, 300 North Coast Highway, Oceanside, CA 92054

ADJOURN: Chair Druker adjourned the meeting at 3:23 p.m.

Kaylin McCauley
Board Secretary/Administrative Assistant



Staff Report

DATE: March 28, 2024
TO: Clean Energy Alliance Board of Directors
FROM: Andy Stern, Interim Chief Financial Officer/Treasurer
ITEM 1: Clean Energy Alliance Treasurer's Report

RECOMMENDATION:

Receive and File Clean Energy Alliance (CEA) Interim Treasurer's Report for December 2023.

BACKGROUND AND DISCUSSION:

This report provides the Board with the following financial information through January 31, 2024:

- Statement of Financial Position (Unaudited and preliminary) – Reports assets, liabilities, and financial position of the CEA as of January 31, 2024.
- Statement of Revenues, Expenses and Changes in Net Position (Unaudited and preliminary) for the twelve months ended January 31, 2024.
- Budget to Actuals Comparison Schedule (Unaudited and preliminary) – Reports actual revenues and expenditures compared to the annual amended budget as of January 31, 2024.
- List of Payments Issued – Reports payments issued for January 2024.

As of January 31, 2024, liabilities represent invoices and estimated accruals for energy and services received but not yet paid. The noncurrent liabilities relate to debt with JPMorgan as well as amounts due to the member cities of Carlsbad, Del Mar and Solana Beach. CEA is currently making interest only payments on the debt from JPMorgan. The amounts due to the member agency were for start-up costs and services provided to CEA for the period December 2019 to June 2020. These invoices are scheduled to be paid three years from the time CEA is operational.

Submitted for Board consideration:

A handwritten signature in blue ink, appearing to read "Gregory Wade", is written over a horizontal line.

Gregory Wade
Chief Executive Officer

CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
As of January 31, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 8,941,606
Accounts receivable, net of allowance	13,121,365
Accrued revenue	7,298,071
Prepaid expenses	2,702,922
Deposits	<u>399,000</u>
Total current assets	32,462,964

Noncurrent assets

Restricted cash	207,000
Deposits	<u>771,376</u>
Total noncurrent assets	<u>978,376</u>
Total assets	<u>33,441,340</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	21,419,926
Accounts payable	483,492
Other accrued liabilities	348,173
Interest payable	57,609
Due to member agencies	<u>504,017</u>
Total current liabilities	<u>22,813,217</u>

Noncurrent liabilities

Security deposits - energy suppliers	496,150
Bank note payable	<u>4,950,000</u>
Total noncurrent liabilities	<u>5,446,150</u>
Total liabilities	<u>28,259,367</u>

NET POSITION

Unrestricted	<u>5,181,973</u>
Total net position	<u>\$ 5,181,973</u>

These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Seven Months ended January 31, 2024

OPERATING REVENUES	
Electricity sales, net	\$ 124,805,681
OPERATING EXPENSES	
Cost of electricity	109,594,507
Contract services	2,553,580
Other operating expenses	291,161
Total operating expenses	<u>112,439,248</u>
Operating income (loss)	<u>12,366,433</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	98,640
Interest expense	<u>(830,816)</u>
Nonoperating revenues (expenses), net	<u>(732,176)</u>
CHANGE IN NET POSITION	11,634,257
Net position at beginning of year	<u>(6,452,284)</u>
Net position at end of period	<u>\$ 5,181,973</u>

These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

BUDGET TO ACTUALS COMPARISON SCHEDULE

At its June 2023, board meeting, the CEA Board approved the Fiscal Year (FY) 2023/24 budget approving \$213,361,000 in total operating and nonoperating expenses. For the year-to-date, \$114,914,000 has been expended. Revenues from electricity sales for the year-to-date reached \$126,450,000. The overall change in available fund balance (ignoring loan proceeds) for the year-to-date was an increase of \$11,635,000.

The Budget to Actuals Comparison Schedules as of January 31, 2024, is shown on the next page.

CLEAN ENERGY ALLIANCE
BUDGETARY COMPARISON SCHEDULE
Seven Months ended January 31, 2024

	ANNUAL BUDGET	YEAR-TO- DATE ACTUAL	ANNUAL BUDGET REMAINING
Operating Revenues			
Energy Sales	\$ 230,915,000	126,449,525	\$ 104,465,475
Operating Expenses			
Power Supply	200,000,000	109,594,507	90,405,493
Data Manager / Call Center	2,500,000	1,159,550	1,340,450
Staffing/Consultants	3,000,000	297,487	2,702,513
Legal Services	467,500	217,811	249,689
Professional Services	1,448,885	770,627	678,258
Audit Services	10,000	23,421	(13,421)
Software & Licenses	15,000	25,838	(10,838)
Membership Dues	292,040	167,775	124,265
G&A (includes Bad Debt expense)	4,927,780	1,826,076	3,101,704
Total Operating Expenses	212,661,205	114,083,092	98,578,113
Operating Income (Loss)	18,253,795	12,366,433	5,887,362
Financing			
Interest Income	50,000	98,640	(48,640)
Interest Expense	(750,000)	(830,816)	80,816
Net Interest Income (Expense)	(700,000)	(732,176)	32,176
Change in Net Position	\$ 17,553,795	\$ 11,634,257	\$ 5,919,538

These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

LIST OF PAYMENTS ISSUED

The report on the following page provides the detail of payments issued by CEA for the month. All payments were within the approved budget.

PAYMENTS ISSUED DURING DECEMBER 2023

<u>Date</u>	<u>Type</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
12/28/2023	ACH/CHECK	Avanti Executive Suites	January 2024 -Rent	1,450.82
12/13/2023	ACH/CHECK	Braun Blaising Smith	October 2023 - Professional Services - General Matters and Joint	2,069.54
12/18/2023	ACH/CHECK	Brentech Incorporated	Annual Support Agreement Retainer	3,500.00
12/19/2023	ACH/CHECK	Brentech Incorporated	Computer supplies and software	11,375.96
12/19/2023	ACH/CHECK	California Choice Energy	November 2023 - RA	4,500.00
12/01/2023	Wire	California Public Utilities	August 2023 RA E-4195-0154	226,262.40
12/18/2023	Wire	California Public Utilities	September 2023 RA E-4195-0155	390,364.80
12/07/2023	ACH/CHECK	Calpine Energy Solutions	October 2023 Services	165,216.00
12/21/2023	Wire	Grade 6 Oil LLC	BILLING PERIOD - Nov 2023 RA	38,375.00
12/14/2023	ACH/CHECK	Hall Energy Law PC	October 2023 - Energy Procurement Counsel Services - Transaction	4,680.00
12/19/2023	ACH/CHECK	Keyes & Fox LLP	November 2023 - Professional Services	13,352.25
12/20/2023	Wire	LEAPFROG POWER, INC.	December 2023 RA	1,210.00
12/15/2023	ACH/CHECK	Lupa Affairs Llc	November 2023 - Professional Service	735.00
12/13/2023	ACH/CHECK	Maher Accountancy	December 2023 - Accounting, cash disbursements and related tasks	9,500.00
12/07/2023	ACH/CHECK	Neyenesch Printers	Printing/Mailing	1,640.24
12/18/2023	ACH/CHECK	Neyenesch Printers	Printing/Mailing	307.09
12/19/2023	ACH/CHECK	Neyenesch Printers	Printing/Mailing	5,223.19
12/27/2023	ACH/CHECK	Neyenesch Printers	Printing/Mailing	858.69
12/28/2023	ACH/CHECK	Pacific Energy Advisors, Inc	November 2023 - Technical Consulting Advisors	27,284.71
12/21/2023	Wire	Powerex	Transactions for the Period of December 2023	98,562.50
12/21/2023	Wire	Resi Station LLC	Proxy Demand Response CEA Nov2023	2,010.00
12/01/2023	ACH/CHECK	Richards, Watson &	Special Legal Counsel Services Provided Through October 2023	28,817.00
12/27/2023	ACH/CHECK	Richards, Watson &	Special Legal Counsel Services Provided Through November 2023	6,120.28
12/05/2023	ACH/CHECK	River City Bank CC	office supplies - CC charges	4.14
12/04/2023	Wire	SAAVI ENERGY SOLUTIONS,	Firm Resourre Adequacy - (March 2024) Prepayment	105,000.00
12/22/2023	ACH/CHECK	San Elijo Life	Banner Advertisement for a 12-month contract at \$100 per month.	100.00
12/20/2023	Wire	SDG&E (Procurement)	Nov-23 Resource Adequacy Sales (MCAM)	121,875.70
12/20/2023	Wire	SDG&E (Procurement)	Nov-23 Resource Adequacy Sales	108,765.00
12/20/2023	Wire	SDG&E (Procurement)	Nov 2023 REC Sales - LT Bundled & Unbundled	990,385.80
12/20/2023	Wire	SEMPRA	November 2023 - Capacity Purchases	517,400.00
12/15/2023	ACH/CHECK	State Compensation	1st payment for Worker's Comp	770.83
12/01/2023	ACH/CHECK	STERN, ANDREW	CFO SERVICES - For the period from Oct 22, 2023 - Nov 21, 2023	7,500.00
12/06/2023	ACH/CHECK	The Bayshore Consulting	November 2023 - CEO, Clerk Services & Reimbursable Expenses.	21,228.99
12/18/2023	Wire	THE ENERGY AUTHORITY	November 2023 - CAISO Weekly Settlement	120,963.75
12/22/2023	Wire	THE ENERGY AUTHORITY	December 2023 - CAISO Weekly Settlement	155,901.81
12/28/2023	ACH/CHECK	THE ENERGY AUTHORITY	November 2023 - Resource Management Monthly Fees	11,700.00
12/13/2023	ACH/CHECK	Tripepi, Smith &	November 2023 - Communications and Marketing Service	13,274.87
12/22/2023	ACH/CHECK	Tripepi, Smith &	December 2023 - Communications and Marketing Service	13,498.19
12/13/2023	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	388.00
12/13/2023	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	65.00
12/13/2023	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	331.84
12/18/2023	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	113.44
12/29/2023	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	1,056.26
12/18/2023	ACH/CHECK	Z NEMS	NEM Cash Out	29,589.82
Total for Operating Account				3,263,328.91
12/26/2023	Lockbox	Direct Energy	October 2023 - Power purchase Hedge	1,032,170.71
12/26/2023	Lockbox	Morgan Stanley Capital	November 2023 - Power Purchase	2,576,437.71
12/26/2023	Lockbox	Tecolote Wind LLC	November 2023 - Resource Adequacy Benefits	11,500.00
12/26/2023	Lockbox	Exelon Generation	October 2023 - Power Purchase	3,262,079.46
12/26/2023	Lockbox	Shell Oil North America	October 2023 - Energy purchase & November 2023 - RA SWAP	2,679,593.87
Total for Lockbox Account				9,561,781.75



Staff Report

DATE: March 28, 2024
TO: Clean Energy Alliance Board of Directors
FROM: Gregory Wade, Chief Executive Officer
ITEM 2: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report

RECOMMENDATION:

Receive and File Chief Executive Officer Operational and Administrative Report.

BACKGROUND AND DISCUSSION:

This report provides an update to the Clean Energy Alliance (CEA) Board regarding operational and administrative activity.

OPERATIONAL UPDATE

Oceanside & Vista April 2024 Enrollment

The City Councils of Oceanside and Vista have selected Clean Impact Plus, 75% Carbon Free, as the default power supply in which customers will be automatically enrolled. In addition, the City of Vista City Council approved enrolling all municipal accounts in CEA's Green Impact, 100% renewable power supply, in support of meeting its Climate Action Plan goals.

Enrollment mailers began hitting Oceanside and Vista mailboxes in early February in preparation for the automatic enrollments in April 2024. The February mailers will be the first of four mailers to be sent out. The schedule of mailers are as follows:

February 2024:	60-Day pre-enrollment mailer - Complete
March 2024:	30-Day pre-enrollment mailer – In Progress
March 2024:	Letter to NEM customers being enrolled in April 2024
May 2024:	30-Day post-enrollment welcome letter
June 2024:	60-Day post-enrollment mailer

With the February mailings, CEA has begun receiving calls and opt out requests from Oceanside and Vista residents and businesses.

The statistics as of February 29, 2024, are as follows:

City	# of Eligible Customers	# of Opt-Downs to 50% Renewable	# of Opt-Ups to 100% Renewable	# of Opt-Outs
Oceanside	60,362	9	6	512
Vista	32,980	2	2	213
TOTAL	93,342	11	8	725

CEA staff and Oceanside and Vista staff have been meeting regularly over the past several months to prepare a marketing and communications strategy for the April 2024 enrollment. This includes identifying community events to participate in, key community groups to reach out to, and key customers to contact. The goal of the marketing and communications strategy is to meet with affected residents and businesses to answer questions they may have about CEA, address concerns related to the enrollment, and to minimize opt-outs.

To provide opportunities for the communities to meet with CEA staff and have their questions answered, staff is planning to attend several in person community events.

CEA in the Community

CEA has been busy with its outreach efforts. Recent events that CEA participated in:

DATE	DESCRIPTION
February 24, 2024	North County NAACP, Youth Council Black History Brunch
March 6, 2024	Vista Chamber of Commerce, Velocity Podcast
March 7, 2024	MainStreet Oceanside, Sunset Market
March 8, 2024	Roosevelt Middle School Career Day
March 9, 2024	Vista Farmer's Market
March 9, 2024	Encinitas & North Coast Democratic Club
March 12, 2024	Vista Green Valley Mobile Home
March 18, 2024	Oak Tree Democratic Club
March 20, 2024	Vista Senior Center Lunch
March 20, 2024	Supervisor Desmond Virtual Town Hall
March 21, 2024	Oceanside Chamber of Commerce Meet the City Event

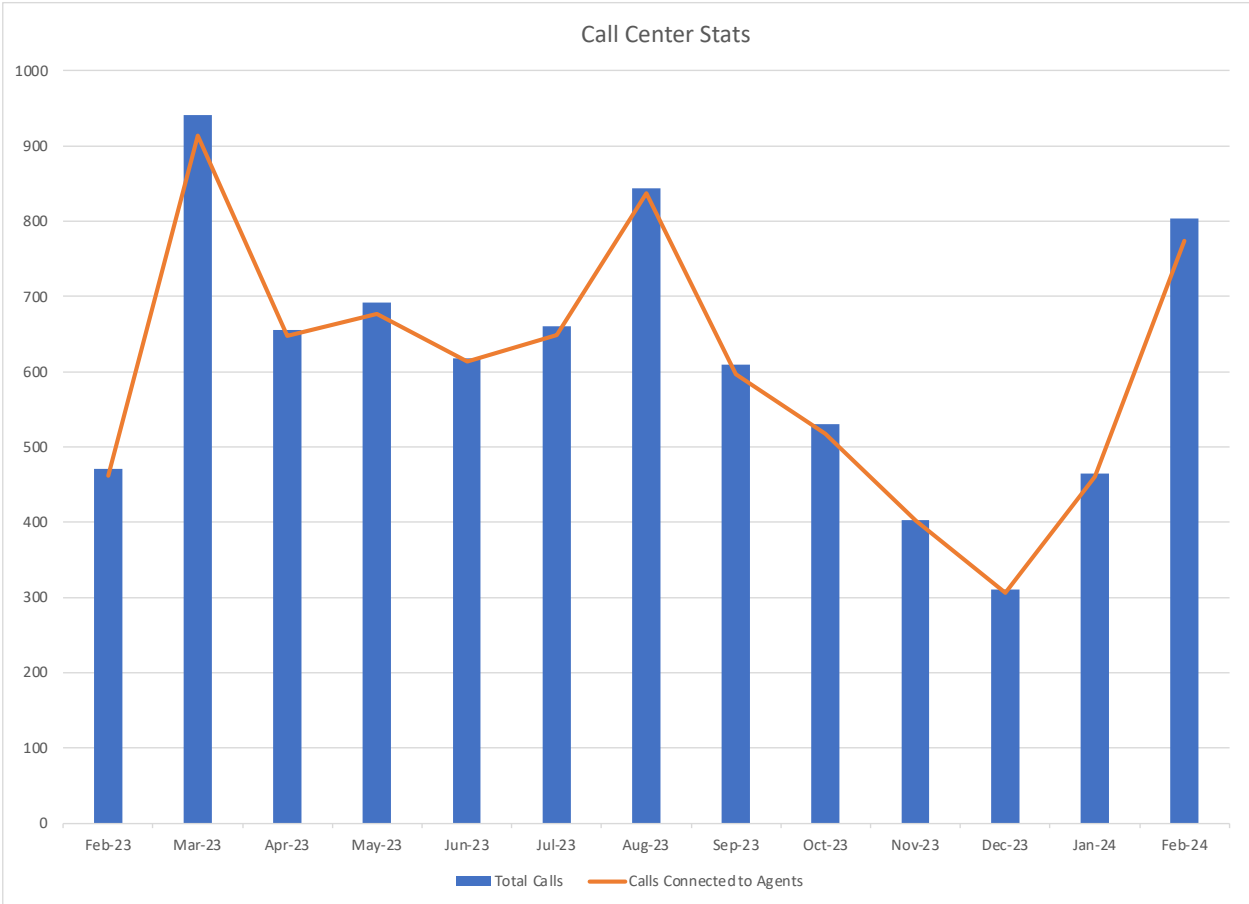
Upcoming events that CEA will be participating in:

DATE	DESCRIPTION
------	-------------

March 28, 2024	MainStreet Oceanside, Sunset Market
April 4, 2024	MainStreet Oceanside, Farmers Market
April 4, 2024	Vista Chamber of Commerce, Government Affairs Meeting
April 7, 2024	San Marcos Spring Fling
April 9, 2024	Vista Launch Reception & City Council Presentation
April 13, 2024	Vista Farmers Market
April 20, 2024	Vista – Earth Day at the Gardens - Alta Vista Botanical Garden
April 23, 2024	Sony Electronics, Earth Day Fair
April 27, 2024	Carlsbad Chamber Green Business Expo
May 2, 2024	Vista Business Breakfast
May 2, 2024	MainStreet Oceanside, Farmers Market
May 11, 2024	Vista Farmers Market
May 18, 2024	Ocean Hills Country Club, Senior Expo
May 19, 2024	Escondido Street Festival
May 26, 2024	Vista Strawberry Festival

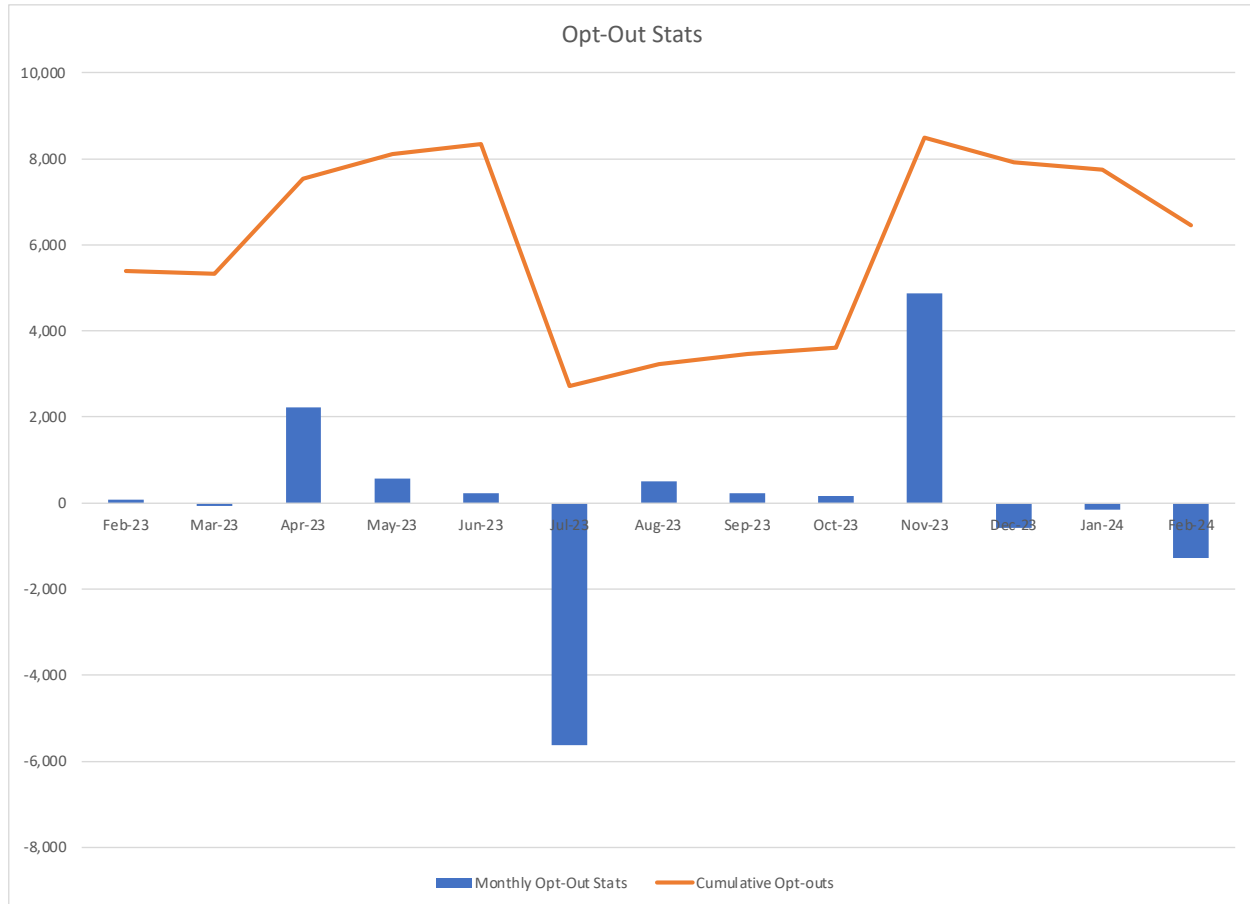
Call Center Activity and Participation Statistics

The charts on the following pages reflect customer activity through February 29, 2024.



Call volumes to CEA’s Call Center increased in February 2024 from January 2024, which is to be expected due to the enrollment of Oceanside and Vista. The most common call topics were related to General Information and Net Energy Metering (NEM).

The following chart reflects the monthly and cumulative opt-outs through February 29, 2024, for CEA:



CEA’s participation rate is approximately 95.9%, with a net increase of opt-ins of 1,282 in February, the third month in a row that the opt outs decreased.

The following chart reflects enrollments in CEA’s power supply products:

POWER SUPPLY PRODUCT	JANUARY 2024	FEBRUARY 2024	Net Change
Clean Impact – 50% Renewable	504	523	+19
Clean Impact Plus - 75% Carbon Free	149,299	150,480	+1,181
Green Impact – 100% Renewable	625	670	+45
TOTAL ACCOUNTS	150,428	151,673	1,245

The increase in total accounts is related to the enrollment of NEM customers in Escondido and San Marcos. These accounts are enrolled in the month of their annual true-up as opposed to being enrolled in April 2023, when non-NEM customers were enrolled.

Risk Oversight Committee

Pursuant to CEA’s Energy Risk Management Policy, the Risk Oversight Committee met on March 7, 2024. The Committee reviewed CEA’s recent procurement activity, current portfolio positions and future procurement targets, and portfolio market to market and counterparty exposure. The Committee confirmed that CEA is in compliance with its Energy Risk Management Policy. The next regular meeting of the Committee is scheduled for June 6, 2024.

Contracts \$50,000 - \$100,000 entered into by Chief Executive Officer

VENDOR	DESCRIPTION	AMOUNT
None		

FISCAL IMPACT:

There is no fiscal impact with this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

None.

Staff Report

DATE: March 28, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Greg Wade, Chief Executive Officer
Dan Peckham, Power Procurement Manager

ITEM 3: Consideration of Adoption of Resolution No. 2024-002 Approving a Feed-In Tariff (FIT) Program (Local Solar)

RECOMMENDATION:

Adopt Resolution No. 2024-002 approving a Feed-In Tariff (FIT) Program including a FIT schedule, application, and power purchase agreement (PPA).

BACKGROUND AND DISCUSSION:

A Feed-in Tariff is a “standard offer” power purchase program, which is typically implemented to incentivize and recognize the value of locally situated, small-scale renewable energy projects that are not necessarily price competitive with utility-scale alternatives (often developed in optimal resource areas with much larger project footprints). As part of its FIT program, the sponsoring utility or Community Choice Aggregator (CCA) clearly articulates eligibility requirements and key commercial terms and provides interested applicants with a non-modifiable power purchase agreement (PPA) that will be used to formalize any contractual relationship created through the FIT program.

As a standard offer program, key requirements are non-negotiable, including the energy purchase price offered, delivery term (which is typically ten years or longer), project size limitations, and the PPA itself. Any energy supply arranged through a FIT program will complement other wholesale renewable energy purchases secured by the program sponsor. Other benefits of a FIT program typically include support for local businesses, generalized local economic development benefits, local labor, increased utilization of local renewable energy resources and highly visible project development opportunities that can become centerpieces of marketing collateral and communication campaigns.

California’s investor-owned utilities, including San Diego Gas & Electric, and many CCAs have implemented FIT programs, creating project development opportunities for small-scale renewable energy projects. SDG&E’s FIT program, which is overseen by the California Public Utilities Commission (CPUC), was renamed the Renewable Market Adjusting Tariff (Re-MAT) and began accepting program applications on October 1, 2013. According to their [website](#), they have a program cap of 20.9 megawatts (MW) which is currently unsubscribed.

Marin Clean Energy's (MCE) Board approved the first California CCA FIT program in December 2010 (approximately seven months after MCE commenced CCA service), which has resulted in numerous new small-scale renewable projects (of 1 MW or less) within MCE's service territory, the first of which was placed under contract in 2012. They have since modified their program to a "FIT Plus" program that is available to projects between 1-5MW. To date, they have nearly 20MW of power being generated by 12 renewable energy projects built under these programs. Many other CCAs, including [San Diego Community Power](#), have FIT programs in place. SDCP's program is open to projects of less than 1MW, with a program cap of 6MW and time of use pricing (\$120/MWh at off-peak hours, \$60/MWh at peak hours). FIT programs typically offer price adders or other incentives based on their local procurement and community needs and can be modified and updated based on market conditions, organizational goals, or other factors.

If approved, CEA's FIT program – to be called "Local Solar" – will be based on the eligibility requirements and additional criteria outlined below. Staff recommend these criteria and requirements for CEA's FIT program – consistent with the previous Board approval to develop this program – and have reflected these considerations in the attached program materials. Staff will monitor the progress, interest in and success of the program and may recommend changes to the Board at future meetings as the needs of the program change.

Requirements:

- Only California Energy Commission-certified renewable generating resources may participate
- Projects must be new build
- Until amended by CEA's Board, the overall initial program cap shall be limited to 2 MW and no more than 4 projects
- Participating projects must be between 500kW - 1MW in size
- Projects must be located within CEA's service territory
- Renewable energy certificates produced by FIT projects will be transferred to and owned by CEA
- Interconnected to the electricity grid via SDG&E
- All FIT projects will deliver under a non-negotiable 20-year PPA
- The base FIT price shall be \$85/MWh
- All FIT projects must submit an Application with a deposit of \$500; a position in CEA's FIT queue will be established only upon acceptance of a sufficiently complete application

Additional criteria:

- Bonus Incentives shall be available, subject to pertinent eligibility criteria, for the following project attributes:
 - Project includes co-located battery storage (\$15/MWh bonus payable during the first five (5) years of delivery term; ratio of at least 0.5kW storage for 1kW of generating capacity)
- Queue position bonus (FIT queue priority given to projects)
 - Previously developed site (limiting environmental impact to undeveloped sites)
 - Development is consistent with CEA's [Inclusive & Sustainable Workforce Policy](#) (local business/local hires/local apprenticeship programs used, prevailing wages paid)
 - Project has a tendered Interconnection Agreement in place

FISCAL IMPACT:

Estimated incremental renewable energy cost of \$150,000 per year for 2MW initial FIT program limit, based on the difference between anticipated \$/MWh cost of FIT generation compared to alternative long-term renewable energy procurement options. Costs would likely not be incurred until FY2025/26 at the earliest.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

Attachment A - FIT Program Schedule
Attachment B - Application Form
Attachment C - PPA

FIT SCHEDULE Feed-In Tariff for Renewable Generation

- A. **APPLICABILITY.** Clean Energy Alliance (“CEA”) Feed-In Tariff (“FIT”) Schedule is available to qualifying Applicants who wish to sell renewable energy to CEA from an eligible small-scale renewable generating resource (“Eligible Resource”). CEA reserves the right to revise CEA FIT Schedule, the related FIT Application (“Application”) and the terms of the FIT Power Purchase Agreement (“FIT PPA”) from time to time. CEA is not obligated to enter into a FIT PPA with any Applicant, and CEA has no binding obligation under or in connection with this Schedule CEA FIT until a related FIT PPA is duly executed by and between an Applicant and CEA for an Eligible Resource. Moreover, applicants are expected to review CEA’s [Inclusive and Sustainable Workforce Policy](#) to ensure compliance.
- B. **ELIGIBILITY CRITERIA.** An Eligible Resource must meet the following criteria:
- a. **New Resource.** The Eligible Resource must be new, meaning that the Eligible Resource must not have produced or delivered electric energy prior to the date on which its Application is received by CEA.
 - b. **Small-Scale.** The nameplate generating capacity of any Eligible Resource must be at least 500 kilowatts (kW) and smaller than 1 MW (megawatt), alternating current.
 - c. **Project Location.** The Eligible Resource must be physically interconnected and located entirely within CEA’s territory.
 - d. **RPS Eligibility.** For purposes of this Schedule CEA FIT, an Eligible Resource must qualify and be certified by the California Energy Commission (“CEC”) as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in California Public Utilities Code Section 399.12 or Section 399.16, and as described in the most current edition of the CEC’s Renewables Portfolio Standard (“RPS”) Eligibility Guidebook (“Guidebook”), as may be amended or supplemented from time to time. The Eligible Resource must use a fuel source permitted under California’s current RPS program, as further described in the Guidebook, including but not limited to the following (it may include non-GHG-emitting energy storage in a hybrid facility arrangement): Biomass, Biodiesel, fuel cells using renewable fuels, digester gas, landfill gas, municipal solid waste, ocean wave, ocean thermal, tidal current, solar photovoltaic, small hydroelectric, solar thermal, wind, and geothermal.
 - e. **Interconnection.** An Eligible Resource must pursue and secure interconnection using the appropriate distribution-level interconnection process administered by San Diego Gas & Electric Company (“SDG&E”). Electrical interconnection of the Eligible Resource, including execution of all applicable agreements and payment of all applicable costs, shall be the sole responsibility of the FIT applicant and shall be completed consistent with interconnection requirements specified by SDG&E and/or the California Independent System Operator (“CAISO”), as appropriate. Any resources not meeting the requirements specified in the applicable interconnection procedures of the incumbent distribution utility will not be eligible for service under this CEA FIT Schedule.

- f. Permits. The FIT applicant must obtain all necessary permits from appropriate jurisdictional agencies and shall maintain such permits, as may be required, for the duration of the FIT PPA.
 - g. Bundled Product. The product sold by an Eligible Resource and purchased by CEA shall include all electric energy, net of station service, environmental attributes (including related Renewable Energy Certificates, or “RECs”, which shall be transferred to CEA using the Western Renewable Energy Generation Information System, or “WREGIS”) and capacity. For the sake of clarity, environmental attributes shall include all emission reduction benefits associated with the generation of renewable electricity by the Eligible Resource as well as other attributes. Participating Applicants will need to register with WREGIS and transfer all RECs to CEA’s designated WREGIS account.
 - h. Environment Attributes. An Eligible Resource accepting service under this Schedule CEA FIT will deliver to CEA both the electric energy generated and any environmental attributes (associated with such electric energy) produced by the Eligible Resource.
 - i. FIT Power Purchase Agreement. All Eligible Resources shall execute CEA’s FIT PPA, which is a standard, non-negotiable, long-term contract created for the purpose of addressing CEA power purchases from an Eligible Resource. CEA’s FIT PPA can be accessed on CEA’s website.
- C. TERM OF FIT PPA. Each FIT PPA shall have a delivery term of twenty (20) years beginning from the Commercial Operation Date (the “Delivery Term”).
- D. FIT PPA BASE PRICE. The base energy price for all FIT PPAs shall be \$85/MWh (\$0.085/kWh), subject to the application of Bonus Incentives as further described below.
- E. BONUS INCENTIVES – PRICING AND SELECTION INCENTIVES. CEA may adjust FIT pricing or selection evaluation for certain Eligible Resources meeting the criteria described below (“Bonus Incentives”). Bonus Incentives shall be paid during the first five (5) years of each FIT PPA. After the first five contract years, the price will revert to the base price set in Section D. Details regarding the documentation required to establish Bonus Incentive eligibility are outlined in the Application. Applicants shall be notified of Bonus Incentive eligibility prior to FIT PPA execution. Current Bonus Incentives are described below.
- a. Co-located with battery storage (ratio of at least 0.5kW storage for 1kW of generating capacity): \$15/MWh (\$0.015/kWh)
- F. FIT PAYMENTS. Payments will be made monthly by CEA to the applicant for each Eligible Resource based on metered electric deliveries. Meter readings, net of station service, delivered by SDG&E will be used for payment determination as described in the FIT PPA.
- G. FIT CAPACITY LIMIT. CEA’s FIT has a capacity limit of two (2) megawatts and no more than four (4) projects. The program will continue until there is no remaining capacity or until CEA decides, at its sole discretion, to discontinue or suspend the program. CEA’s Governing Board reserves the right to adjust the noted FIT Capacity Limit at its sole discretion and without advance notice.

- H. FORECASTING REQUIREMENTS. Generation forecasts will be required at the time of Application submittal and shall be updated (as needed) during construction and throughout the Delivery Term. Underperformance of an Eligible Resource, relative to forecast, may be grounds for financial penalties and/or FIT PPA termination.
- I. PENALTIES. In any year of the Delivery Term, if the Eligible Resource over-generates in excess of 115% of contracted output, payments for such excess will be made at 50% of the base energy price applicable at the time of FIT PPA execution, subject to other pertinent limitations reflected in the FIT PPA. System underperformance that results in less than 80% of contracted output being delivered over a consecutive two-year period shall be grounds for FIT PPA renegotiation.
- J. FIT APPLICATION FEE. There is a non-refundable application fee of \$500 due at the time of Application submittal.
- K. DEVELOPMENT SECURITY DEPOSIT. A Development Security Deposit of \$10 per kilowatt (kW) of Proposed Generator Capacity is due at the time of FIT PPA execution. The Development Security Deposit is retained in full amount by CEA in the event the Project does not achieve Commercial Operation by the Commercial Operation Date. CEA shall return the Development Security Deposit to Seller once the Project achieves Commercial Operation by crediting the full amount of the Development Security Deposit on the first payment.
- L. PERFORMANCE SECURITY DEPOSIT. A Performance Security Deposit of \$10 per kilowatt (kW) of Proposed Generator Capacity is due at the Commercial Operation Date. The Performance Security Deposit is retained in full amount by CEA for the Term of the Power Purchase Agreement. CEA shall return the Performance Security Deposit to Seller once the Term is completed by crediting the full amount of the Reservation Deposit on the last payment.
- M. FIT APPLICATION. CEA requires the sponsor of any Eligible Resource to complete and submit the currently effective Application, which can be viewed on the CEA website. Any informational deficiencies or inaccuracies within a submitted Application may result in the rejection of such Application. Any determinations regarding the sufficiency, accuracy or completeness of a submitted Application will be made at CEA's sole discretion.
- N. CURE PERIOD. CEA will review an Application following its receipt. Based on CEA's review, a FIT applicant may be provided with an opportunity to correct/address certain minor errors and/or deficiencies, as solely determined by CEA, in an Application. If such opportunity is provided, the applicant will be informed by CEA of noted errors and/or deficiencies and will be afforded a ten-day cure period to correct such deficiencies (the "cure period"). The ten-day cure period shall commence following CEA's communication of such errors and/or deficiencies to the FIT applicant. The FIT applicant will retain its place in the queue during such cure period. If the applicant fails to correct noted errors and/or deficiencies within the ten-day cure period, the FIT applicants place in the FIT queue will be forfeited.
- O. FIT APPLICATION – TIMELINE Interconnection process must be initiated and application for applicable permits must be submitted at the time of (or prior to) submittal of an Application to CEA.

- P. FIT APPLICATION – QUEUE. All Applications will be reviewed on a first come-first served basis. A FIT queue position shall only be established after CEA, at its sole discretion, deems the related FIT Application to be complete and accepted. Until such notification is provided by CEA to a FIT Applicant, no queue position shall be established. Failure of a project sponsor to achieve any of the milestones reflected in an Application will be grounds for removal of the project from CEA’s FIT queue or relocation to the end of the queue. At CEA’s sole discretion, projects may be positioned or repositioned higher in the queue for achieving one or more of the following bonus criteria:
- a. Criteria: Queue Position Bonus
 - i. Previously developed site – project is developed on a previously developed site.
 - ii. Local business/local hire – project applicant is a local business and/or intends to use a local workforce.
 - iii. Training – project will use local apprenticeship program hires.
 - iv. Prevailing wage – project contractors and subcontractors will pay at least prevailing rate of wages, as defined in Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the California Labor Code
 - v. Timeline – project’s interconnection supplemental review is complete (i.e., a tendered Interconnection Agreement is in place)
- Q. PARTICIPATION IN OTHER CEA PROGRAMS. An Eligible Resource taking service under this Schedule CEA FIT may not also obtain benefits from any of the following: 1) another power purchase agreement with CEA for deliveries from the same Eligible Resource; or 2) any Net Energy Metering (“NEM”) option for energy deliveries from the same Eligible Resource.
- R. CEA APPROVAL. The CEA CEO or their designee must execute every FIT PPA before it is in effect.
- S. OTHER FIT PROGRAM DETAILS. A unique FIT Applicant may submit no more than one Application per calendar month.



Note: Each project must be submitted as a separate Application. No more than one Application can be submitted each month from an Applicant.

Guidance for completing the Application form

- Review the CEA FIT Schedule and PPA on CEA's website to understand program requirements and eligibility prior to submitting an application.
- All sheets in this Application must be completed. If any question is answered with N/A, please provide an explanation of why it does not apply to your project.
- Cells highlighted in yellow must be completed. Please provide complete information for each field.
- Do not paste any responses into the yellow cells. Use the dropdown list when requested, otherwise type in your response directly into the yellow cells.

Process for submitting an Application

- Questions and completed applications - including supplemental documents required on the Development Checklist - should be submitted via email to: dpeckham@theleanenergyalliance.org with the subject line "CEA Feed-in Tariff Application - [Project Name]"
- Information received by CEA in conjunction with this application is considered public information.
- CEA has the right to reject any application

Application receipt and FIT queue

- Upon receipt, CEA will review the application for completeness and will notify the applicant of any minor errors or deficiencies.
- Applicants will be offered an opportunity to correct errors during a ten-day cure period, which will start with the Applicant's notification of these deficiencies. Following this cure period, incomplete applications will be rejected with no further processing.
- The Development Checklist (final tab of this document) outlines the initial documents required with submittal of the Application to reserve a FIT queue position, as well as additional documents that will be required prior to executing the FIT PPA
- CEA will send email confirmation to the applicant following receipt of any requisite FIT materials, including items listed in the Development Checklist.
- CEA staff will respond to an applicant once an application is deemed complete to assign the project a FIT Record #, queue position, and FIT rate. **Queue position may change based on bonus criteria eligibility, as noted in the FIT Schedule.**
- The applicant is encouraged to coordinate with CEA regarding the completion status of any item on the Development Checklist. Submit documents via email as such documents become available, referencing the applicant's assigned FIT record # and project name.
- CEA staff will review and confirm with each Applicant eligibility for all bonus criteria (storage bonus rate & queue position bonuses)
- To remain eligible for the noted FIT price, documented completion of all remaining items on the Development Checklist (items 8-15) must be provided to and accepted by CEA no later than the anticipated completion dates provided by the Applicant with its submittal.
- Projects in good standing are eligible to receive a one time, twelve month extension provided the new Interconnection Agreement target date is within 12 months.
- Projects that exceed their allocation period, may be re-submitted through the standard FIT application process at the then applicable price.

Generator Interconnection (SDG&E)

SDG&E and CEA work in partnership to provide a broad range of services for their customers, and as the organization responsible for distribution system planning, maintenance and safety, SDG&E will be your primary point of contact for all matters related to generator interconnection. FIT applicants will work directly with SDG&E during the generator interconnection process. Following successful project interconnection, CEA will contract with eligible FIT generators for all electricity and environmental attributes produced by the project. For matters related to generator interconnection, all questions should be directed to SDG&E. Applicants may also access the following website for additional information regarding SDG&E's generator interconnection process: <https://www.sdge.com/more-information/customer-generator-interconnection>

To be filled out by CEA staff

FIT Record #	
Application completion date	
Confirmed COD	
FIT Rate	

1. Applicant Information and Contact Information

INPUTS SHOULD BE PROVIDED IN YELLOW CELLS

Applicant Information:			
Counterparty/Legal Entity Name:			
Street Address:			
City:	State	Zip Code	
Website:			
Authorized Contact # 1:		Authorized Contact # 2 (optional):	
First Name:		First Name:	
Last Name:		Last Name:	
Title:		Title:	
Phone 1:		Phone 1:	
Phone 2:		Phone 2:	
Email Address:		Email Address:	

Applicant Authorization and Attestation	
By selecting "Yes", the signatory confirms that he/she is "a duly authorized representative of Applicant" AND that he/she attests, on behalf of Applicant, that all information provided in this Application is true and correct to the best of Applicant's knowledge as of the date such information is provided.	
Participant Authorization and Attestation	YES
Electronic Signature	
Title	
Putting a "Yes" here certifies that typed name acts as your electronic signature	

Applicant Acknowledgement: Review, Understanding & Agreement to FIT Terms, Process, Etc.	
By selecting "Yes", the signatory acknowledges that he/she has read, understands and agrees to the process, guidelines and informational requirements, and PPA Terms & Conditions, including pertinent credit expectations, described in the CEA FIT Schedule and PPA.	
Participant Acknowledgement	YES
Electronic Signature	
Title	
Putting a "Yes" here certifies that typed name acts as your electronic signature	

3. Project Information

INPUTS SHOULD BE PROVIDED IN YELLOW CELLS

Energy Facility Information (must be located within CEA's service territory):	
Legal Entity Name:	
Project Address:	
City:	State: Zip Code:
Is there CEA service at this address?	
SDG&E Account Number:	
Renewable Energy Source:	
Renewable Energy Source Other:	
Commercial Operation Date:	
Project Pre-Parallel Testing Date:	
Project Type:	
Nameplate Capacity at Point of Delivery (kW AC):	
Expected Annual Generation (MWh):	
Type of Site Control:	
Type of Site Control if "Other":	
Additional Information for Projects with Storage	
Storage Technology Type:	
Storage Technology Type if "Other":	
Storage System Capacity at Delivery Point (kW):	
Storage System Duration (h):	

Energy Facility Developer Information (Leave blank if development will be done by Applicant):	
Developer Name:	
Street Address:	
City:	State: Zip Code:

Owners of Energy Facility Entity:		
Name	Ownership	Website URL
	100.0%	
	0.0%	
	0.0%	
	0.0%	
	0.0%	
	100.0%	

Total must not exceed 100%

4. Project Narrative Responses

INPUTS SHOULD BE PROVIDED IN YELLOW CELLS

Question	Category	Question	Answer
1	Permitting	Briefly describe any project-specific discussions with local planning authorities (identify applicable permitting requirements, related timelines, known environmental considerations/concerns, etc.); also identify pertinent points of contact, job titles and contact information):	
2	Interconnection	Briefly describe your progress and timeline for completing SDG&E's Generator Interconnection Process:	
3	Financial Plan & Qualifications	Briefly describe your intended financing plan for the referenced generator (identify prospective partners and intended share of ownership structure of the company, including identification of all	
4	Financial Plan & Qualifications	If applicant is a company rather than an individual, briefly describe the ownership structure of the company, including identification of all	
5	Financial Plan & Qualifications	Briefly describe the experience and qualifications of your team in developing and operating electric generating assets, including specific experience of the principal(s) who will be leading this development	
6	Bonus Criteria	Does the project qualify for the co-located battery storage pricing bonus?	
7	Bonus Criteria	Is the project located on a previously developed site? Please describe:	
8	Bonus Criteria	Local business/local hire - is the project applicant a local business and/or intends to use a local workforce? Please describe:	
9	Bonus Criteria	Training - will the project use local apprenticeship program hires? Please describe:	
10	Bonus Criteria	Prevailing wage - will project contractors and subcontractors will pay at least prevailing rate of wages, as defined in Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the California Labor Code?	
11	Bonus Criteria	Project timeline - is the project's interconnection supplemental review is complete (i.e., a tendered Interconnection Agreement is in place)?	

5. Development Checklist

INPUTS SHOULD BE PROVIDED IN YELLOW CELLS

Following the completion and CEA receipt of initial submission requirements documents, the applicant will be placed in the CEA FIT queue (subject to CEA review and confirmation of completion). Please include expected dates of completion for items 7-13.

NOTE: Documented completion of Development Checklist items 1-6 will qualify the applicant for a FIT capacity allocation (at the currently applicable price, as determined in consideration of total installed FIT projects and capacity allocations).

Initial submission requirements - documents to be attached with Application submittal

1		
2	Signed Feed-In Tariff Application (this document)	
3	SDG&E Generating Facility Interconnection Application and SDG&E notice of complete application <i>NOTE: In order to maintain a position in the CEA FIT queue, a project must maintain the active status of its interconnection application. A project that withdraws its interconnection application for any reason will forfeit its CEA FIT queue position and must re-submit this Application in consideration of the prevailing FIT price in place at the time of resubmittal.</i>	Evidence of site control
4	Summary of any issues raised in the pre-planning meeting with SDG&E regarding interconnection	
5	Copy of application for RPS certification (CEC) and assigned pre-certification number, if applicable	
6	Evidence of environmental compliance review / notice of determination receipt	

Additional documents required - include expected dates and provide to CEA as each is completed and available

	Date expected	Date completed
7	Evidence of Use Permit and all applicable permits	
8	Interconnection Agreement (executed by SDG&E and developer)	
9	Proof of WREGIS generator registration	
10	Qualified Reporting Entity Agreement	
11	Proof of WREGIS account holder registration	
12	Execution of standby service agreement with SDG&E, as necessary	
13	Signed FIT PPA (by Seller)	

FIT
RENEWABLE POWER PURCHASE AGREEMENT
COVER SHEET

Seller: [Entity name, state of formation, type of entity]

Buyer: Clean Energy Alliance, a California joint powers authority

Description of Facility: A ___ kW renewable energy generating facility project[, which includes a ___kW/___kWh battery energy storage facility,] located in _____ County, California.

Milestones:

Milestone	Date for Completion
Evidence of Site Control	
Documentation of Conditional Use Permit if required: [] CEQA, [] Cat Ex, [] Neg Dec, [] Mitigated Neg Dec, [] EIR	
Seller's receipt of Phase I and Phase II Interconnection study results for Seller's Interconnection Facilities	
Executed Interconnection Agreement	
Financial Close	
Expected Construction Start Date	
Initial Synchronization	
Interconnection Upgrades completed	
Expected Commercial Operation Date	

Delivery Term: The period for Product delivery will be for twenty (20) Contract Years.

Expected Energy:

Contract Year	Expected Energy (MWh)
1	
2	
3	
4	
5	
6	
7	
8	

9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

Guaranteed Capacity: ___ kW

Storage Contract Capacity: ___ kW¹

Contract Price:

The Renewable Rate shall be:

Contract Year	Renewable Rate
1 – 20	\$85/MWh (flat) with no escalation

The Storage Bonus² shall be:

Contract Year	Storage Bonus
1 – 5	\$15/MWh

Product:

- Energy
- Green Attributes (Portfolio Content Category 1)
- Storage Capacity³
- Capacity Attributes

Development Security and Performance Security

Development Security: \$10/kW of Guaranteed Capacity

Performance Security: \$10/kW of Guaranteed Capacity

¹ Applicable if the Facility includes a Storage Facility. The Storage Contract Capacity must be at least 0.5 kW storage for each 1kW of Guaranteed Capacity.

² Applicable if the Facility includes a Storage Facility.

³ Applicable if the Facility includes a Storage Facility.

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS.....	1
1.1 CONTRACT DEFINITIONS.	1
1.2 RULES OF INTERPRETATION.	16
ARTICLE 2 TERM; CONDITIONS PRECEDENT	17
2.1 CONTRACT TERM.....	17
2.2 CONDITIONS PRECEDENT.....	17
2.3 DEVELOPMENT; CONSTRUCTION; PROGRESS REPORTS	18
2.4 REMEDIAL ACTION PLAN	18
2.5 WORKFORCE REQUIREMENTS	18
ARTICLE 3 PURCHASE AND SALE	19
3.1 SALE OF PRODUCT	19
3.2 SALE OF GREEN ATTRIBUTES	19
3.3 RESERVED.....	19
3.4 OWNERSHIP OF RENEWABLE ENERGY INCENTIVES	19
3.5 FUTURE ENVIRONMENTAL ATTRIBUTES	19
3.6 TEST ENERGY	20
3.7 CAPACITY ATTRIBUTES.....	20
3.8 CEC CERTIFICATION AND VERIFICATION.	20
3.9 NON-MODIFIABLE STANDARD TERMS AND CONDITIONS.	20
3.10 CHANGE IN LAW.....	21
ARTICLE 4 OBLIGATIONS AND DELIVERIES	22
4.1 DELIVERY.	22
4.2 TITLE AND RISK OF LOSS.....	23
4.3 FORECASTING	23
4.4 REDUCTION IN DELIVERY OBLIGATION.	23
4.5 GUARANTEED ENERGY PRODUCTION.....	24
4.6 WREGIS.....	24
4.7 FINANCIAL STATEMENTS.....	25
4.8 CHARGING ENERGY MANAGEMENT	25
4.9 STORAGE CAPACITY TESTS.	26
ARTICLE 5 TAXES.....	26
5.1 ALLOCATION OF TAXES AND CHARGES.	26
5.2 COOPERATION.....	27
ARTICLE 6 MAINTENANCE OF THE FACILITY	27
6.1 MAINTENANCE OF THE FACILITY.	27
6.2 MAINTENANCE OF HEALTH AND SAFETY.....	27
ARTICLE 7 METERING	27
7.1 METERING.....	27
7.2 METER VERIFICATION.	28
ARTICLE 8 INVOICING AND PAYMENT; CREDIT	28
8.1 INVOICING.....	28

8.2	PAYMENT.....	28
8.3	BOOKS AND RECORDS.	28
8.4	PAYMENT ADJUSTMENTS; BILLING ERRORS.	29
8.5	BILLING DISPUTES.	29
8.6	NETTING OF PAYMENTS.....	29
8.7	SELLER’S DEVELOPMENT SECURITY.	29
8.8	SELLER’S PERFORMANCE SECURITY.	30
8.9	FIRST PRIORITY SECURITY INTEREST IN CASH OR CASH EQUIVALENT COLLATERAL.....	30
ARTICLE 9 NOTICES.....		31
9.1	ADDRESSES FOR THE DELIVERY OF NOTICES.....	31
9.2	ACCEPTABLE MEANS OF DELIVERING NOTICE.	31
ARTICLE 10 FORCE MAJEURE		31
10.1	DEFINITION.	31
10.2	NO LIABILITY IF A FORCE MAJEURE EVENT OCCURS.....	32
10.3	NOTICE FOR FORCE MAJEURE.	32
10.4	TERMINATION FOLLOWING FORCE MAJEURE EVENT	33
ARTICLE 11 DEFAULTS; REMEDIES; TERMINATION		33
11.1	EVENTS OF DEFAULT.....	33
11.2	REMEDIES; DECLARATION OF EARLY TERMINATION DATE.....	35
11.3	TERMINATION PAYMENT.....	36
11.4	NOTICE OF PAYMENT OF TERMINATION PAYMENT.....	36
11.5	DISPUTES WITH RESPECT TO TERMINATION PAYMENT.....	36
11.6	RIGHTS AND REMEDIES ARE CUMULATIVE	36
ARTICLE 12 LIMITATION OF LIABILITY AND EXCLUSION OF WARRANTIES.....		37
12.1	NO CONSEQUENTIAL DAMAGES.....	37
12.2	WAIVER AND EXCLUSION OF OTHER DAMAGES.....	37
ARTICLE 13 REPRESENTATIONS AND WARRANTIES; AUTHORITY.....		37
13.1	SELLER’S REPRESENTATIONS AND WARRANTIES.....	37
13.2	BUYER’S REPRESENTATIONS AND WARRANTIES.....	38
13.3	GENERAL COVENANTS	39
ARTICLE 14 ASSIGNMENT		40
14.1	GENERAL PROHIBITION ON ASSIGNMENTS.....	40
14.2	COLLATERAL ASSIGNMENT.....	40
14.3	PERMITTED ASSIGNMENT BY SELLER	42
ARTICLE 15 DISPUTE RESOLUTION		42
15.1	VENUE.	42
15.2	DISPUTE RESOLUTION.	42
15.3	ATTORNEYS’ FEES.....	43
ARTICLE 16 INDEMNIFICATION.....		43
16.1	INDEMNIFICATION.	43
16.2	CLAIMS.	43
ARTICLE 17 INSURANCE.....		44

17.1	INSURANCE	44
ARTICLE 18 CONFIDENTIAL INFORMATION.....		45
18.1	DEFINITION OF CONFIDENTIAL INFORMATION	45
18.2	DUTY TO MAINTAIN CONFIDENTIALITY.....	46
18.3	IRREPARABLE INJURY; REMEDIES.	46
18.4	DISCLOSURE TO LENDERS, ETC.....	46
18.5	PRESS RELEASES.....	46
ARTICLE 19 MISCELLANEOUS		47
19.1	ENTIRE AGREEMENT; INTEGRATION; EXHIBITS.	47
19.2	AMENDMENTS.....	47
19.3	NO WAIVER	47
19.4	NO AGENCY, PARTNERSHIP, JOINT VENTURE OR LEASE	47
19.5	SEVERABILITY.	47
19.6	MOBILE-SIERRA.....	47
19.7	COUNTERPARTS.	48
19.8	ELECTRONIC DELIVERY.....	48
19.9	BINDING EFFECT.....	48
19.10	NO RECOURSE.....	48
19.11	CHANGE IN ELECTRIC MARKET DESIGN.....	48
19.12	FORWARD CONTRACT.....	48
19.13	FURTHER ASSURANCES.....	49

Exhibits:

Exhibit A	Facility Description
Exhibit B	Facility Construction and Commercial Operation
Exhibit C	Compensation
Exhibit D	Reserved
Exhibit E	Progress Reporting Form
Exhibit F-1	Form of Average Expected Energy Report
Exhibit F-2	Form of Monthly Available Capacity Report
Exhibit G	Guaranteed Energy Production Damages Calculation
Exhibit H	Form of Commercial Operation Date Certificate
Exhibit I-1	Form of Installed PV Capacity Certificate
Exhibit I-2	Form of Installed Battery Capacity Certificate
Exhibit J	Form of Construction Start Date Certificate
Exhibit K	Form of Letter of Credit
Exhibit L	[Reserved]
Exhibit M	Workforce Requirements
Exhibit N	Notices
Exhibit O	[Reserved]
Exhibit P	[Reserved]
Exhibit Q	Storage Availability ⁴
Exhibit R	Storage Capacity Tests ⁵
Exhibit S	Operating Restrictions ⁶
Exhibit T	Metering Diagram

⁴ Applicable if the Facility includes a Storage Facility.

⁵ Applicable if the Facility includes a Storage Facility.

⁶ Applicable if the Facility includes a Storage Facility.

FIT RENEWABLE POWER PURCHASE AGREEMENT

This FIT Renewable Power Purchase Agreement (this “**Agreement**”) is entered into as of the last dated signature on the signature page hereto (the “**Effective Date**”), between Buyer and Seller. Buyer and Seller are sometimes referred to herein individually as a “**Party**” and jointly as the “**Parties**.” All capitalized terms used in this Agreement are used with the meanings ascribed to them in Article 1 to this Agreement.

RECITALS

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

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

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

ARTICLE 1 DEFINITIONS

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

“**AC**” means alternating current.

“**Accepted Compliance Costs**” has the meaning set forth in Section 3.10.

“**Adjusted Energy Production**” means Expected Energy less the amount of Energy that would have been delivered by the Facility but was not due to (i) a Force Majeure Event, (ii) a Curtailment Order, or (iii) an Event of Default with respect to Buyer.

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

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

“**Available Capacity**” means the capacity of the Facility, expressed in whole kW, that is mechanically available to generate Energy.

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

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

“**Buyer**” means Clean Energy Alliance, a California joint powers authority.

“**Buyer Default**” means an Event of Default of Buyer.

“**Buyer’s WREGIS Account**” has the meaning set forth in Section 4.6(a).

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

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

“**CAISO Operating Order**” means the “operating order” defined in Section 37.2.1.1 of the CAISO Tariff.

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

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

“**Capacity Attribute**” means any current or future defined characteristic, certificate, tag, credit, or accounting construct, including any of the same counted towards any current or future resource adequacy or reserve requirements, associated with the electric generation capability and capacity of the Facility or the Facility’s capability and ability to produce and deliver energy. Capacity Attributes shall be deemed to include all Resource Adequacy Benefits, if any, associated

with the Facility. Capacity Attributes are measured in MW and shall exclude Energy, Green Attributes, and PTCs or any other Renewable Energy Incentives now or in the future associated with the construction, ownership or operation of the Facility.

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

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

“**CEC Certification and Verification**” means that the CEC has certified (or, with respect to periods before the date that is ninety (90) days following the Commercial Operation Date, that the CEC has pre-certified) that the Facility is an Eligible Renewable Energy Resource for purposes of the California Renewables Portfolio Standard and that all Facility Energy delivered to the Delivery Point qualifies as generation from an Eligible Renewable Energy Resource.

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

“**CEQA**” means the California Environmental Quality Act.

“**Charging Energy**” means the as-available Energy produced by the Generating Facility, less transformation and transmission losses, if any, delivered to the Storage Facility pursuant to a Charging Notice or in connection with a Storage Capacity Test. All Charging Energy shall be used solely to charge the Storage Facility, and all Charging Energy shall be generated solely by the Generating Facility.⁷

“**Charging Notice**” means the operating instruction, and any subsequent updates, given by Buyer to Seller, directing the Storage Facility to charge at a specific kW rate to a specified Stored Energy Level, including in connection with a Storage Capacity Test, provided that any such operating instruction shall be in accordance with the Operating Procedures. For the avoidance of doubt, any Charging Notice shall not constitute a Curtailment Order.⁸

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

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

“**Compliance Actions**” has the meaning set forth in Section 3.10.

“**Compliance Expenditure Cap**” has the meaning set forth in Section 3.10.

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

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

⁷ Applicable if the Facility includes a Storage Facility.

⁸ Applicable if the Facility includes a Storage Facility.

“Construction Start Date” has the meaning set forth in Exhibit B.

“Contract Price” has the meaning set forth on the Cover Sheet. To be clear, if the Facility includes a Storage Facility, the Contract Price is each of the Renewable Rate and the Storage Bonus.

“Contract Term” has the meaning set forth in Section 2.1.

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

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

“Cover Sheet” means the cover sheet to this Agreement, which is incorporated into this Agreement.

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

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

“Curtailed Order” means any of the following:

(a) CAISO orders, directs, alerts, or provides notice to a Party, including through the ADS or a CAISO Operating Order, to curtail deliveries of Facility Energy for the following reasons: (i) any System Emergency, or (ii) any warning of an anticipated System Emergency, or warning of an imminent condition or situation, which jeopardizes CAISO’s electric system integrity or the integrity of other systems to which CAISO is connected;

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

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

(d) a curtailment in accordance with Seller's obligations under its Interconnection Agreement with the Participating Transmission Owner or distribution operator.

"Damage Payment" means the dollar amount that equals the amount of the Development Security.

"Day" or **"day"** means a period of twenty-four (24) consecutive hours beginning at 00:00 hours Pacific Prevailing Time on any calendar day and ending at 00:00 hours Pacific Prevailing Time on the next calendar day.

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

"Deficient Month" has the meaning set forth in Section 4.6(e).

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

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

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

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

"Discharging Energy" means all Energy delivered to the Delivery Point from the Storage Facility, as measured at the Storage Facility Metering Points by the Storage Facility Meter. For the avoidance of doubt, all Discharging Energy will have originally been delivered to the Storage Facility as Charging Energy.⁹

"Discharging Notice" means the operating instruction, and any subsequent updates, given by Buyer to Seller, directing the Storage Facility to discharge Discharging Energy at a specific kW rate to a specified Stored Energy Level, provided that any such operating instruction or updates shall be in accordance with the Operating Procedures. For the avoidance of doubt, any Discharging Notice shall not constitute a Curtailment Order.¹⁰

"Early Termination Date" has the meaning set forth in Section 11.2.

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

⁹ Applicable if the Facility includes a Storage Facility.

¹⁰ Applicable if the Facility includes a Storage Facility.

“**Efficiency Rate**” has the meaning set forth in Exhibit R.

“**Electrical Losses**” means all transmission or transformation losses between the Facility and the Delivery Point, including losses associated with delivery of Energy to the Delivery Point.

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

“**Energy**” means electrical energy (measured in MWh) generated by the Facility.

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

“**Expected Commercial Operation Date**” is the date set forth on the Cover Sheet by which Seller reasonably expects to achieve Commercial Operation.

“**Expected Construction Start Date**” is the date set forth on the Cover Sheet by which Seller reasonably expects to achieve Construction Start.

“**Expected Energy**” means the quantity of Energy that Seller expects to be able to deliver to Buyer from the Facility during each Contract Year in the quantity specified on the Cover Sheet.

“**Facility**” means the electricity generating facility described on the Cover Sheet and in Exhibit A, located at the Site and including mechanical equipment and associated facilities and equipment required to deliver Energy to the Delivery Point.

[“**Facility**” means the Generating Facility and the Storage Facility.]¹¹

“**Facility Energy**” means the Energy, net of Electrical Losses and Station Use, as measured by the Facility Meter, which Facility Meter will be adjusted in accordance with CAISO meter requirements and Prudent Industry Practices to account for Electrical Losses and Station Use.

[“**Facility Energy**” means the sum of PV Energy and Discharging Energy, net of Electrical Losses and Station Use, as measured by the Facility Meter, which Facility Meter will be adjusted in accordance with applicable meter requirements and Prudent Industry Practices to account for Electrical Losses and Station Use.]¹²

“**Facility Meter**” means the revenue meter that will measure all Facility Energy. Without limiting Seller’s obligation to deliver Facility Energy to the Delivery Point, the Facility Meter will be subject to adjustment in accordance with applicable meter requirements and Prudent Industry Practices to account for Electrical Losses and Station Use.

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

¹¹ Applicable if the Facility includes a Storage Facility.

¹² Applicable if the Facility includes a Storage Facility.

“**Financial Close**” means Seller and/or one of its Affiliates has obtained debt and/or equity financing commitments from one or more Lenders sufficient to construct the Facility, including such financing commitments from Seller’s owner(s).

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

“**Forced Facility Outage**” means an unplanned reduction, interruption or suspension of all or a portion of Energy deliveries from the Facility to the Delivery Point due to events or conditions outside the control of Seller and are not the result of a Force Majeure Event or Planned Outage.

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

“**Gains**” means, with respect to the Non-Defaulting Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner, which economic benefit (if any) shall be deemed the gain (if any) to such Non-Defaulting Party represented by the difference between the present value of the payments required to be made during the remaining Contract Term of this Agreement and the present value of the payments that would be required to be made under any transaction(s) replacing this Agreement. Factors used in determining the economic benefit to a Party may include reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., SP-15), all of which should be calculated for the remaining Contract Term, and include the value of Green Attributes and Capacity Attributes.

[“**Generating Facility**” means the renewable energy electricity generating facility described on the Cover Sheet and in Exhibit A, located at the Site and including mechanical equipment and associated facilities and equipment required to deliver (i) PV Energy to the Delivery Point, (ii) Charging Energy to the Storage Facility and (iii) Discharging Energy to the Delivery Point; provided, that the “Generating Facility” does not include the Storage Facility.]¹³

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

¹³ Applicable if the Facility includes a Storage Facility.

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

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

“**Green Tag Reporting Rights**” means the right of a purchaser of renewable energy to report ownership of accumulated “green tags” in compliance with and to the extent permitted by applicable Law and include rights under Section 1605(b) of the Energy Policy Act of 1992, and any present or future federal, state or local certification program or emissions trading program, including pursuant to the WREGIS Operating Rules.

“**Guaranteed Capacity**” means the amount of generating capacity of the Facility, as measured in kW at the Delivery Point, set forth on the Cover Sheet.

“**Guaranteed Commercial Operation Date**” means the Expected Commercial Operation Date, as such date may be extended by the Development Cure Period.

“**Guaranteed Construction Start Date**” means the Expected Construction Start Date, as such date may be extended by the Development Cure Period.

“**Guaranteed Energy Production**” means an amount of Energy, as measured in MWh, equal to the total aggregate Expected Energy for the applicable Contract Year multiplied by eighty percent (80%).

“**Indemnified Party**” has the meaning set forth in Section 16.1.

“**Indemnifying Party**” has the meaning set forth in Section 16.1.

“Initial Synchronization” means the initial delivery of Facility Energy to the Delivery Point.

[**“Installed Battery Capacity”** means the maximum dependable operating capability of the Storage Facility to discharge electric energy, as measured in kW at the Storage Facility Meter, that achieves Commercial Operation, adjusted for ambient conditions on the date of the performance test, and as evidenced by a certificate substantially in the form attached as Exhibit I-2 hereto.]¹⁴

“Installed Capacity” means the actual generating capacity of the Facility, as measured in kW at the Delivery Point, that achieves Commercial Operation (whether prior to, on, or after the Guaranteed Commercial Operation Date), adjusted for ambient conditions on the date of the performance test, not to exceed the Guaranteed Capacity, as evidenced by a certificate(s) substantially in the form attached as Exhibit H hereto.

“Interconnection Agreement” means the interconnection agreement(s) entered into by Seller with, as applicable, the CAISO, the Participating Transmission Owner and/or the distribution operator pursuant to which the Facility will be interconnected with the Transmission System and pursuant to which Seller’s Interconnection Facilities and any other Interconnection Facilities, as applicable, will be constructed, operated and maintained during the Contract Term.

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

“Interest Rate” has the meaning set forth in Section 8.2.

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

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

“Joint Powers Agreement” means that certain Joint Powers Agreement dated November 4, 2019, as amended from time to time, under which Buyer is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

“kW” means kilowatts in alternating current, unless expressly stated in terms of direct current.

“kWh” means kilowatt-hour measured in alternating current, unless expressly stated in terms of direct current.

¹⁴ Applicable if the Facility includes a Storage Facility.

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

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

“**Letter(s) of Credit**” means one or more irrevocable, standby letters of credit issued by a Qualified Issuer in a form substantially similar to the letter of credit set forth in Exhibit K.

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

“**Losses**” means, with respect to the Non-Defaulting Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner, which economic loss (if any) shall be deemed to be the loss (if any) to such Party represented by the difference between the present value of the payments required to be made during the remaining Contract Term of this Agreement and the present value of the payments that would be required to be made under transaction(s) replacing this Agreement. Factors used in determining economic loss to a Party may include reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., SP-15), all of which should be calculated for the remaining Contract Term and must include the value of Green Attributes, Capacity Attributes, and Renewable Energy Incentives.

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

“**Moody’s**” means Moody’s Investors Service, Inc.

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

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

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

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

“**Operating Procedures**” or “**Operating Restrictions**” means those rules, requirements, and procedures set forth on Exhibit S.

“**Pacific Prevailing Time**” means the prevailing standard time or daylight savings time, as applicable, in the Pacific time zone.

“**Participating Transmission Owner**” or “**PTO**” means an entity that owns, operates and maintains transmission or distribution lines and associated facilities and/or has entitlements to use certain transmission or distribution lines and associated facilities where the Facility is interconnected. For purposes of this Agreement, the Participating Transmission Owner is set forth in Exhibit A.

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

“**Performance Security**” means (i) cash or (ii) a Letter of Credit, in the amount set forth on the Cover Sheet.

“**Permitted Transferee**” means an entity that has, or is controlled by another Person that satisfies the following requirements:

(a) A tangible net worth of not less than one hundred fifty million dollars (\$150,000,000) or a Credit Rating of at least BBB- from S&P, BBB- from Fitch, or Baa3 from Moody’s; and

(b) At least two (2) years of experience in the ownership and operations of power generation facilities similar to the Facility, or has retained a third-party with such experience to operate the Facility.

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

“**Planned Outage**” has the meaning set forth in Section 4.6(a).

“**Portfolio Content Category 1**” or “**PCC1**” means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code

Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

“Product” has the meaning set forth on the Cover Sheet.

“Progress Report” means a progress report including the items set forth in Exhibit E.

“Prudent Industry Practice” means the applicable practices, methods and standards of care, skill and diligence engaged in or approved by a significant portion of the electric generation industry during the relevant time period with respect to grid-interconnected, utility-scale electricity generating facilities in the Western United States, that, in the exercise of reasonable judgment and in light of the facts known at the time the decision was made, would have been expected to accomplish results consistent with Law, reliability, safety, environmental protection, and standards of economy and expedition. Prudent Industry Practice is not intended to be limited to the optimum practice, method or act to the exclusion of others. Prudent Industry Practice includes compliance with applicable Laws, applicable reliability criteria, and the criteria, rules and standards promulgated in the National Electric Safety Code and the National Electrical Code, as they may be amended or superseded from time to time, including the criteria, rules and standards of any successor organizations.

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

“PV Energy” means that portion of Energy that is delivered directly to the Delivery Point and is not Charging Energy or Discharging Energy.¹⁵

“Qualified Issuer” means a U.S. commercial bank or a foreign bank with a U.S. branch with such bank (a) having a Credit Rating of at least A- with an outlook designation of “stable” from S&P or A3 with an outlook designation of “stable” from Moody’s or (b)) being reasonably acceptable to Buyer.

“Recurring Certificate Transfers” has the meaning set forth in Section 4.6(a).

“Remedial Action Plan” has the meaning in Section 2.4.

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

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

¹⁵ Applicable if the Facility includes a Storage Facility.

“Renewable Rate” has the meaning set forth on the Cover Sheet.

“Resource Adequacy” means the procurement obligation of load serving entities, as such obligations are described in CPUC Decisions D.04-10-035 and D.05-10-042 and subsequent CPUC decisions addressing Resource Adequacy issues, as those obligations may be altered from time to time in the CPUC Resource Adequacy Rulemakings (R.) 04-04-003, R.05-12-013, R.10-04-012 and R.11-10-023 or by any successor proceeding, and the Resource Adequacy supply obligations of generators provided in the CAISO Tariff, including Section 40 of such Tariff.

“Resource Adequacy Benefits” means the rights and privileges attached to the Facility that satisfy any entity’s resource adequacy obligations, as those obligations are set forth in any Resource Adequacy Rulings and includes any local, zonal or otherwise locational attributes associated with the Facility, in addition to flex attributes.

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

“S&P” means the Standard & Poor’s Financial Services, LLC (a subsidiary of The McGraw-Hill Companies, Inc.) or its successor.

“Security Interest” has the meaning set forth in Section 8.9.

“Seller” has the meaning set forth on the Cover Sheet.

“Seller’s WREGIS Account” has the meaning set forth in Section 4.6(a).

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

“Site” means the necessary real property on which the Facility is or will be located, as further described in Exhibit A, and as shall be updated by Seller at the time Seller provides an executed Construction Start Date certificate in the form of Exhibit J to Buyer.

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

“SP-15” means the Existing Zone Generation Trading Hub for Existing Zone region SP15 as set forth in the CAISO Tariff.

“Station Use” means:

(a) The Energy produced by the Facility that is used within the Facility to power the lights, motors, control systems and other electrical loads that are necessary for operation of the Facility; and

(b) The Energy produced by the Facility that is consumed within the Facility’s electric energy distribution system as losses.

[**“Storage Bonus”** has the meaning set forth on the Cover Sheet.]¹⁶

[**“Storage Capacity”** means (a) the maximum dependable operating capability of the Storage Facility to discharge electric energy that can be sustained for four (4) consecutive hours (in kW) and (b) any other products that may be developed or evolve from time to time during the Delivery Term that the Storage Facility is able to provide as the Facility is configured on the Commercial Operation Date and that relate to the maximum dependable operating capability of the Storage Facility to discharge electric energy.]¹⁷

[**“Storage Capacity Test”** or **“SCT”** means any test or retest of the capacity of the Storage Facility conducted in accordance with the testing procedures, requirements and protocols set forth in Section 4.8 and Exhibit R.]¹⁸

[**“Storage Contract Capacity”** means the total capacity (in kW) of the Storage Facility initially equal to the amount set forth on the Cover Sheet, as the same may be adjusted from time to time to reflect the results of the most recently performed Storage Capacity Test.]¹⁹

[**“Storage Facility”** means the energy storage facility described on the Cover Sheet and in Exhibit A (including the operational requirements of the energy storage facility), located at the Site and including mechanical equipment and associated facilities and equipment required to deliver Storage Product, and as such storage facility may be expanded or otherwise modified from time to time in accordance with the terms of this Agreement.]²⁰

[**“Storage Facility Meter”** means the bi-directional revenue quality meter or meters (with a 0.3 accuracy class), along with a compatible data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, the amount of Charging Energy delivered to the Storage Facility Metering Points and the amount of Discharging Energy discharged from the Storage Facility at the Storage Facility Metering Points to the Delivery Point for the purpose of invoicing in accordance with Section 8.1.]²¹

¹⁶ Applicable if the Facility includes a Storage Facility.

¹⁷ Applicable if the Facility includes a Storage Facility.

¹⁸ Applicable if the Facility includes a Storage Facility.

¹⁹ Applicable if the Facility includes a Storage Facility.

²⁰ Applicable if the Facility includes a Storage Facility.

²¹ Applicable if the Facility includes a Storage Facility.

[“**Storage Facility Metering Points**” means the locations of the Storage Facility Meters at the Site.]²²

[“**Storage Product**” means (a) Discharging Energy, (b) Capacity Attributes, if any, and (c) Storage Capacity, in each case arising from or relating to the Storage Facility.]²³

[“**Stored Energy Level**” means, at a particular time, the amount of electric energy in the Storage Facility available to be discharged as Discharging Energy, expressed in MWh.]²⁴

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

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

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

“**Terminated Transaction**” has the meaning set forth in Section 11.2.

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

“**Test Energy**” means Facility Energy delivered commencing on the first date that the PTO informs Seller in writing that Seller has conditional or temporary permission to parallel and ending upon the occurrence of the Commercial Operation Date.

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

“**Transmission System**” means the transmission, distribution or interconnection facilities that provide energy delivery services to the Delivery Point and/or the CAISO Grid, as applicable.

“**Workforce Requirements**” refers to the Seller requirements set forth in Exhibit M.

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

“**WREGIS Certificate Deficit**” has the meaning set forth in Section 4.6(e).

²² Applicable if the Facility includes a Storage Facility.

²³ Applicable if the Facility includes a Storage Facility.

²⁴ Applicable if the Facility includes a Storage Facility.

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

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

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

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

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

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

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

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

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

(g) the terms “include” and “including” or similar words shall be deemed to be followed by the words “without limitation” and any list of examples following such terms shall in no way restrict or limit the generality of the work or provision in respect of which such examples are provided;

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

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

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

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

(l) “or” is not necessarily exclusive; and

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

ARTICLE 2 TERM; CONDITIONS PRECEDENT

2.1 Contract Term.

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

(b) Applicable provisions of this Agreement shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination. The confidentiality obligations of the Parties under Article 18 and all indemnity and audit rights shall remain in full force and effect for three (3) years following the termination of this Agreement.

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

(a) Seller has delivered to Buyer a completion certificate from a Licensed Professional Engineer substantially in the form of Exhibit H;

(b) An Interconnection Agreement between Seller and the PTO shall have been executed and delivered and be in full force and effect and a copy of the Interconnection Agreement has been delivered to Buyer;

(c) All required regulatory authorizations, approvals and permits for the operation of the Facility have been obtained (or if not obtained, applied for and reasonably expected to be received within 90 days) and all conditions thereof that are capable of being satisfied on the Commercial Operation Date have been satisfied and shall be in full force and effect;

(d) Seller has received CEC Precertification of the Facility (and reasonably expects to receive final CEC Certification and Verification for the Facility in no more than ninety (90) days from the Commercial Operation Date);

(e) Seller (with the reasonable cooperation and assistance of Buyer) shall have completed all applicable WREGIS registration requirements, including the completion and submittal of all applicable registration forms and supporting documentation, which may include applicable interconnection agreements, informational surveys related to the Facility, QRE service agreements, and other appropriate documentation required to effect Facility registration with WREGIS and to enable Renewable Energy Credit transfers related to the Facility within the WREGIS system;

(f) Seller has demonstrated compliance with the Workforce Requirements in Exhibit M by certifying such compliance to Buyer in writing and providing reasonably requested documentation demonstrating such compliance as set forth in Exhibit M; and

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

2.3 **Development; Construction; Progress Reports.** Within fifteen (15) days after the close of (i) each calendar quarter from the first calendar quarter following the Effective Date until the Construction Start Date, and (ii) each calendar month from the first calendar month following the Construction Start Date until the Commercial Operation Date, Seller shall provide to Buyer a Progress Report and agree to regularly scheduled meetings (no more than monthly) between representatives of Buyer and Seller to review such monthly reports and discuss Seller's construction progress. The form of the Progress Report is set forth in Exhibit E. Seller shall also provide Buyer with any reasonable requested documentation (subject to confidentiality restrictions) directly related to the achievement of Milestones within ten (10) Business Days of receipt of such request by Seller. For the avoidance of doubt, Seller is solely responsible for the design and construction of the Facility, including the location of the Site, obtaining all permits and approvals to build the Facility, the Facility layout, and the selection and procurement of the equipment comprising the Facility.

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

2.5 **Workforce Requirements.** Seller agrees to comply with Workforce Requirements

and to provide Buyer copies of documentation establishing ongoing compliance with the Workforce Requirements as may be reasonably requested by Buyer from time to time.

ARTICLE 3 PURCHASE AND SALE

3.1 **Sale of Product.** Subject to the terms and conditions of this Agreement, during the Delivery Term, Seller shall sell and deliver to Buyer, and Buyer shall purchase from Seller at the applicable prices set forth in Exhibit C, all of the Product produced by or associated with the Facility. During the Delivery Term, Buyer's obligation to make payment for Facility Energy and all of the remaining Product from Seller under this Agreement shall be excused during the pendency of, and to the extent required by (a) a Force Majeure Event, (b) a Curtailment Period; provided such Curtailment Period is not attributable to Buyer's breach of its obligations under this Agreement or any other agreement, or (c) a period of Buyer suspension due to a Seller Default pursuant to Section 11.1. Buyer has no obligation to purchase from Seller any Product that is not or cannot be delivered to the Delivery Point as a result of any circumstance, including, an outage of the Facility, a Force Majeure Event, or a Curtailment Order.

3.2 **Sale of Green Attributes.** During the Delivery Term, Seller shall sell and deliver to Buyer, and Buyer shall purchase from Seller, all Green Attributes attributable to the Facility Energy generated by the Facility.

3.3 **Reserved.**

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

3.5 **Future Environmental Attributes**

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

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

3.6 **Test Energy.** Buyer shall purchase all Test Energy that is available from the Facility prior to the Delivery Term. As compensation for such Test Energy, Buyer shall pay Seller an amount equal to fifty percent (50%) of the Renewable Rate (“**Test Energy Rate**”). For the avoidance of doubt, the conditions precedent in Section 2.2 are not applicable to the Parties’ obligations under this Section 3.6.

3.7 **Capacity Attributes.**

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

(b) Buyer shall be entitled to all Capacity Attributes, if any, associated with the Facility during the Delivery Term. The consideration for all such Capacity Attributes is included within the Contract Price. Seller transfers to Buyer, and Buyer accepts from Seller, any right, title, and interest that Seller may have in and to Capacity Attributes, if any, existing during the Delivery Term.

3.8 **CEC Certification and Verification.** Seller shall take all necessary steps including, but not limited to, making or supporting timely filings with the CEC to obtain and maintain CEC Certification and Verification for the Facility throughout the Delivery Term, including compliance with all applicable requirements for certified facilities set forth in the current version of the *RPS Eligibility Guidebook* (or its successor). Seller shall obtain CEC Precertification by the Commercial Operation Date. Within thirty (30) days after the Commercial Operation Date, Seller shall apply with the CEC for final CEC Certification and Verification. Within ninety (90) days after the Commercial Operation Date, Seller shall obtain and maintain throughout the remainder of the Delivery Term the final CEC Certification and Verification. Seller must promptly notify Buyer and the CEC of any changes to the information included in Seller’s application for CEC Certification and Verification for the Facility.

3.9 **Non-Modifiable Standard Terms and Conditions.**

(a) **Eligibility.** Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Facility qualifies and is certified by the CEC as an Eligible Renewable Energy Resource as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Facility’s electrical energy output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC 6].

(b) Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Period of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC REC-1].

(c) Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in WREGIS will be taken prior to the first delivery under this Agreement. [STC REC-2].

(d) Applicable Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of Law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. [STC 17].

3.10 Change in Law

(a) The Parties acknowledge that an essential purpose of this Agreement is to provide renewable generation that meets the requirements of the California Renewables Portfolio Standard and that Governmental Authorities, including the CEC, CPUC, CAISO and WREGIS, may undertake actions to implement changes in Law. Seller agree to use commercially reasonable efforts to cooperate with respect to any future changes to this Agreement needed to satisfy requirements of Governmental Authorities associated with changes in law to maximize benefits to Buyer, including: (i) modification of the description of Green Attributes, Capacity Attributes as may be required, including updating the Agreement to reflect any mandatory contractual language required by Governmental Authorities; (ii) submission of any reports, data, or other information required by Governmental Authorities; or (iii) all other actions that may be required to assure that this Agreement or the Facility is eligible. as an ERR and other benefits under the California Renewables Portfolio Standard; provided that Seller shall have no obligation to modify this Agreement, or take other actions not required under this Agreement, if such modifications or actions would materially adversely affect, or could reasonably be expected to have or result in a material adverse effect on, any of Seller's rights, benefits, risks and/or obligations under this Agreement.

(b) **Compliance Expenditure Cap**. If Seller establishes to Buyer's reasonable satisfaction that a change in Laws occurring after the Effective Date has increased Seller's cost above the cost that could reasonably have been contemplated as of the Effective Date to take all actions to comply with Seller's obligations under the Agreement with respect to obtaining, maintaining, conveying or effectuating Buyer's use of (as applicable), the items listed in Section 3.10(b) (i), (ii) and (iii) below, then the Parties agree that the maximum amount of costs and expenses Seller shall be required to bear during the Delivery Term shall be capped at ten dollars (\$10) per kW of Guaranteed Capacity ("**Compliance Expenditure Cap**"):

- (i) CEC Certification and Verification;
- (ii) Green Attributes; and
- (iii) Capacity Attributes.

Any actions required for Seller to comply with its obligations set forth in the first paragraph above, the cost of which will be included in the Compliance Expenditure Cap, shall be referred to collectively as the “**Compliance Actions**.”

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

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

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

ARTICLE 4 OBLIGATIONS AND DELIVERIES

4.1 Delivery.

(a) Energy. Subject to the provisions of this Agreement, commencing on the Commercial Operation Date through the end of the Contract Term, Seller shall supply and deliver the Product to Buyer at the Delivery Point, and Buyer shall take delivery of the Product at the Delivery Point in accordance with the terms of this Agreement. Seller will be responsible for paying or satisfying when due any costs or charges imposed in connection with the delivery of Facility Energy to the Delivery Point, including Station Use, Electrical Losses, and any operation and maintenance charges imposed by the Participating Transmission Owner directly relating to the Facility’s operations. Buyer shall be responsible for all costs, charges and penalties, if any, imposed in connection with the delivery of Facility Energy at and after the Delivery Point, including transmission costs and transmission line losses and imbalance charges.

(b) Green Attributes. All Green Attributes associated with the Facility during the Delivery Term are exclusively dedicated to and vested in Buyer. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Facility, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Facility.

4.2 **Title and Risk of Loss.**

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

(b) **Green Attributes.** Title to and risk of loss related to the Green Attributes shall pass and transfer from Seller to Buyer upon the transfer of such Green Attributes in accordance with WREGIS. Seller shall cooperate reasonably with Buyer, at Buyer's expense, in order for Buyer to register, hold, and manage such Green Attributes in Buyer's own name and to Buyer's accounts.

4.3 **Forecasting.** Seller shall provide the Available Capacity forecasts described below. Seller's Available Capacity forecasts shall include availability for the Facility. Seller shall use commercially reasonable efforts to forecast the Available Capacity of the Facility accurately and to transmit such information at its sole expense and in a format reasonably acceptable to Buyer (or Buyer's designee).

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

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

4.4 **Reduction in Delivery Obligation.** For the avoidance of doubt, and in no way limiting Section 3.1:

(a) **Facility Maintenance.** Seller shall be permitted to reduce deliveries of Product during any period of scheduled maintenance on the Facility previously agreed to between Buyer and Seller, provided that, between June 1st and September 30th, Seller shall not schedule non-emergency maintenance that reduces the Energy generation of the Facility by more than ten percent (10%), unless (i) such outage is required to avoid damage to the Facility, (ii) such maintenance is necessary to maintain equipment warranties and cannot be scheduled outside the period of June 1st to September 30th, (iii) such outage for inspection, preventative maintenance, corrective maintenance, or in accordance with Prudent Industry Practices, or (iv) the Parties agree otherwise in writing (each of the foregoing, a "**Planned Outage**").

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

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

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

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

4.5 **Guaranteed Energy Production**. Seller shall be required to deliver to Buyer no less than the Guaranteed Energy Production in each Contract Year. If Seller fails to achieve the Guaranteed Energy Production amount in any Contract Year, Seller shall pay Buyer damages calculated in accordance with Exhibit G.

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

(a) Prior to the Commercial Operation Date, Seller shall register the Facility with WREGIS and establish an account with WREGIS ("**Seller's WREGIS Account**"), which Seller shall maintain until the end of the Delivery Term. Seller shall transfer the WREGIS Certificates using "**Recurring Certificate Transfers**" (as described in the WREGIS Operating Rules) from Seller's WREGIS Account to the WREGIS account(s) of Buyer or the account(s) of a designee that Buyer identifies by Notice to Seller ("**Buyer's WREGIS Account**"). Seller shall be responsible for all expenses associated with registering the Facility with WREGIS, establishing and maintaining Seller's WREGIS Account, paying WREGIS Certificate issuance and transfer fees, and transferring WREGIS Certificates from Seller's WREGIS Account to Buyer's WREGIS Account.

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

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

(d) A "**WREGIS Certificate Deficit**" means any deficit or shortfall in WREGIS Certificates delivered to Buyer for a calendar month as compared to the Facility Energy for the same calendar month ("**Deficient Month**") caused by an error or omission of Seller. If any WREGIS Certificate Deficit is caused, or the result of any action or inaction by Seller, then the amount of Facility Energy in the Deficient Month shall be reduced on a one-for-one basis by the amount of the WREGIS Certificate Deficit for purposes of calculating Buyer's payment to Seller under Article 8 for the applicable Contract Year. Without limiting Seller's obligations under this Section 4.6, if a WREGIS Certificate Deficit is caused solely by an error or omission of WREGIS, the Parties shall cooperate in good faith to cause WREGIS to correct its error or omission.

(e) If WREGIS changes the WREGIS Operating Rules after the Effective Date or applies the WREGIS Operating Rules in a manner inconsistent with this Section 4.6 after the Effective Date, the Parties promptly shall modify this Section 4.6 as reasonably required to cause and enable Seller to transfer to Buyer's WREGIS Account a quantity of WREGIS Certificates for each given calendar month that corresponds to the Facility Energy in the same calendar month.

4.7 **Reserved.**

4.8 **Charging Energy Management.**²⁵

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

(b) Buyer will have the right to charge the Storage Facility seven (7) days per week and twenty-four (24) hours per day (including holidays), by providing Charging Notices to Seller electronically, provided, that Buyer's right to issue Charging Notices is subject to Prudent Operating Practice. Each Charging Notice issued in accordance with this Agreement will be effective unless and until Buyer modifies such Charging Notice by providing Seller with an updated Charging Notice.

(c) Seller shall not charge the Storage Facility during the Term other than pursuant to a valid Charging Notice, or in connection with a Storage Capacity Test, or pursuant to a notice from CAISO, the Participating Transmission Owner, or any other Governmental Authority. If, during the Contract Term, Seller (a) charges the Storage Facility to a Stored Energy Level greater than the Stored Energy Level provided for in the Charging Notice or (b) charges the Storage Facility in violation of the first sentence of this Section 4.8(c), then (x) Seller shall be responsible for all energy costs associated with such charging of the Storage Facility, (y) Buyer shall not be required to pay for the charging of such energy (i.e., Charging Energy), and (z) Buyer

²⁵ Applicable if the Facility includes a Storage Facility.

shall be entitled to discharge such energy and entitled to all of the benefits (including Storage Product) associated with such discharge.

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

(e) Unless otherwise agreed by the Parties, Charging Notices and Discharging Notices shall take the form of standing orders for fixed charging and discharging schedules and Buyer may update such standing orders upon ten (10) Business Days prior notice to Seller.

(f) Notwithstanding anything in this Agreement to the contrary, Curtailment Orders shall have priority over any Charging Notices and Discharging Notices applicable to such period of time, and Seller shall have no liability for violation of this Section 4.8 or any Charging Notice or Discharging Notice if and to the extent such violation is caused by Seller's compliance with any Curtailment Order or other instruction or direction from a Governmental Authority or the Participating Transmission Owner.

4.9 **Storage Capacity Tests.**²⁶

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

(b) Buyer shall have the right to send one or more representative(s) to witness all Storage Capacity Tests. Such representative(s) shall not interfere with the Storage Capacity Tests. Buyer shall be responsible for all costs, expenses and fees payable or reimbursable to its representative(s) witnessing any Storage Capacity Test. Other than as may be agreed pursuant to Section 3.13, all other costs of any Storage Capacity Test shall be borne by Seller.

(c) Following each Storage Capacity Test, Seller shall submit a testing report in accordance with Exhibit R. If the actual capacity determined pursuant to a Storage Capacity Test is less than the then current Storage Capacity, then the actual capacity determined pursuant to a Storage Capacity Test shall become the new Storage Capacity at the beginning of the day following the completion of the test for all purposes under this Agreement, including compensation under Exhibit C, until the next such Storage Capacity Test.

ARTICLE 5 TAXES

5.1 **Allocation of Taxes and Charges.** Seller shall pay or cause to be paid all Taxes on or with respect to the Facility or on or with respect to the sale and making available of Product to Buyer, that are imposed on Product prior to its delivery to Buyer at the Delivery Point. Buyer

²⁶ Applicable if the Facility includes a Storage Facility.

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

5.2 **Cooperation.** The Parties shall cooperate to minimize tax exposure; *provided, however,* that neither Party shall be obligated to incur any financial burden for which the other Party is responsible hereunder. All Energy delivered by Seller to Buyer hereunder shall be sales for resale, with Buyer reselling such Energy.

ARTICLE 6 MAINTENANCE OF THE FACILITY

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

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

ARTICLE 7 METERING

7.1 **Metering.** Seller shall measure the amount of Facility Energy using the Facility Meter, which will be subject to adjustment in accordance with applicable meter requirements and Prudent Industry Practices, including to account for Electrical Losses and Station Use. [Seller shall measure the Charging Energy and the Discharging Energy using the Storage Facility Meters.]²⁷ All meters will be operated pursuant to applicable calculation methodologies and maintained as Seller's cost. Subject to meeting any applicable requirements, the meters shall be programmed to adjust for all losses from such meter to the Delivery Point in a manner subject to Buyer's prior written approval. Metering will be consistent with the Metering Diagram set forth as Exhibit T. Each meter shall be kept under seal, such seals to be broken only when the meters are to be tested, adjusted, modified or relocated. In the event Seller breaks a seal, Seller shall notify Buyer as soon as practicable. In addition, Seller hereby agrees to provide all meter data to Buyer in a form

²⁷ Applicable if the Facility includes a Storage Facility.

reasonably acceptable to Buyer, and consents to Buyer obtaining from meter data directly relating to the Facility and all inspection, testing and calibration data and reports.

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

ARTICLE 8 INVOICING AND PAYMENT; CREDIT

8.1 **Invoicing.** Seller shall deliver an invoice to Buyer within fifteen (15) days after the end of the prior monthly delivery period. Each Seller invoice shall include (a) records of metered data, including metering and transaction data sufficient to validate all invoiced amounts for the preceding month, including the Facility Energy produced by the Facility as read by the Facility Meter[, the amount of Charging Energy charged by the Storage Facility and the amount of Discharging Energy delivered from the Storage Facility, in each case, as read by the Storage Facility Meter]²⁸, the amount of Facility Energy in MWh delivered during the prior billing period, and the Contract Price applicable to such Product; and (b) be in a format reasonably specified by Buyer.

8.2 **Payment.** Buyer shall make payment to Seller for Product by wire transfer or ACH payment to the bank account designated by Seller in Exhibit N, which may be updated by Seller by Notice hereunder. Buyer shall pay undisputed invoice amounts within thirty (30) Days after receipt of the invoice, or the end of the prior monthly delivery period, whichever is later. If such due date falls on a weekend or legal holiday, such due date shall be the next Business Day. Payments made after the due date will be considered late and will bear interest on the unpaid balance. If the amount due is not paid on or before the due date or if any other payment that is due and owing from one Party to another is not paid on or before its applicable due date, a late payment charge shall be applied to the unpaid balance and shall be added to the next billing statement. Such late payment charge shall be calculated based on the 3-Month prime rate (or any equivalent successor rate accepted by a majority of major financial institutions) published on the date of the invoice in The Wall Street Journal (or, if The Wall Street Journal is not published on that day, the next succeeding date of publication), plus two percent (2%) (the "**Interest Rate**"). If the due date occurs on a day that is not a Business Day, the late payment charge shall begin to accrue on the next succeeding Business Day.

8.3 **Books and Records.** To facilitate payment and verification, each Party shall maintain all books and records necessary for billing and payments, including copies of all invoices under this Agreement, for a period of at least five (5) years or as otherwise required by Law. Upon five (5) Business Days' Notice to Seller, Buyer shall be granted reasonable access to the accounting books and records pertaining to all invoices generated pursuant to this Agreement.

²⁸ Applicable if the Facility includes a Storage Facility.

8.4 **Payment Adjustments; Billing Errors.** Payment adjustments shall be made if Buyer or Seller discovers there have been good faith inaccuracies in invoicing that are not otherwise disputed under Section 8.5, or there is determined to have been a meter inaccuracy sufficient to require a payment adjustment. If the required adjustment is in favor of Buyer, Buyer's monthly payment shall be credited in an amount equal to the adjustment. If the required adjustment is in favor of Seller, Seller shall add the adjustment amount to Buyer's next monthly invoice. Adjustments in favor of either Buyer or Seller shall bear interest, until settled in full, in accordance with Section 8.2, accruing from the date on which the non-erring Party received Notice thereof. Unless otherwise agreed by the Parties, no adjustment of invoices shall be permitted after twenty-four (24) months from the date of the invoice.

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

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

8.7 **Seller's Development Security.** To secure its obligations under this Agreement, Seller shall deliver Development Security to Buyer within thirty (30) days of the Effective Date. Seller shall maintain the Development Security in full force and effect and Seller shall replenish the Development Security to the initial amount within five (5) Business Days in the event Buyer collects or draws down any portion of the Development Security for any reason permitted under this Agreement other than to satisfy a Damage Payment or a Termination Payment. Upon the earlier of (a) Seller's delivery of the Performance Security or (b) sixty (60) days after termination

of this Agreement, Buyer shall return the Development Security to Seller, less the amounts drawn in accordance with this Agreement. If the Development Security is a Letter of Credit and the issuer of such Letter of Credit (i) fails to maintain its status as a Qualified Issuer, (ii) indicates its intent not to renew such Letter of Credit and such Letter of Credit expires prior to the Commercial Operation Date, or (iii) fails to honor Buyer's properly documented request to draw on such Letter of Credit by such issuer, Seller shall have ten (10) Business Days to either post cash or deliver a substitute Letter of Credit that meets the requirements set forth in the definition of Development Security.

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

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

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

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

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

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

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

ARTICLE 9 NOTICES

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

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

ARTICLE 10 FORCE MAJEURE

10.1 **Definition.**

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

(b) Without limiting the generality of the foregoing, except as set forth below, so long as an event otherwise satisfies the definition of Force Majeure Event, a Force Majeure Event may include: an act of God or the elements, such as flooding, lightning, hurricanes, tornadoes, or ice storms; explosion; fire; volcanic eruption; flood; epidemic; landslide; mudslide; sabotage; terrorism; earthquake or other cataclysmic events; an act of public enemy; war; blockade; civil insurrection; riot; civil disturbance or strikes or other labor difficulties caused or suffered by a Party or any third party.

(c) Notwithstanding the foregoing, the term “**Force Majeure Event**” does not include (i) economic conditions that render a Party’s performance of this Agreement at the Contract Price unprofitable or otherwise uneconomic (including an increase in component costs for any reason, including foreign or domestic tariffs, Buyer’s ability to buy electric energy at a lower price, or Seller’s ability to sell the Product, or any component thereof, at a higher price, than under this Agreement); (ii) Seller’s inability to obtain permits or approvals of any type for the construction, operation, or maintenance of the Facility, except to the extent such inability is caused by a Force Majeure Event; (iii) the inability of a Party to make payments when due under this Agreement, unless the cause of such inability is an event that would otherwise constitute a Force Majeure Event as described above; (iv) a Curtailment Order; (v) Seller’s inability to obtain sufficient labor, equipment, materials, or other resources to build or operate the Facility except to the extent such inability is caused by a Force Majeure Event; (vi) a strike, work stoppage or labor dispute limited only to any one or more of Seller, Seller’s Affiliates, Seller’s contractors, their subcontractors thereof or any other third party employed by Seller to work on the Facility; (vii) any equipment failure except if such equipment failure is caused by a Force Majeure Event; or (viii) Seller’s inability to achieve Construction Start of the Facility following the Guaranteed Construction Start Date or achieve Commercial Operation following the Guaranteed Commercial Operation Date; it being understood and agreed, for the avoidance of doubt, that the occurrence of a Force Majeure Event may give rise to a Development Cure Period.

10.2 **No Liability If a Force Majeure Event Occurs.** Neither Seller nor Buyer shall be liable to the other Party in the event it is prevented from performing its obligations hereunder in whole or in part due to a Force Majeure Event. The Party rendered unable to fulfill any obligation by reason of a Force Majeure Event shall take reasonable actions necessary to promptly remove such inability with due speed and shall promptly resume performance of its obligations hereunder upon removal or termination of the Force Majeure Event. Neither Party shall be considered in breach or default of this Agreement, nor shall it be liable to the other Party, if and to the extent that any failure or delay in such Party’s performance of one or more of its obligations hereunder is caused by a Force Majeure Event. Notwithstanding the foregoing, the occurrence and continuation of a Force Majeure Event shall not (a) suspend or excuse the obligation of a Party to make any payments due hereunder, (b) suspend or excuse the obligation of Seller to achieve the Guaranteed Construction Start Date or the Guaranteed Commercial Operation Date beyond the extensions provided in Exhibit B, or (c) limit Buyer’s right to declare an Event of Default pursuant to Section 11.1(b)(ii) or (iv) and receive a Damage Payment upon exercise of Buyer’s remedies pursuant to Section 11.2.

10.3 **Notice for Force Majeure.** The claiming Party shall make commercially reasonable efforts to provide the other Party with oral notice of the Force Majeure Event within five (5) Business Days of the date the claiming Party becomes aware of being impacted by such

Force Majeure Event, and within two (2) weeks of the date the claiming Party becomes aware of being impacted by such Force Majeure Event the claiming Party shall provide the other Party with notice in the form of a letter describing in detail the occurrence giving rise to the Force Majeure Event, including the nature, cause, estimated date of commencement thereof, and the anticipated extent of any delay or interruption in performance. Failure to provide written notice within such two (2)-week period constitutes a waiver of the Force Majeure Event. Upon written request from Buyer, Seller shall provide documentation demonstrating to Buyer's reasonable satisfaction that each day of the claimed delay was the result of a Force Majeure Event and did not result from Seller's actions or failure to exercise due diligence or take reasonable actions. The claiming Party shall promptly notify the other Party in writing of the cessation or termination of such Force Majeure Event, all as known or estimated in good faith by the affected Party. The suspension of performance due to a claim of a Force Majeure Event must be of no greater scope and of no longer duration than is required by the Force Majeure Event.

10.4 **Termination Following Force Majeure Event.** If a Force Majeure Event has occurred after the Commercial Operation Date that has caused either Party to be wholly or partially unable to perform its obligations hereunder, and the impacted Party has claimed and received relief from performance of its obligations for a consecutive twelve (12) month period, then the non-claiming Party may terminate this Agreement upon written Notice to the other Party with respect to the Facility experiencing the Force Majeure Event. Upon any such termination, the non-claiming Party shall have no liability to the Force Majeure Event claiming Party, save and except for costs incurred and balances owed prior to the effective date of such termination and those obligations specified in Section 2.1(b), and Buyer shall promptly return to Seller any Performance Security then held by Buyer, less any amounts drawn in accordance with this Agreement.

ARTICLE 11 DEFAULTS; REMEDIES; TERMINATION

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

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

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

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

(iii) the failure by such Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) and such failure is not remedied within thirty (30) days after Notice thereof;

(iv) such Party becomes Bankrupt;

(v) such Party assigns this Agreement or any of its rights hereunder other than in compliance with Section 14.2 or 14.3, as appropriate; or

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

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

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

(ii) the failure by Seller to achieve Commercial Operation within ninety (90) days following the Guaranteed Commercial Operation Date;

(iii) Seller has failed to demonstrate compliance with the Workforce Requirements or failed to provide documentation of Workforce Requirements requested by Buyer pursuant to Section 2.5, and Seller has not cured such failure within thirty (30) days after receiving Notice thereof from Buyer;

(iv) the failure by Seller to achieve the Construction Start Date within one hundred eighty (180) days of the Guaranteed Construction Start Date;

(v) if, in any consecutive six (6) month period, the Adjusted Energy Production amount is not at least ten percent (10%) of the Expected Energy amount for the current Contract Year, and Seller fails to either (x) demonstrate to Buyer's reasonable satisfaction, within ten (10) Business Days after Notice from Buyer, a legitimate reason for the failure to meet the ten percent (10%) minimum; or (y) deliver to Buyer within ten (10) Business Days after Notice from Buyer a plan or report developed by Seller that describes the cause of the failure to meet the ten percent (10%) and the actions that Seller has taken, is taking, or proposes to take in an effort to cure such condition along with the written confirmation of a Licensed Professional Engineer that such plan or report is in accordance with Prudent Industry Practices and capable of cure within a reasonable period of time, not to exceed one hundred eighty (180) days;

(vi) failure by Seller to satisfy the collateral requirements pursuant to Sections 8.7 or 8.8 after Notice and expiration of the cure periods set forth therein, including the failure to replenish the Development Security or Performance Security amount in accordance with this Agreement in the event Buyer draws against either for any reason other than to satisfy a Damage Payment or a Termination Payment; or

(vii) with respect to any outstanding Letter of Credit provided for the benefit of Buyer that is not then required under this Agreement to be canceled or returned, the failure by Seller to provide for the benefit of Buyer either (1) cash, or (2) a substitute Letter of Credit from a different issuer meeting the criteria set forth in the definition of Letter of Credit, in

each case, in the amount required hereunder within ten (10) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) the issuer of the outstanding Letter of Credit shall fail to meet the definition of Qualified Issuer;

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

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

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

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

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

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

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

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

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

(d) to suspend performance; or

(e) to exercise any other right or remedy available at law or in equity, including specific performance or injunctive relief, except to the extent such remedies are expressly limited under this Agreement;

provided, that payment by the Defaulting Party of the Damage Payment or Termination Payment, as applicable, shall constitute liquidated damages and the Non-Defaulting Party's sole and exclusive remedy for any Terminated Transaction and the Event of Default related thereto.

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

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

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

11.6 **Rights And Remedies Are Cumulative.** Except where an express and exclusive remedy or measure of damages is provided, the rights and remedies of a Party pursuant to this Article 11 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

ARTICLE 12
LIMITATION OF LIABILITY AND EXCLUSION OF WARRANTIES.

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

12.2 **Waiver and Exclusion of Other Damages.** THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. ALL LIMITATIONS OF LIABILITY CONTAINED IN THIS AGREEMENT, INCLUDING THOSE PERTAINING TO SELLER'S LIMITATION OF LIABILITY AND THE PARTIES' WAIVER OF CONSEQUENTIAL DAMAGES, SHALL APPLY EVEN IF THE REMEDIES FOR BREACH OF WARRANTY PROVIDED IN THIS AGREEMENT ARE DEEMED TO "FAIL OF THEIR ESSENTIAL PURPOSE" OR ARE OTHERWISE HELD TO BE INVALID OR UNENFORCEABLE.

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS AND EXCLUSIVE REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, INCLUDING UNDER SECTIONS 3.7, 4.6, 4.7, 11.2 AND 11.3, AND AS PROVIDED IN EXHIBIT B THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THAT THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE ANTICIPATED HARM OR LOSS.

ARTICLE 13
REPRESENTATIONS AND WARRANTIES; AUTHORITY

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

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

(b) Seller has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement. The execution, delivery and performance of this Agreement by Seller has been duly authorized by all necessary limited liability company action on the part of Seller and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Seller or any other party to any other agreement with Seller.

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

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

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

(f) Seller will be responsible for obtaining all permits necessary to construct and operate the Facility and Seller will be the applicant on any CEQA documents.

(g) Seller has not and will not knowingly utilize equipment or resources for the construction, operation or maintenance of the Facility that rely on work or services exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily ("**Forced Labor**"). Consistent with the business advisory jointly issued by the U.S. Departments of State, Treasury, Commerce and Homeland Security on July 1, 2020, equipment or resources sourced from the Xinjiang region of China are presumed to involve Forced Labor.

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

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

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

Agreement. The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary action on the part of Buyer and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Buyer or any other party to any other agreement with Buyer.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Buyer with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Buyer, including but not limited to community choice aggregation, the Joint Powers Act, competitive bidding, public notice, open meetings, election, referendum, or prior appropriation requirements, the documents of formation of Buyer or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Buyer is a party or by which any of its property is bound.

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

(e) Buyer warrants and covenants that, throughout the Contract Term, with respect to its contractual obligations under this Agreement, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (1) suit, (2) jurisdiction of court (provided that such court is located within a venue permitted in law and under the Agreement), (3) relief by way of injunction, order for specific performance or recovery of property, (4) attachment of assets, or (5) execution or enforcement of any judgment; provided, however that nothing in this Agreement shall waive the obligations or rights set forth in the California Tort Claims Act (Government Code Section 810 et seq.).

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

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

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

(b) It shall maintain (or obtain from time to time as required) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

(c) It shall perform its obligations under this Agreement in compliance with all terms and conditions in its governing documents and in material compliance with any Law.

ARTICLE 14 ASSIGNMENT

14.1 **General Prohibition on Assignments.** Except as provided below, neither Party may voluntarily assign this Agreement or its rights or obligations under this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any direct or indirect change of control of a Party (whether voluntary or by operation of law) will be deemed an assignment and will require the prior written consent of the other Party. Any assignment made without required written consent, or in violation of the conditions to assignment set out below, shall be null and void. Seller shall be responsible for Buyer's costs associated with the preparation, review, execution and delivery of documents in connection with any assignment of this Agreement, including reasonable attorneys' fees.

14.2 **Collateral Assignment.** Subject to the provisions of this Section 14.2, Seller has the right to assign this Agreement as collateral for any financing or refinancing of the Facility. In connection with any financing or refinancing of the Facility by Seller, Buyer shall in good faith work with Seller and Lender to agree upon a consent to collateral assignment of this Agreement ("**Collateral Assignment Agreement**"). The Collateral Assignment Agreement must be in form and substance agreed to by Buyer, Seller and Lender, and must include, among others, the following provisions; provided that Buyer shall not be required to consent to any additional terms or conditions beyond those set forth below:

(a) Buyer shall give Notice of an Event of Default by Seller to the Person(s) to be specified by Lender in the Collateral Assignment Agreement, before exercising its right to terminate this Agreement as a result of such Event of Default;

(b) Following an Event of Default by Seller under this Agreement, Buyer may require Seller or Lender to provide to Buyer a report concerning:

(i) The status of efforts by Seller or Lender to develop a plan to cure the Event of Default;

(ii) Impediments to the cure plan or its development;

(iii) If a cure plan has been adopted, the status of the cure plan's implementation (including any modifications to the plan as well as the expected timeframe within which any cure is expected to be implemented); and

(iv) Any other information which Buyer may reasonably require related to the development, implementation and timetable of the cure plan.

Seller or Lender must provide the report to Buyer within ten (10) Business Days after Notice from Buyer requesting the report. Buyer will have no further right to require the report with respect to a particular Event of Default after that Event of Default has been cured;

(c) Lender will have the right to cure an Event of Default on behalf of Seller, only if Lender sends a written notice to Buyer before the later of (i) the expiration of any cure period, and (ii) ten (10) Business Days after Lender's receipt of notice of such Event of Default

from Buyer, indicating Lender's intention to cure. Lender must remedy or cure the Event of Default within the cure period under this Agreement and any additional cure periods agreed in the Collateral Assignment Agreement, not to exceed, except as agreed in the collateral assignment agreement, a maximum of ninety (90) days (or one hundred eighty (180) days in the event of a bankruptcy of Seller, any foreclosure of similar proceeding if required by Lender to cure any Event of Default);

(d) Lender will have the right to consent before any termination of this Agreement which does not arise out of an Event of Default;

(e) Lender will receive prior Notice of and the right to approve material amendments to this Agreement, which approval will not be unreasonably withheld, delayed or conditioned;

(f) If Lender, directly or indirectly, takes possession of, or title to the Facility (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), Lender must assume all of Seller's obligations arising under this Agreement and all related agreements (subject to such limits on liability as are mutually agreed to by Seller, Buyer and Lender as set forth in the Collateral Assignment Agreement); *provided*, before such assumption, if Buyer advises Lender that Buyer will require that Lender cure (or cause to be cured) any Event of Default existing as of the possession date in order to avoid the exercise by Buyer (in its sole discretion) of Buyer's right to terminate this Agreement with respect to such Event of Default, then Lender at its option, and in its sole discretion, may elect to either:

(i) Cause such Event of Default to be cured, or

(ii) Not assume this Agreement;

(g) If Lender elects to sell or transfer the Facility (after Lender directly or indirectly, takes possession of, or title to the Facility), or sale of the Facility occurs through the actions of Lender (for example, a foreclosure sale where a third party is the buyer, or otherwise), then Lender shall cause the transferee or buyer to assume all of Seller's obligations arising under this Agreement and all related agreements as a condition of the sale or transfer. Such sale or transfer may be made only to an entity that (i) meets the definition of Permitted Transferee and (ii) is an entity that Buyer is permitted to contract with under applicable Law; and

(h) Subject to Lender's cure of any Events of Defaults under the Agreement in accordance with Section 14.2(f), if (i) this Agreement is rejected in Seller's Bankruptcy or otherwise terminated in connection therewith Lender shall have the right to elect within forty-five (45) days after such rejection or termination, to enter into a replacement agreement with Buyer having substantially the same terms as this Agreement for the remaining term thereof, or (ii) if Lender or its designee, directly or indirectly, takes possession of, or title to, the Facility (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure) after any such rejection or termination of this Agreement, promptly after Buyer's written request, Lender must itself or must cause its designee to promptly enter into a new agreement with Buyer having substantially the same terms as this Agreement for the remaining term thereof, provided that in the event a designee of Lender, directly or indirectly, takes possession of, or title to, the Facility

(including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), such designee shall be approved by Buyer, not to be unreasonably withheld.

14.3 **Permitted Assignment by Seller.** Except as may be precluded by, or would cause Buyer to be in violation of the Political Reform Act, (Cal. Gov . Code section 81000 et seq.) or the regulations thereto, Cal. Government Code section 1090, Buyer's Conflict of Interest Code/Policy or any other conflict of interest Law, Seller may, without the prior written consent of Buyer, transfer or assign this Agreement to an Affiliate of Seller. In addition, Buyer's written consent will not be unreasonably withheld for the transfer or assignment of this Agreement to any Person succeeding to all or substantially all of the assets of Seller (whether voluntary or by operation of law and whether by assignment or change of control), if, and only if:

- (i) the assignee is a Permitted Transferee;
- (ii) Seller has given Buyer Notice at least forty-five (45) days before the date of such proposed assignment or change of control; and
- (iii) Seller has provided Buyer a written agreement signed by the Person to which Seller wishes to assign its interests that (x) provides that such Person will assume all of Seller's obligations and liabilities under this Agreement upon such transfer or assignment and (y) certifies that such Person meets the definition of a Permitted Transferee.

Except as provided in the first sentence of this Section 14.3, any assignment by Seller, its successors or assigns under this Section 14.3 shall be of no force and effect unless and until such Notice and agreement by the assignee have been received and accepted by Buyer.

ARTICLE 15 DISPUTE RESOLUTION

15.1 **Venue.** The Parties agree that any suit, action or other legal proceeding by or against any Party (or its affiliates or designees) with respect to or arising out of this Agreement shall be brought in the federal courts of the United States or the courts of the State of California sitting in San Diego County, California.

15.2 **Dispute Resolution.** In the event of any dispute arising under this Agreement, within ten (10) days following the receipt of a written Notice from either Party identifying such dispute, the Parties shall meet, negotiate and attempt, in good faith, to resolve the dispute quickly, informally and inexpensively. If the Parties are unable to resolve a dispute arising hereunder within the earlier of either thirty (30) days of initiating such discussions, or within forty (40) days after Notice of the dispute, the Parties shall submit the dispute to non-binding mediation prior to seeking any and all remedies available to it at Law in or equity. The Parties will cooperate in selecting a qualified neutral mediator selected from a panel of neutrals and in scheduling the time and place of the mediation as soon as reasonably possible, but in no event later than thirty (30) days after the request for mediation is made. The Parties agree to participate in the mediation in good faith and to share the costs of the mediation, including the mediator's fee, equally, but such shared costs shall not include each Party's own attorneys' fees and costs, which shall be borne solely by such Party. If the mediation is unsuccessful, then either Party may seek any and all remedies available to it at law or in equity, subject to the limitations set forth in this Agreement.

15.3 **Attorneys' Fees.** In any proceeding brought to enforce this Agreement or because of the breach by any Party of any covenant or condition herein contained, the prevailing Party shall be entitled to reasonable attorneys' fees (including reasonably allocated fees of in-house counsel) in addition to court costs and any and all other costs recoverable in said action.

ARTICLE 16 INDEMNIFICATION

16.1 Indemnification.

(a) Each Party (the "**Indemnifying Party**") agrees to indemnify, defend and hold harmless the other Party and its Affiliates, directors, officers, employees and agents (collectively, the "**Indemnified Party**") from and against all claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees) for personal injury or death to Persons and damage to the property of any third party to the extent arising out of, resulting from, or caused by the negligent or willful misconduct of the Indemnifying Party, its Affiliates, its directors, officers, employees, or agents.

(b) Nothing in this Section 16.1 shall enlarge or relieve Seller or Buyer of any liability to the other for any breach of this Agreement. Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

16.2 **Claims.** Promptly after receipt by a Party of any claim or Notice of the commencement of any action, administrative, or legal proceeding, or investigation as to which the indemnity provided for in this Article 16 may apply, the Indemnified Party shall notify the Indemnifying Party in writing of such fact. The Indemnifying Party shall assume the defense thereof with counsel designated by such Party and satisfactory to the Indemnified Party, *provided, however,* that if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the Indemnifying Party, the Indemnified Party shall have the right to select and be represented by separate counsel, at the Indemnifying Party's expense, unless a liability insurer is willing to pay such costs.

If the Indemnifying Party fails to assume the defense of a claim meriting indemnification, the Indemnified Party may at the expense of the Indemnifying Party contest, settle, or pay such claim, *provided* that settlement or full payment of any such claim may be made only following consent of the Indemnifying Party or, absent such consent, written opinion of the Indemnified Party's counsel that such claim is meritorious or warrants settlement otherwise provided in this Article 16, in the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under this Article 16, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's damages net of any insurance proceeds received by the Indemnified Party following a reasonable effort by the Indemnified Party to obtain such insurance proceeds.

ARTICLE 17 INSURANCE

17.1 Insurance.

(a) General Liability. Seller shall maintain, or cause to be maintained at its sole expense, commercial general liability insurance, covering all operations by or on behalf of Seller arising out of or connected with this Agreement, including coverage for bodily injury, broad form property damage, personal and advertising injury, products/completed operations, and contractual liability. Such insurance shall be in a minimum amount of per occurrence and annual aggregate of not less than Two Million Dollars (\$2,000,000), exclusive of defense costs, for all coverages. The policy shall be endorsed to provide contractual liability in the required amount, specifically covering Seller's obligations under this Agreement and including Buyer as an additional insured. Such insurance shall contain standard cross-liability and severability of interest provisions.

(b) Employer's Liability Insurance. Employers' Liability insurance shall not be less than One Million Dollars (\$1,000,000.00) for injury or death occurring as a result of each accident. With regard to bodily injury by disease, the One Million Dollar (\$1,000,000) policy limit will apply to each employee.

(c) Workers Compensation Insurance. Seller, if it has employees, shall also maintain at all times during the Contract Term workers' compensation and employers' liability insurance coverage in accordance with applicable requirements of California Law.

(d) Business Auto Insurance. Seller shall maintain at all times during the Contract Term business auto insurance for bodily injury and property damage with limits of One Million Dollars (\$1,000,000) per occurrence. Such insurance shall cover liability arising out of Seller's use of all owned (if any), non-owned and hired vehicles, including trailers or semi-trailers in the performance of the Agreement.

(e) Construction All-Risk Insurance. Seller shall maintain during the construction of the Facility prior to the Commercial Operation Date, construction all-risk form property insurance covering the Facility during such construction periods, and naming Seller (and Lender if any) as the loss payee.

(f) Contractor's Pollution Liability. Seller shall maintain or cause to be maintained during the construction of the Facility prior to the Commercial Operation Date, Pollution Legal Liability Insurance in the amount of Two Million Dollars (\$2,000,000) per occurrence and in the aggregate, naming Seller (and Lender if any) as additional named insured.

(g) Subcontractor Insurance. Seller shall require all of its subcontractors to carry (i) comprehensive general liability insurance with a combined single limit of coverage not less than One Million Dollars (\$1,000,000); (ii) workers' compensation insurance and employers' liability coverage in accordance with applicable requirements of Law; and (iii) business auto insurance for bodily injury and property damage with limits of one million dollars (\$1,000,000) per occurrence. All subcontractors shall name Seller as an additional insured to insured to insurance carried pursuant to clauses (g)(i) and (g)(iii). All subcontractors shall provide a primary

endorsement and a waiver of subrogation to Seller for the required coverage pursuant to this Section 17.1(g).

(h) Umbrella/Excess Liability Insurance. Seller shall maintain at all times during the Contract Term umbrella/excess liability providing coverage excess of the underlying Employer's Liability, Commercial General Liability, and Business Auto Insurance, on terms at least as broad as the underlying coverage, with limits of not less than Five Million Dollars (\$5,000,000) per occurrence and in the annual aggregate. The insurance requirements of this Section 17.1 can be provided by any combination of Seller's primary and excess liability policies.

(i) Evidence of Insurance. Within thirty (30) days after execution of the Agreement and upon annual renewal thereafter, Seller shall deliver to Buyer certificates of insurance evidencing such coverage. These certificates shall specify that Buyer shall be given at least thirty (30) days prior Notice by Seller in the event of cancellation or termination of coverage. Such insurance shall be primary coverage without right of contribution from any insurance or self-insurance of Buyer. Any other insurance maintained by Seller is for the exclusive benefit of Seller and shall not in any manner inure to the benefit of Buyer. Seller shall also comply with all insurance requirements by any renewable energy or other incentive program administrator or any other applicable authority. Buyer shall have the right to inspect or obtain a copy of the original policy(ies) of insurance.

(j) Failure to Comply with Insurance Requirements. If Seller fails to comply with any of the provisions of this Article 17, Seller, among other things and without restricting Buyer's remedies under the Law or otherwise, shall, at its own cost and expense, act as an insurer and provide insurance in accordance with the terms and conditions above. With respect to the required general liability, umbrella liability and commercial automobile liability insurance, Seller shall provide a current, full and complete defense to Buyer, its subsidiaries and Affiliates, and their respective officers, directors, shareholders, agents, employees, assigns, and successors in interest, in response to a third-party claim in the same manner that an insurer would have, had the insurance been maintained in accordance with the terms and conditions set forth above. In addition, alleged violations of the provisions of this Article 17 means that Seller has the initial burden of proof regarding any legal justification for refusing or withholding coverage and Seller shall face the same liability and damages as an insurer for wrongfully refusing or withholding coverage in accordance with the laws of California.

ARTICLE 18 CONFIDENTIAL INFORMATION

18.1 Definition of Confidential Information. The following constitutes "**Confidential Information**," whether oral or written which is delivered by Seller to Buyer or by Buyer to Seller including (a) pricing and other commercially-sensitive or proprietary information provided to Buyer in connection with the terms and conditions of, and proposals and negotiations related to, this Agreement, and (b) information that either Seller or Buyer stamps or otherwise identifies as "confidential" or "proprietary" before disclosing it to the other. Confidential Information does not include (i) information that was publicly available at the time of the disclosure, other than as a result of a disclosure in breach of this Agreement; (ii) information that becomes publicly available through no fault of the recipient after the time of the delivery; (iii) information that was rightfully

in the possession of the recipient (without confidential or proprietary restriction) at the time of delivery or that becomes available to the recipient from a source not subject to any restriction against disclosing such information to the recipient; and (iv) information that the recipient independently developed without a violation of this Agreement.

18.2 **Duty to Maintain Confidentiality.** Confidential Information will retain its character as Confidential Information but may be disclosed by the recipient (the “**Receiving Party**”) if and to the extent such disclosure is required (a) to be made by any requirements of Law, (b) pursuant to an order of a court or (c) in order to enforce this Agreement. If the Receiving Party becomes legally compelled (by interrogatories, requests for information or documents, subpoenas, summons, civil investigative demands, or similar processes or otherwise in connection with any litigation or to comply with any applicable law, order, regulation, ruling, regulatory request, accounting disclosure rule or standard or any exchange, control area or independent system operator request or rule) to disclose any Confidential Information of the disclosing Party (the “**Disclosing Party**”), Receiving Party shall provide Disclosing Party with prompt notice so that Disclosing Party, at its sole expense, may seek an appropriate protective order or other appropriate remedy. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party is not required to defend against such request and shall be permitted to disclose such Confidential Information of the Disclosing Party, with no liability for any damages that arise from such disclosure. Each Party hereto acknowledges and agrees that information and documentation provided in connection with this Agreement may be subject to the California Public Records Act (Government Code Section 7920 et seq.). The provisions of this Article 18 shall survive and shall continue to be binding upon the Parties for period of one (1) year following the date of termination of this Agreement.

18.3 **Irreparable Injury; Remedies.** Receiving Party acknowledges that its obligations hereunder are necessary and reasonable in order to protect Disclosing Party and the business of Disclosing Party, and expressly acknowledges that monetary damages would be inadequate to compensate Disclosing Party for any breach or threatened breach by Receiving Party of any covenants and agreements set forth herein. Accordingly, Receiving Party acknowledges that any such breach or threatened breach will cause irreparable injury to Disclosing Party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, Disclosing Party will be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach, without the necessity of proving actual damages.

18.4 **Disclosure to Lenders, Etc.** Notwithstanding anything to the contrary in this Article 18, Confidential Information may be disclosed by Seller to any actual or potential Lender or investor or any of its Affiliates, and Seller’s actual or potential agents, consultants, contractors, or trustees, so long as the Person to whom Confidential Information is disclosed either is bound by similarly restrictive confidentiality obligations as those contained in this Agreement, or agrees in writing to be bound by the confidentiality provisions of this Article 18 to the same extent as if it were a Party.

18.5 **Press Releases.** Neither Party shall issue (or cause its Affiliates to issue) a press release regarding the transactions contemplated by this Agreement unless both Parties have agreed upon the contents of any such public statement.

ARTICLE 19 MISCELLANEOUS

19.1 **Entire Agreement; Integration; Exhibits.** This Agreement, together with the Cover Sheet and Exhibits attached hereto constitutes the entire agreement and understanding between Seller and Buyer with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits attached hereto are integral parts hereof and are made a part of this Agreement by reference. The headings used herein are for convenience and reference purposes only. In the event of a conflict between the provisions of this Agreement and those of the Cover Sheet or any Exhibit, the provisions of first the Cover Sheet, and then this Agreement shall prevail, and such Exhibit shall be corrected accordingly. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

19.2 **Amendments.** This Agreement may only be amended, modified or supplemented by an instrument in writing executed by duly authorized representatives of Seller and Buyer; *provided*, that, for the avoidance of doubt, this Agreement may not be amended by electronic mail communications.

19.3 **No Waiver.** Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default.

19.4 **No Agency, Partnership, Joint Venture or Lease.** Seller and the agents and employees of Seller shall, in the performance of this Agreement, act in an independent capacity and not as officers or employees or agents of Buyer. Under this Agreement, Seller and Buyer intend to act as energy seller and energy purchaser, respectively, and do not intend to be treated as, and shall not act as, partners in, co-venturers in or lessor/lessee with respect to the Facility or any business related to the Facility. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement) or, to the extent set forth herein, any Lender or Indemnified Party.

19.5 **Severability.** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, the Parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby. The Parties shall, however, use their best endeavors to agree on the replacement of the void, illegal or unenforceable provision(s) with legally acceptable clauses which correspond as closely as possible to the sense and purpose of the affected provision and this Agreement as a whole.

19.6 **Mobile-Sierra.** Notwithstanding any other provision of this Agreement, neither Party shall seek, nor shall they support any third party seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior written agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party shall be the

“public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956). Changes proposed by a non-Party or FERC acting *sua sponte* shall be subject to the most stringent standard permissible under applicable law.

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

19.8 **Electronic Delivery.** This Agreement may be duly executed and delivered by a Party by execution and electronic format (including portable document format (.pdf)) deli the CAISO Tariff renders very of the signature page of a counterpart to the other Party, and, if delivery is made by electronic format, the executing Party shall promptly deliver, via overnight delivery, a complete original counterpart that it has executed to the other Party, but this Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original counterpart.

19.9 **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

19.10 **No Recourse.** Buyer is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Buyer shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Seller shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Buyer’s constituent members, or the employees, directors, officers, consultants or advisors of Buyer or its constituent members, in connection with this Agreement.

19.11 **Change in Electric Market Design.** If a change in Law renders this Agreement or any provisions hereof incapable of being performed or administered, then either Party may request that Buyer and Seller enter into negotiations to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered, while attempting to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date. Upon delivery of such a request, Buyer and Seller shall engage in such negotiations in good faith. If Buyer and Seller are unable, within sixty (60) days after delivery of such request, to agree upon changes to this Agreement or to resolve issues relating to changes to this Agreement, then any Party may submit issues pertaining to changes to this Agreement to the dispute resolution process set forth in Article 16. Notwithstanding the foregoing, (i) a change in cost shall not in and of itself be deemed to render this Agreement or any of the provisions hereof incapable of being performed or administered, or constitute, or form the basis of, a Force Majeure Event, and (ii) all of unaffected provisions of this Agreement shall remain in full force and effect during any period of such negotiation or dispute resolution.

19.12 **Forward Contract.** The Parties intend that this Agreement constitute a “forward contract” within the meaning of the U.S. Bankruptcy Code, and that Buyer and Seller are deemed “forward contract merchants” within the meaning of the U.S. Bankruptcy Code. Each Party further

agrees that, for all purposes of this Agreement, each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. § 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort to the extent such term relates to 11 U.S.C. §366 or another provision of 11 U.S.C. § 101-1532.

19.13 **Further Assurances.** Each of the Parties hereto agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, to give full effect to this Agreement and to carry out the intent of this Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date.

[SELLER]

**CLEAN ENERGY ALLIANCE, a
California joint powers authority**

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

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

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

EXHIBIT A

FACILITY DESCRIPTION

Site Name:

Site includes all or some of the following APNs: This Agreement is specific to the Site and Seller may change the location of the Site only upon Buyer's prior written consent, which consent is in Buyer's sole discretion. Seller shall maintain Site Control throughout the Contract Term and shall provide Buyer with prompt Notice of any change in the status of Seller's Site Control.

County:

Type of Generating Facility: _____

Type of Storage Facility: _____

Guaranteed Capacity: ___ kW (AC)

Maximum Output: ___ kW (Generating Facility and Storage Facility combined)

Maximum Charging Capacity: ___ kW.

Maximum Discharging Capacity: ___ kW.

Maximum Stored Energy Level: ___ kWh.

Operating Restrictions of Storage Facility: See Exhibit S

Delivery Point:

Participating Transmission Owner:

EXHIBIT B

FACILITY CONSTRUCTION AND COMMERCIAL OPERATION

1. **Construction of the Facility.** “**Construction Start**” will occur upon satisfaction of the following: (i) Seller has acquired the applicable regulatory authorizations, approvals and permits required for the commencement of construction of the Facility, (ii) Seller has engaged all contractors and ordered all essential equipment and supplies as, in each case, can reasonably be considered necessary so that physical construction of the Facility may begin and proceed to completion without foreseeable interruption of material duration, and (iii) Seller has executed an engineering, procurement, and construction contract and issued thereunder a notice to proceed that authorizes the contractor to mobilize to Site and begin physical construction of the Facility (such authorization to include, at a minimum, excavation for foundations or the installation or erection of improvements) at the Site. The date of Construction Start will be evidenced by and subject to Seller’s delivery to Buyer of a certificate substantially in the form attached as Exhibit J hereto, and the date certified therein shall be the “**Construction Start Date.**” Seller shall cause Construction Start to occur no later than the Guaranteed Construction Start Date.
2. **Commercial Operation of the Facility.** “**Commercial Operation**” means the condition existing when Seller has fulfilled all of the conditions precedent in Section 2.2 of the Agreement and provided Notice to Buyer substantially in the form of Exhibit H (the “**COD Certificate**”) (ii) Seller has notified Buyer in writing that it has provided the required documentation to Buyer and met the conditions for achieving Commercial Operation, and (iii) Buyer has acknowledged to Seller in writing that Buyer agrees that Commercial Operation has been achieved. The “**Commercial Operation Date**” shall be the date on which Commercial Operation is achieved. Seller shall notify Buyer that it intends to achieve Commercial Operation at least sixty (60) days before the anticipated Commercial Operation Date.
3. **Termination for Failure to Achieve Commercial Operation.** If the Facility has not achieved Commercial Operation within ninety (90) days after the Guaranteed Commercial Operation Date, as it may be extended as provided herein, Buyer may elect to terminate this Agreement in accordance with Sections 11.1(b)(ii) and 11.2.
4. **Extension of the Guaranteed Dates.** The Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date shall, subject to notice and documentation requirements set forth below, be automatically extended on a day-for-day basis (the “**Development Cure Period**”) for the duration of any and all delays arising out of the following circumstances:
 - a. Seller has not acquired all material permits, consents, licenses, approvals, or authorizations from any Governmental Authority required for Seller to own, construct, interconnect, operate or maintain the Facility and to permit Seller and Facility to make available and sell Product by the Expected Construction Start Date, despite the exercise of due diligence by Seller; or
 - b. a Force Majeure Event occurs; or

- c. the Interconnection Facilities or Network Upgrades are not complete and ready for the Facility to connect and sell Product at the Delivery Point by the Guaranteed Commercial Operation Date, despite the exercise of due diligence by Seller.

Notwithstanding anything in this Agreement to the contrary, the cumulative extensions granted under the Development Cure Period above shall not exceed one hundred twenty (120) days, for any reason, including a Force Majeure Event, and no extension shall be given if the delay was the result of Seller's failure to exercise due diligence to meet its requirements and deadlines. Upon request from Buyer, Seller shall provide documentation demonstrating to Buyer's reasonable satisfaction that the delays described above did not result from Seller's failure to exercise due diligence.

5. **Failure to Reach Guaranteed Capacity.** If, at Commercial Operation, the Installed Capacity is less than one hundred percent (100%) of the Guaranteed Capacity, Seller shall have one hundred and eighty (180) days after the Commercial Operation Date to install additional capacity or Network Upgrades such that the Installed Capacity is equal to (but not greater than) the Guaranteed Capacity, and Seller shall provide to Buyer a new certificate substantially in the form attached as Exhibit I hereto specifying the new Installed Capacity. If Seller fails to construct the Guaranteed Capacity by such date, Seller shall pay "**Capacity Damages**" to Buyer, in an amount equal to Twenty Dollars (\$20) for each kW that the Guaranteed Capacity exceeds the Installed Capacity, and the Guaranteed Capacity and other applicable portions of the Agreement shall be adjusted accordingly.
6. **Failure to Reach Guaranteed Capacity or Storage Contract Capacity.**²⁹
 - a. *Guaranteed Capacity.* If, at Commercial Operation, the Installed PV Capacity is less than one hundred percent (100%) of the Guaranteed Capacity, Seller shall have one hundred twenty (120) days after the Commercial Operation Date to install additional capacity or Network Upgrades such that the Installed PV Capacity is equal to (but not greater than) the Guaranteed Capacity, and Seller shall provide to Buyer a new certificate substantially in the form attached as Exhibit I-1 hereto specifying the new Installed PV Capacity. If Seller fails to construct the Guaranteed Capacity by such date, Seller shall pay "**Capacity Damages**" to Buyer, in an amount equal to Twenty Dollars (\$20) for each kW that the Guaranteed Capacity exceeds the Installed PV Capacity, and the Guaranteed Capacity and other applicable portions of the Agreement shall be adjusted accordingly.
 - b. *Storage Contract Capacity.* If, at Commercial Operation, the Installed Battery Capacity is less than one hundred percent (100%) of the Storage Contract Capacity, Seller shall have one hundred twenty (120) days after the Commercial Operation Date to install additional capacity or Network Upgrades such that the Installed Battery Capacity is equal to (but not greater than) one hundred percent (100%) of the Storage Contract Capacity, and Seller shall provide to Buyer a new certificate substantially in the form attached as Exhibit I-2 hereto specifying the new Installed Battery Capacity. If Seller fails to construct the Storage Contract Capacity by such date, Seller shall pay Capacity Damages to Buyer, in an amount equal to Twenty

²⁹ Applicable if the Facility includes a Storage Facility.

Dollars (\$20) for each kW that the Storage Contract Capacity exceeds the Installed Battery Capacity, and the Storage Contract Capacity and other applicable portions of the Agreement shall be adjusted accordingly.

EXHIBIT C
COMPENSATION

Buyer shall compensate Seller for the Product in accordance with this Exhibit C.

(a) Facility Energy. Buyer shall pay Seller the Renewable Rate for each MWh of Product, as measured by the amount of Facility Energy, up to one hundred fifteen percent (115%) of the Expected Energy for each Contract Year.

(b) Annual Excess Energy. Notwithstanding the foregoing, if, at any point in any Contract Year, the amount of Facility Energy exceeds one hundred fifteen percent (115%) of the Expected Energy for such Contract Year, the price to be paid for each MWh of such additional Facility Energy amounts shall be fifty percent (50%) of the Renewable Rate.

(c) Storage Bonus.³⁰ All Storage Product shall be paid on a monthly basis at the Storage Bonus *multiplied by* the amount of Facility Energy for such month. Such payment constitutes the entirety of the amount due to Seller from Buyer for the Storage Product. No Storage Bonus shall be paid for any period during which either of the following provisions are applicable:

(i) if, during the preceding two (2) consecutive Contract Years, the average Monthly Storage Availability was less than seventy percent (70%); or

(ii) If, Seller fails to maintain an average Efficiency Rate of at least seventy percent (70%) over the prior 12-month period.

(d) Test Energy. Test Energy is compensated in accordance with Section 3.6.

(e) Tax Credits. The Parties agree that the neither the Contract Price nor the Test Energy Rate are subject to adjustment or amendment if Seller fails to receive any Tax Credits, or if any Tax Credits expire, are repealed or otherwise cease to apply to Seller or the Facility in whole or in part, or Seller or its investors are unable to benefit from any Tax Credits. Except as otherwise provided herein, Seller shall bear all risks, financial and otherwise, throughout the Contract Term, associated with Seller's or the Facility's eligibility to receive Tax Credits or to qualify for accelerated depreciation for Seller's accounting, reporting or Tax purposes. The obligations of the Parties hereunder, including those obligations set forth herein regarding the purchase and price for and Seller's obligation to deliver Facility Energy and Product, shall be effective regardless of whether the sale of Facility Energy is eligible for, or receives Tax Credits during the Contract Term.

³⁰ Applicable if the Facility includes a Storage Facility.

EXHIBIT D
[RESERVED]

EXHIBIT E

PROGRESS REPORTING FORM

Each Progress Report must include the following items:

1. Executive Summary.
2. Facility description.
3. Site plan of the Facility.
4. Description of any material planned changes to the Facility or the site.
5. Gantt chart schedule showing progress on achieving each of the Milestones.
6. Summary of activities during the previous calendar quarter or month, as applicable, including any OSHA labor hour reports.
7. Forecast of activities scheduled for the current calendar quarter.
8. Written description about the progress relative to Seller's Milestones, including whether Seller has met or is on target to meet the Milestones.
9. List of issues that are likely to potentially affect Seller's Milestones.
10. A status report of start-up activities including a forecast of activities ongoing and after start-up, a report on Facility performance including performance projections for the next twelve (12) months.
11. Prevailing wage reports as required by Law.
12. Progress and schedule of all major agreements, contracts, permits, approvals, technical studies, financing agreements and major equipment purchase orders showing the start dates, completion dates, and completion percentages.
13. Pictures, in sufficient quantity and of appropriate detail, in order to document construction and startup progress of the Facility, including interconnection into the Transmission System and all other interconnection utility services.
14. Any other documentation reasonably requested by Buyer.

EXHIBIT F-1

FORM OF AVERAGE EXPECTED ENERGY REPORT

Average Expected Energy (in MWh)

	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00	
JAN																									
FEB																									
MAR																									
APR																									
MAY																									
JUN																									
JUL																									
AUG																									
SEP																									
OCT																									
NOV																									
DEC																									

The foregoing table is provided for informational purposes only, and it shall not constitute, or be deemed to constitute, an obligation of any of the Parties to this Agreement.

EXHIBIT F-2

FORM OF MONTHLY AVAILABLE CAPACITY REPORT

[Available Capacity, MW per hour] – [Insert Month]

	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00	
Day 1																									
Day 2																									
Day 3																									
Day 4																									
Day 5																									
[insert additional rows for each day in the month]																									
Day 29																									
Day 30																									
Day 31																									

The foregoing table is provided for informational purposes only, and it shall not constitute, or be deemed to constitute, an obligation of any of the Parties to this Agreement.

EXHIBIT G

GUARANTEED ENERGY PRODUCTION DAMAGES CALCULATION

In accordance with Section 4.8, if Seller fails to achieve the Guaranteed Energy Production during each Contract Year, a liquidated damages payment shall be due from Seller to Buyer, calculated as follows:

$$[(A - B) * (C)]$$

where:

A = the Guaranteed Energy Production amount for the Contract Year, in MWh

B = the Adjusted Energy Production amount for the Contract Year, in MWh

C = \$25/MWh

Buyer shall send Seller Notice of the amount of damages owing, if any, which shall be credited to Buyer pursuant to Section 8.6.

EXHIBIT H

FORM OF COMMERCIAL OPERATION DATE CERTIFICATE

This certification (“**Certification**”) of Commercial Operation is delivered by [licensed professional engineer] (“**Engineer**”) to Clean Energy Alliance, a California joint powers authority (“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____ (“**Agreement**”) by and between [Seller Entity] and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

As of [Date], Engineer hereby certifies and represents to Buyer the following:

1. The Facility is fully operational, reliable and interconnected, fully integrated and synchronized with the Participating Transmission Owner.
2. Seller has installed equipment for the Facility with a nameplate capacity of no less than ninety-five percent (95%) of the Guaranteed Capacity.
3. Seller has commissioned all equipment in accordance with its respective manufacturer’s specifications.
4. A performance test for the Facility demonstrated peak electrical output of ___ kW AC at the Delivery Point, as adjusted for ambient conditions on the date of the performance test (“**Installed Capacity**”).
5. The Installed Capacity is not less than ninety-five (95%) of the Guaranteed Capacity.
6. [The Installed Battery Capacity is not less than forty-seven and one-half percent (47.5%) of the Installed PV Capacity.]³¹
7. Authorization to parallel the Facility was obtained by the Participating Transmission Owner on [Date].
8. The Participating Transmission Owner has provided documentation supporting full unrestricted release for Commercial Operation by the Participating Transmission Owner on [Date].

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this _____ day of _____, 20__.

[LICENSED PROFESSIONAL ENGINEER]

³¹ Applicable if the Facility includes a Storage Facility.

By: _____

Printed Name: _____

Title: _____

EXHIBIT I-1³²

FORM OF INSTALLED PV CAPACITY CERTIFICATE

This certification (“**Certification**”) of Installed PV Capacity is delivered by [licensed professional engineer] (“**Engineer**”) to Clean Energy Alliance, a California joint powers authority (“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____ (“**Agreement**”) by and between [Seller Entity] and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

I hereby certify the performance test for the Generating Facility demonstrated peak electrical output of __ kW AC at the Delivery Point, as adjusted for ambient conditions on the date of the performance test (“**Installed PV Capacity**”).

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this _____ day of _____, 20__.

[LICENSED PROFESSIONAL ENGINEER]

By: _____

Printed Name: _____

Title: _____

³² Applicable if the Facility includes a Storage Facility.

EXHIBIT I-2³³

FORM OF INSTALLED BATTERY CAPACITY CERTIFICATE

This certification (“**Certification**”) of Installed Battery Capacity is delivered by [licensed professional engineer] (“**Engineer**”) to Clean Energy Alliance, a California joint powers authority (“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____ (“**Agreement**”) by and between [Seller Entity] and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

I hereby certify the Storage Capacity Test demonstrated a maximum dependable operating capability that can be sustained for four (4) consecutive hours to discharge electric energy of ___ kW AC to the Delivery Point, in accordance with the testing procedures, requirements and protocols set forth in Section 4.8 and Exhibit R (the “**Installed Battery Capacity**”).

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this _____ day of _____, 20__.

[LICENSED PROFESSIONAL ENGINEER]

By: _____

Printed Name: _____

Title: _____

³³ Applicable if the Facility includes a Storage Facility.

EXHIBIT J

FORM OF CONSTRUCTION START DATE CERTIFICATE

This certification of Construction Start Date (“**Certification**”) is delivered by [Seller Entity] (“**Seller**”) to Clean Energy Alliance, a California joint powers authority (“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____ (“**Agreement**”) by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Seller hereby certifies and represents to Buyer the following:

1. Construction Start (as defined in Exhibit B of the Agreement) has occurred, and a copy of the notice to proceed that Seller issued to its contractor as part of Construction Start is attached hereto;
2. the Construction Start Date occurred on _____ (the “**Construction Start Date**”); and
3. the precise Site on which the Facility is located is, which must be within the boundaries of the previously identified Site: _____.

IN WITNESS WHEREOF, the undersigned has executed this Certification on behalf of Seller as of the ___ day of _____.

[SELLER ENTITY]

By: _____

Printed Name: _____

Title: _____

EXHIBIT K

FORM OF LETTER OF CREDIT

[Issuing Bank Letterhead and Address]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [XXXXXXXX]

Date:
Bank Ref.:
Amount: US\$[XXXXXXXXXX]
Expiration Date:

Beneficiary:

Clean Energy Alliance
Attn: Andy Stern, Chief Financial Officer
5857 Owens Ave, Suite 2023
Carlsbad, CA 92008

Ladies and Gentlemen:

By the order of _____ (“Applicant”), we, [insert bank name and address] (“Issuer”) hereby issue our Irrevocable Standby Letter of Credit No. [XXXXXXXX] (the “Letter of Credit”) in favor of Clean Energy Alliance, a California joint powers authority (“Beneficiary”), for an amount not to exceed the aggregate sum of U.S. \$[XXXXXXXX] (United States Dollars [XXXXXX] and 00/100), pursuant to that certain Renewable Power Purchase Agreement dated as of [insert date] and as amended (the “Agreement”) between Applicant and Beneficiary. This Letter of Credit shall become effective immediately and shall expire on [insert date] which is one year after the issue date of this Letter of Credit, or any expiration date extended in accordance with the terms hereof (the “Expiration Date”).

Funds under this Letter of Credit are available to Beneficiary by valid presentation on or before the Expiration Date of a dated statement purportedly signed by your duly authorized representative, in the form attached hereto as Exhibit A, containing one of the two alternative paragraphs set forth in paragraph 2 therein, referencing our Letter of Credit No. [XXXXXXXX] (“Drawing Certificate”).

The Drawing Certificate may be presented by (a) physical delivery, (b) as a PDF attachment to an email to [bank email address] or (c) facsimile to [bank fax number]. Transmittal by email shall be deemed delivered when received.

The original of this Letter of Credit (and all amendments, if any) is not required to be presented in connection with any presentment of a Drawing Certificate by Beneficiary hereunder in order to receive payment.

We hereby agree with the Beneficiary that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation to the Issuer 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 it 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 its the date specified in such notice. No presentation made under this Letter of Credit after such Expiration Date (or such later date, if applicable) 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.

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: Clean Energy Alliance, Attn: Andy Stern, CFO, 5857 Owens Ave, Suite 2023 Carlsbad, CA 92008. 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 name]

[Insert officer title]

Exhibit A

Drawing Certificate

(DRAW REQUEST SHOULD BE ON BENEFICIARY'S LETTERHEAD)

[Insert Bank Name and Address]

Ladies and Gentlemen:

The undersigned, a duly authorized representative of Clean Energy Alliance, a California joint powers authority, as beneficiary (the "Beneficiary") of the Irrevocable Letter of Credit No. [XXXXXXX] (the "Letter of Credit") issued by [insert bank name] (the "Bank") by order of _____ (the "Applicant"), hereby certifies to the Bank as follows:

1. Applicant and Beneficiary are party to that certain Renewable Power Purchase Agreement dated as of _____, 20__ (the "Agreement").
2. Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. \$ _____ because a Seller Event of Default (as such term is defined in the Agreement) has occurred or other occasion provided for in the Agreement where Beneficiary is authorized to draw on the Letter of Credit has occurred.

OR

Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. \$ _____, which equals the full available amount under the Letter of Credit, because Applicant is required to maintain the Letter of Credit in force and effect beyond the Expiration Date of the Letter of Credit but has failed to provide Beneficiary with a replacement Letter of Credit or other acceptable instrument within thirty (30) days prior to such Expiration Date.

3. The undersigned is a duly authorized representative of Clean Energy Alliance, a California joint powers authority and is authorized to execute and deliver this Drawing Certificate on behalf of Beneficiary.

You are hereby directed to make payment of the requested amount to Clean Energy Alliance by wire transfer in immediately available funds to the following account: [Specify account information]

Clean Energy Alliance

Name and Title of Authorized Representative

Date _____

EXHIBIT L
RESERVED

EXHIBIT M

WORKFORCE REQUIREMENTS

(a) Prevailing Wage: Seller will ensure that all employees hired by Seller, and its contractors and subcontractors, that are performing work or providing services at the project site during the Construction Phase are paid wages at rates not less than those prevailing for workers performing similar work in the locality as provided by Division 2, Part 7, Chapter 1 of the California Labor Code (“Prevailing Wage Requirement”). Nothing herein shall require Seller, its contractors and subcontractors to comply with, or assume liability created by other inapplicable provisions of the California Labor Code. As a condition precedent to commencement of the Delivery Term, Seller must certify that it met the Prevailing Wage Requirement, and be able to demonstrate, upon request, compliance with this requirement via a certified payroll system and such other documentation reasonably requested by Buyer, including pursuant to an audit.

(b) Local Hire: Seller will ensure that [fifty percent (50%)] of the construction workhours from its workforce (including contractors and subcontractors) providing work and services at the project site during the Construction Phase (e.g., the period from Full Notice to Proceed (NTP) through receipt of a Permission To Operate (PTO) letter from the interconnecting utility) are obtained from permanent residents who live within the same county in which the Facility will be located (the “Local Hire Requirement”). Seller’s construction of the Facility is also subject to any local hire requirements specific to the city or town where the resource is located. As a condition precedent to commencement of the Delivery Term, Seller must certify that it met the Local Hire Requirement and be able to demonstrate, upon request, compliance with this requirement via a certified payroll system and such other documentation reasonably requested by Buyer, including pursuant to an audit.]

(c) [Training/Local Apprenticeship:]

EXHIBIT N
NOTICES

<hr style="width: 20%; margin-left: 0;"/> ("Seller")	CLEAN ENERGY ALLIANCE, a California joint powers authority
All Notices: Street: City: Attn: Phone: Email:	All Notices: Clean Energy Alliance 5857 Owens Ave, Suite 2023 Carlsbad, CA 92008 Attn: Chief Executive Officer Phone: (760) 209-6177 Email: ceo@thecleanenergyalliance.org
Reference Numbers: Duns: Federal Tax ID Number:	Reference Numbers: Duns: 117585162 Federal Tax ID Number: 84-3839142
Invoices: Attn: Phone: E-mail:	Invoices: Attn: Accounts Payable Phone: (760) 209-6177 Email: ceainvoices@pacificea.com; accountspayable@thecleanenergyalliance.org
Scheduling: Attn: Phone: Email:	Scheduling: Attn: Jaclyn Harr, The Energy Authority Phone: (408) 306-0432 Email: jharr@teainc.org
Confirmations: Attn: Phone: Email:	Confirmations: Attn: Barbara Boswell, CEO Phone: (760) 209-6177 Email: ceo@thecleanenergyalliance.org
Payments: Attn: Phone: E-mail:	Payments: Attn: Andy Stern, Chief Financial Officer Phone: (760) 209-6177 Email: astern@thecleanenergyalliance.org
Wire Transfer: BNK: ABA: ACCT:	Wire Transfer: BNK: River City Bank ABA: 121133416 ACCT: 7714609947
With additional Notices of an Event of Default to: Attn: Phone: E-mail:	With additional Notices of an Event of Default to: Hall Energy Law PC Attn: Stephen Hall Phone: (503) 313-0755 Email: steve@hallenergylaw.com

<hr/> ("Seller")	CLEAN ENERGY ALLIANCE, a California joint powers authority
Emergency Contact: Attn: Phone: Email:	Emergency Contact: Attn: Phone: E-mail:

EXHIBIT O
[RESERVED]

EXHIBIT P
[RESERVED]

EXHIBIT Q

STORAGE AVAILABILITY

Monthly Storage Availability

(a) Calculation of Monthly Storage Availability. Seller shall calculate the “Monthly Storage Availability” in a given month using the formula set forth below:

$$\text{Monthly Storage Availability (\%)} = \frac{[\text{MNTHHRS}_m - \text{UNAVAILHRS}_m]}{\text{MNTHHRS}_m}$$

where:

m = relevant month “m” in which availability is calculated;

MNTHHRS_m is the total number of hours for the month;

UNAVAILHRS_m , is the total number of hours in the month during which the Facility was unavailable to deliver Storage Product for any reason other than the occurrence of any of the following (each, an “Excused Event”): a Force Majeure Event, Storage Capacity Tests, System Emergencies, scheduled maintenance of the Facility up to fifty (50) hours in the aggregate during any calendar year (and hours of unavailability due to scheduled maintenance in excess of such limit shall be included in UNAVAILHRS_m for the applicable periods after such limit is exceeded), an Event of Default by Buyer, or the Operating Restrictions in Exhibit S. To be clear, hours of unavailability caused by any Excused Event will not be included in UNAVAILHRS_m for such month. Any other event that results in unavailability of the Facility for less than a full hour or that results in unavailability of less than all of the Facility will count as an equivalent percentage of the applicable hour(s) for this calculation. For example, if the Facility is 50% unavailable for 50% of an hour (but fully available the other 50% of the hour), it will be considered to be unavailable for 25% of the hour.

If the Facility or any component thereof was previously deemed unavailable for an hour or part of an hour, and Seller provides a revised Notice indicating the Facility is available for that hour or part of an hour by 5:00 a.m. of the morning Buyer schedules or bids the Facility in the Day-Ahead Market, the Facility will be deemed to be available to the extent set forth in the revised Notice.

If the Facility or any component thereof was previously deemed unavailable for an hour or part of an hour and Seller provides a revised Notice indicating the Facility is available for that hour or part of an hour at least sixty (60) minutes prior to the time the Buyer is required to schedule or bid the Facility in the Real-Time Market, and the Facility is dispatched in the Real-Time Market, the Facility will be deemed to be available to the extent set forth in the revised Notice.

EXHIBIT R³⁴

STORAGE CAPACITY TESTS

Storage Capacity Test Notice and Frequency

A. Commercial Operation Date Storage Capacity Test. Upon no less than ten (10) Business Days prior Notice to Buyer, Seller shall schedule and complete a Storage Capacity Test prior to the Commercial Operation Date. Such initial Storage Capacity Test shall be performed in accordance with this Exhibit M and shall establish the Storage Capacity hereunder based on the actual capacity of the Facility determined by such Storage Capacity Test.

B. Subsequent Storage Capacity Tests. Following the Commercial Operation Date, Buyer shall have the right to require Seller to schedule and complete a Storage Capacity Test once each Contract Year. Seller shall have the right to run a retest of any Storage Capacity Test upon five (5) Business Days' prior written Notice to Buyer (or any shorter period reasonably acceptable to Buyer consistent with Prudent Operating Practice).

C. Test Results and Re-Setting of Storage Capacity and Efficiency Rate. No later than five (5) days following any Storage Capacity Test, Seller shall submit a testing report detailing results and findings of the test. The report shall include Storage Facility Meter readings and plant log sheets verifying the operating conditions and output of the Facility. In accordance with Section 4.9(c) of the Agreement and Part II(I) below, the actual efficiency rate and storage capacity determined pursuant to a Storage Capacity Test (up to, but not in excess of, the Storage Contract Capacity) shall become the new Storage Capacity and Efficiency Rate at the beginning of the day following the completion of the test for all purposes under this Agreement.

Storage Capacity Test Procedures

PART I. GENERAL.

Each Storage Capacity Test (including the initial Storage Capacity Test and all re-performances thereof) shall be conducted in accordance with Prudent Operating Practices and the provisions of this Exhibit R. For ease of reference, a Storage Capacity Test is sometimes referred to in this Exhibit R as a "**SCT**". Buyer or its representative may be present for the SCT and may, for informational purposes only, use its own metering equipment (at Buyer's sole cost).

PART II. REQUIREMENTS APPLICABLE TO ALL STORAGE CAPACITY TESTS.

A. Purpose of Test. Each SCT shall:

- (1) Determine an updated Storage Capacity;
- (2) Determine the amount of Energy required to fully charge the Facility;

³⁴ Applicable if the Facility includes a Storage Facility.

- (3) Determine the Facility charge ramp rate;
- (4) Determine the Facility discharge ramp rate;
- (5) Determine an updated Efficiency Rate.

B. Test Elements. Each SCT shall include the following test elements:

- The measurement of Charging Energy, as measured by the Storage Facility Meter or other mutually agreed meter, that is required to charge the Facility up to the Maximum Stored Energy Level (as defined in Exhibit A) not to exceed the Storage Contract Output (MWh) (“**Energy In**”);
- The measurement of Discharging Energy, as measured by the Storage Facility Meter or other mutually agreed meter, that is discharged from the Facility to the Delivery Point until the Stored Energy Level reaches zero MWh as indicated by the battery management system (“**Energy Out**”);
- Electrical output at Maximum Discharging Capacity (as defined in Exhibit A) at the Storage Facility Meter and concurrently at the Facility Meter (MW);
- Electrical input at Maximum Charging Capacity (as defined in Exhibit A) at the Storage Facility Meter (MW);
- Amount of time between the Facility’s electrical output going from 0 to Maximum Discharging Capacity;
- Amount of time between the Facility’s electrical input going from 0 to Maximum Charging Capacity;
- Amount of energy required to go from 0% Stored Energy Level to 100% Stored Energy Level charging at a rate equal to the Maximum Charging Capacity.

C. Parameters. During each SCT, the following parameters shall be measured and recorded simultaneously for the Facility, at ten (10) minute intervals:

- (1) discharge time (minutes);
- (2) charging energy (MWh);
- (3) discharging energy (MWh);
- (4) Stored Energy Level (MWh).

- D. Site Conditions. During each SCT, the following conditions at the Site shall be measured and recorded simultaneously at thirty (30) minute intervals:
- (1) Relative humidity (%);
 - (2) Barometric pressure (inches Hg) near the horizontal centerline of the Facility; and
 - (3) Ambient air temperature (°F).
- E. Test Showing. Each SCT must demonstrate that the Facility:
- (1) successfully started;
 - (2) operated for at least four (4) consecutive hours at Maximum Discharging Capacity;
 - (3) operated for at least four (4) consecutive hours at Maximum Charging Capacity;
 - (4) has a Storage Capacity of an amount that is, at least, equal to the Maximum Stored Energy Level (as defined in Exhibit A); and
 - (5) is able to deliver Discharging Energy to the Delivery Point as measured by the Facility Meter for four (4) consecutive hours at a rate equal to the Maximum Discharging Capacity.
- F. Test Conditions.
- (i) General. At all times during a SCT, the Facility shall be operated in compliance with Prudent Operating Practices and all operating protocols recommended, required or established by the manufacturer for operation at Maximum Discharging Capacity and Maximum Charging Capacity (as each is defined in Exhibit A).
 - (ii) Abnormal Conditions. If abnormal operating conditions that prevent the recordation of any required parameter occur during a SCT, Seller may postpone or reschedule all or part of such SCT in accordance with Part II.F below.
 - (iii) Instrumentation and Metering. Seller shall provide all instrumentation, metering and data collection equipment required to perform the SCT. The instrumentation, metering and data collection equipment electrical meters shall be calibrated in accordance with Prudent Operating Practice.
- G. Incomplete Test. If any SCT is not completed in accordance herewith, Buyer may in its sole discretion: (i) accept the results up to the time the SCT stopped; (ii) require that the portion of the SCT not completed, be completed within a reasonable

specified time period; or (iii) require that the SCT be entirely repeated. Notwithstanding the above, if Seller is unable to complete a SCT due to a Force Majeure Event or the actions or inactions of Buyer or the CAISO or the PTO or the Transmission Provider, Seller shall be permitted to reconduct such SCT on dates and at times reasonably acceptable to the Parties.

H. Final Report. Within fifteen (15) Business Days after the completion of any SCT, Seller shall prepare and submit to Buyer a written report of the results of the SCT, which report shall include:

- (1) a record of the personnel present during the SCT that served in an operating, testing, monitoring or other such participatory role;
- (2) the measured data for each parameter set forth in Part II.A through C, including copies of the raw data taken during the test;
- (3) the level of Storage Capacity, Energy In, Energy Out, Efficiency Rate, Charging Capacity, the current charge and discharge ramp rate, and Stored Energy Level determined by the SCT, including supporting calculations; and
- (4) Seller's statement of either Seller's acceptance of the SCT or Seller's rejection of the SCT results and reason(s) therefor.

Within ten (10) Business Days after receipt of such report, Buyer shall notify Seller in writing of either Buyer's acceptance of the SCT results or Buyer's rejection of the SCT and reason(s) therefor.

If either Party rejects the results of any SCT, such SCT shall be repeated in accordance with Part II.F.

I. Adjustment to Storage Capacity. The total amount of Discharging Energy delivered to the Delivery Point (expressed in MWh AC) during each of the first four (4) hours of discharge (up to, but not in excess of, the product of (i) the original Storage Capacity set forth on the Cover Sheet, as such original Storage Capacity on the Cover Sheet may have been adjusted (if at all) under this Agreement, multiplied by (ii) four (4), shall be divided by four (4) hours to determine the Storage Capacity, which shall be expressed in MW AC, and shall be the new Storage Capacity in accordance with Section 4.9(c) of the Agreement until updated pursuant to a subsequent Storage Capacity Test.

J. Adjustment to Efficiency Rate. The total amount of Energy Out (as reported in Part II.B above) divided by the total amount of Energy In (as reported in Part II.B above) shall be the "Efficiency Rate" and shall be used for all purposes under the Agreement until updated pursuant to a subsequent Storage Capacity Test.

EXHIBIT S
OPERATING RESTRICTIONS³⁵

Maximum Storage Level:	[XX] MWh
Minimum Storage Level:	0 MWh
Maximum Charging Capacity:	[XX] MW
Minimum Charging Capacity:	0.01 MW
Maximum Discharging Capacity:	[XX] MW
Minimum Discharging Capacity:	0.01 MW
Maximum State of Charge (SOC) during Charging:	100 %
Minimum State of Charge (SOC) during Discharging:	0 %
Ramp Rate:	[XX] MW/minute
Annual Cycles:	Maximum of 365 Full Cycle Equivalents per Contract Year with no monthly cap.
Daily Dispatch Limits:	Charging: 2 per day Discharging: 2 per day Partial Charging/Discharging: No limits beyond the operational conditions specified.
Maximum Time at Minimum Storage Level:	N/A

The following capitalized terms have the meanings ascribed to them below in this Exhibit S:

“**Full Cycle**” means the Storage Facility is charged, then discharged at a MWh quantity equal to the energy capacity in MWh. For example, SOC starts at 1%, the Storage Facility is charged to 100% and then discharged to 1%.

“**Full Cycle Equivalent**” means Partial Cycles that aggregate to one Full Cycle. For example, two 50 percent (50%) Partial Cycles or four 25 percent (25%) Partial Cycles is one (1) Full Cycle Equivalent.

“**Partial Cycle**” means the Storage Facility is charged and discharged at a MWh quantity less than 100 percent (100%) of the Storage Facility energy capacity. For example, SOC starts at 50%, the Storage Facility is discharged to 0% and then charged back to 50%.

³⁵ Applicable if the Facility includes a Storage Facility.

EXHIBIT T
METERING DIAGRAM

Staff Report

DATE: March 28, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 4: Receive Regulatory Update from Keyes & Fox

RECOMMENDATION:

Receive the Regulatory Update from Keyes & Fox.

BACKGROUND AND DISCUSSION:

Clean Energy Alliance contracts with Keyes and Fox for Regulatory Advocacy related activities. Each month Keyes and Fox provides an update to the CEA Board on key items of interest.

FISCAL IMPACT:

There is no fiscal impact from this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Keyes & Fox Regulatory Report

Clean Energy Alliance

Regulatory Monitoring Report

To: Clean Energy Alliance (CEA) Board of Directors

From: Tim Lindl, Partner, Keyes & Fox LLP
Jacob Schlesinger, Partner, Keyes & Fox LLP
Jason Hoyle, Principal Analyst, EQ Research, LLC

Subject: Monthly Regulatory Memo

Date: March 15, 2024

Keyes & Fox LLP and EQ Research LLC are pleased to provide CEA's Board of Directors with this informational memo describing recent developments in key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC). Additional information is available in CEA's [Digest of Regulatory Updates](#).

Provider of Last Resort ([R.21-03-011](#))

- On March 14, the CPUC issued a [Proposed Decision](#) (PD) ([Appendix](#) - Deregistration Process) on Provider of Last Resort (POLR) policies, Financial Security Requirement (FSR) updates, a new financial monitoring process, and modifications to rules regarding CCA and ESP registration and deregistration. These changes are intended to ensure POLR cost recovery and compliance with SB 520 (Stats. 2019, Ch. 408), promote continuity of electric service, and prevent cost shifts between customers during a mass involuntary return of CCA or ESP customers to POLR service. The PD may be heard as early as the April 18 Commission meeting. Comments on the PD are due April 3 and reply comments are due April 8.
- Key changes to the POLR requirements impacting CCAs include the following:
 - Revised minimum FSR amount that is the greater of the viability amount currently required for CCAs (i.e., \$147,000) or the calculated per-customer administrative fee.
 - For the first FSR posting following this decision, CCAs and ESPs shall be provided an additional 30 days to comply, with the first designed FSR amount due on the 1st day of the second month following the IOU's initial calculation. For example, if the IOU's first FSR calculation following this decision were to occur in November 2024, then CCAs and ESPs would have until January 1, 2025 to update their FSR posting.
 - To implement monitoring of CCA financial status, CCAs will be required to provide Energy Division with an audited financial statement twice a year, in January and July. Additional Tier 2 monitoring will be required for CCAs whose credit rating drops below investment grade (although as SDCP/CEA requested, the Commission will not require CCAs to obtain a credit rating), CCAs who fall below the minimum cash reserve and debt service coverage ratio standards, and for CCAs that default on a procurement contract for non-payment or file for insolvency or bankruptcy.

Demand Flexibility ([R.22-07-005](#))

- On March 1, several Parties ([California Environmental Justice Alliance](#), [Joint Parties/SMJUs](#), and [Joint IOUs](#)) filed reply comments on the [Joint Motion](#) of Bear Valley, Liberty Utilities, and Pacificorp (collectively SMJUs) for adoption of the Track A settlement agreement under which the SMJUs would implement an initial income-graduated fixed charge (IGFC) of between \$5 and \$7.21 per month for Tier 1 (up to 100% of federal poverty level), a \$10 to \$15.64/month charge for Tier 2 (between 100% and 200% of the federal poverty level), and a monthly fixed charge for Tier 3 of between \$23.40 and \$32.76. Issues raised by the Parties regarding the settlement agreement include the agreement's lack of specifically identified fixed costs included in the IGFC and whether the agreement complies with statutory requirements, particularly regarding low-income customer charges.

- Reply Comments on the December ALJ [Ruling](#) requesting comments on implementation budget and timing issues were filed in mid-February. [Reply Comments](#) of the Joint IOUs emphasized that PG&E no longer forecasts an IGFC implementation date in 2028 and has provided an accelerated implementation timeline (est. Q4 2025) that approximately aligns with the SCE and SDG&E's mid-2025 implementation estimate, while the Solar Energy Industries Association's [Reply Comments](#) questioned the feasibility of PG&E's accelerated implementation timeline. [Joint Reply Comments](#) of the National Resources Defense Council and The Utility Reform Network highlighted their position that the IGFC will have a positive impact on the adoption of beneficial electrification measures as a result of the lower volumetric energy rates, a position with which the Joint IOUs and [CalAdvocates](#) agree, but which the [Utility Consumers' Action Network](#) and the [Clean Coalition](#) dispute.

RA Rulemaking 2025-2026 ([R.23-10-011](#))

- On March 8, Parties filed comments on Track 1 proposals, including [CalCCA](#), [Western Power Trading Forum](#), [CAISO](#), [SDG&E](#), [SCE](#), [PG&E](#), [CalAdvocates](#), [Alliance for Retail Energy Markets](#), and others. Below are brief summaries of proposals, issues, and comments with the most potential to impact RA procurement and compliance for CCAs like CEA.
 - [Master Resource Database \(MRD\) Updates and Corrections](#) – RA compliance will be demonstrated using resource characteristics from the MRD, and the MRD will be updated to correct errors and revise default values. However, updates will be presumptively made by generators on an ad hoc basis while LSEs may incur an RA deficiency because of late, incorrect, incomplete, or un-made MRD updates and have no formal mechanism by which to correct such errors or omissions.
 - [RA Waivers and Cure Periods](#) – The current RA market conditions (e.g., limited supply and record-high prices) are widely recognized by Parties and there is support for a waiver process and extended periods to cure system or flexible RA deficiencies, in various forms and for differing lengths of time. Such a process may establish thresholds for good-faith efforts by load-serving entities (LSEs) and unreasonable RA prices (CalCCA suggests a threshold of \$40/kW-month) that, if met, would avoid LSEs having to choose between unreasonably high-priced RA procurement or being subject to fines and other penalties, or potentially be applied to circumstances in which a new resource's online date is delayed.
 - [Hourly Load Transactions](#) – Under the Slice-of-Day Framework (SOD) an LSE is required to demonstrate sufficient resources to meet its projected load in all 24 hours of the “worst” day of the month, in each month. Hourly loads vary among LSEs and CalCCA's proposal is to allow an LSE with surplus RA in a particular hour to transact or trade with an LSE that has an RA deficit in that hour, or alternatively transact or trade RA compliance obligations. Such arrangements, if adopted, would make more efficient and cost-effective use of existing RA resources by leveraging complimentary LSE load curves.
 - [Slice-of-Day Framework Implementation Timeline](#) – 2024 is the Test Year for SOD implementation, with full SOD implementation scheduled to begin in the 2025 RA year. There is disagreement among Parties as to whether full SOD implementation should be delayed to 2026, but CalCCA, CAISO, SDG&E, SCE, and Alliance for Retail Energy Markets generally support a delay. Relatedly, in its February 2024 SOD Report Energy Division questioned whether the Commission should delay SOD implementation suggesting broad support for delaying this new framework. In addition to the proposals discussed above and other proposals, multiple unresolved issues related to resource counting, the planning reserve margin, and resource imports remain in dispute. Full SOD implementation in 2025 would likely require these issues and proposals to be resolved or addressed to some extent in the very near future for LSEs to have adequate time to prepare for the 2025 Year-Ahead showing due in late 2024.

RPS ([R.24-01-017](#))

- A [prehearing conference](#) is scheduled for April 4 after which rulings on the scope of issues and procedural schedule will be issued. This is the final year in RPS Compliance Period 4 (CP4).
- Opening comments on the [Order Instituting Rulemaking \(OIR\)](#) were filed around March 4. [Comments](#) of The Utility Reform Network encouraged “meaningful enforcement” of compliance with the 65% long-term contracting requirement in Public Utilities Code §399.13(b)(1) because the end of CP4 is the Commission's first enforcement opportunity and recommended the Commission evaluate how any central procurement

conducted by the Department of Water Resources (authorized under AB 1373 (E. Garcia, 2023)) would affect the RPS compliance obligations of retail sellers. The Joint BioMAT CCAs'¹ [comments](#) requested that the final Scoping Memo expressly include, as a distinct issue, the question of whether to extend the BioMAT program end date. Joint Parties'² [comments](#) recommended the Scoping Memo include consideration of combining the RPS Procurement Plan with IRP filings and consideration of modifying confidentiality rules to ensure three years of protection for confidential information. Among other recommendations, the Small Business Utility Advocates' [comments](#) recommended consideration of new up-front standards to expedite Commission review of short-term RPS transactions and Consideration of and reporting on assumptions regarding delivery of planned for or contractually committed resources. [Comments](#) of CalAdvocates recommended immediate action to establish an RPS cost-containment mechanism, though it isn't clear if CalAdvocates recommends such a mechanism for all LSEs or only for IOUs. Cal Advocates also recommends coordination with the IRP proceeding excluding a potential increase in the RPS procurement percentage for later compliance periods, and integration of greenhouse gas (GHG) emission reduction goals from the proceeding scope. The Joint IOUs'³ [comments](#) recommended consideration of their ability to transact RPS resources up to 5 years forward without needing Tier 1 Advice Letter approval and coordination between the RPS and IRP proceedings.

¹ Central Coast Community Energy, Marin Clean Energy, Orange County Power Authority, Pioneer Community Energy, Redwood Coast Energy Authority, and Valley Clean Energy

² Apple Valley Choice Energy, City of Pomona, City of San José, Administrator of San José Clean Energy, City of Santa Barbara, Marin Clean Energy, Peninsula Clean Energy Authority, Silicon Valley Clean Energy Authority, Sonoma Clean Power, and the Regents of the University of California

³ PG&E, SDG&E, and SCE

Staff Report

DATE: March 28, 2024

TO: Clean Energy Alliance Board of Directors

FROM: Rob Howard, Key Accounts/Program Manager
Kaitlin McGee, Key Accounts/Program Manager

Item 5: Solar Plus Program Website Portal

RECOMMENDATION:

Receive the demonstration of the Solar Plus Program website portal.

BACKGROUND AND DISCUSSION:

Clean Energy Alliance (CEA) received an unsolicited proposal through its Unsolicited Proposals process from Participate.Energy, LLC (Participate or PE), offering their Distributed Microgrids Program (Program) to CEA. The Program is being offered by Participate through their partnership with Tesla, Inc. and is being implemented at CCAs in Southern California. After meeting with the program administrators at Participate, staff brought forward a presentation to the CEA Board at its February 23, 2023 regular meeting. At that meeting, the Board directed staff to work with PE to develop a program for CEA customers and return with the required documents to establish the program within CEA's service territory at a future Board meeting.

The Program offers customers access to solar and battery storage systems with no out of pocket up-front costs, down payment or credit check. Customers do not buy the system, rather, they enter into an agreement to allow the system to be installed at their residence and enroll in a new rate program with CEA for the purchase of the solar power and monthly fee for the battery.

The benefits to CEA's customers include:

- Access to clean solar energy and battery storage without the up-front out of pocket costs;
- Access to solar and battery storage systems for underserved communities;
- Residential Renters component to program to provide access to solar and battery systems not previously available for renters;
- Same control and usage of the battery as customers who outright purchase similar systems from Tesla, Inc.;
- Energy costs savings due to the avoided transmission and delivery charges when using the solar energy and energy from the battery storage system;
- Predictable rates through CEA's new rate.

This is considered a distributed microgrid program because CEA is the purchaser of the energy being generated by the systems, as opposed to the individual customers buying the system from the solar

provider. In this way, a portion of CEA’s renewable energy for its portfolio comes from these systems on our residential customer rooftops. The locally generated renewable energy can be claimed as part of CEA’s energy portfolio for meeting state requirements, which is not the case in the more traditional solar system sales transaction.

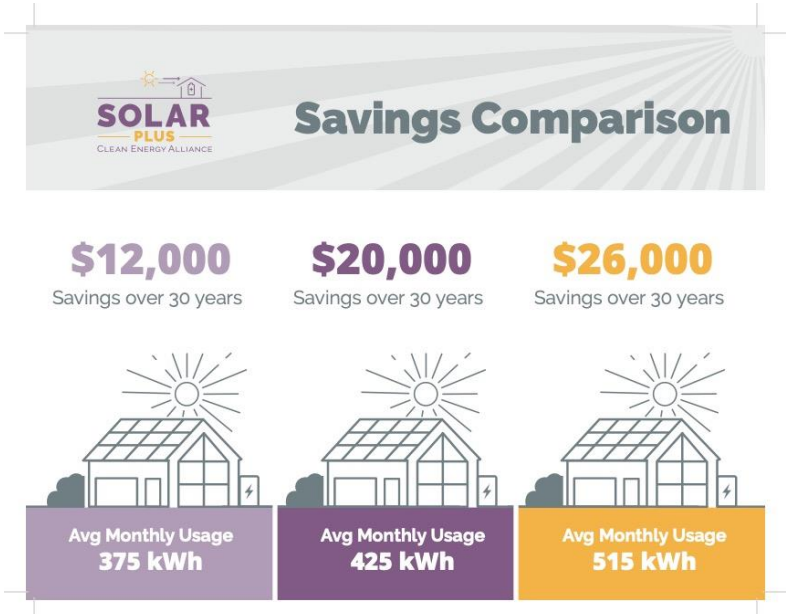
Solar Plus Rate

Customers enrolled in CEA’s Solar Plus Program will pay the Solar Plus Rate for energy that is generated by the system and used by the customer, including the solar energy that is put into the battery. Customers are able to include pre-construction costs, such as roof repairs or electric panel upgrades, related to the installation of the solar and battery storage system in the Solar Plus Rate.

The approved rates are:

- \$0.145 per kWh with \$750 or less Pre-Construction Costs
- \$0.15 per kWh with \$751 - \$2,500 Pre-Construction Costs
- \$0.155 per kWh with \$2,501 - \$5,000 Pre-Construction Costs
- \$115 per month Battery Fee 1st Battery
- \$75 per month for each additional Battery

Based on the Solar Plus plan rates, customers are anticipated to realize savings through the 30-year term of the program, as demonstrated below:

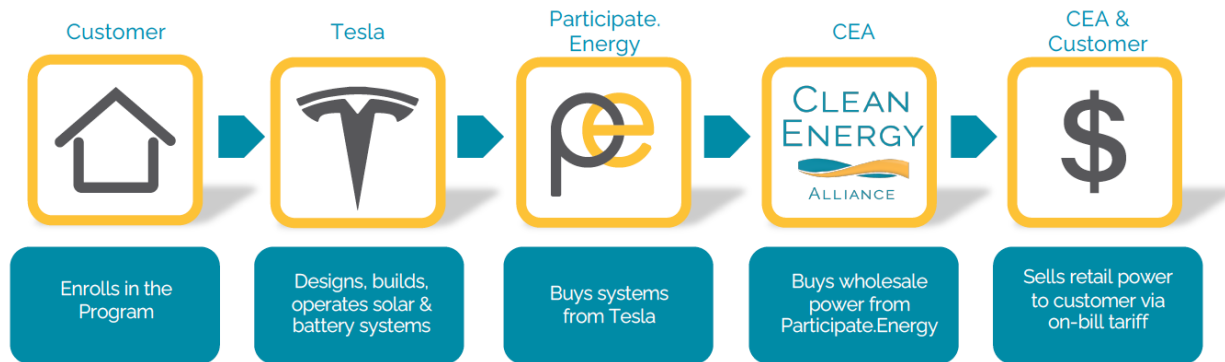


Savings are achieved by the flat rate structure of the Solar Plus program and avoiding transmission and delivery charges while maximizing the use of the energy stored in the battery during peak rate times.

Potential savings increase with higher average monthly usage. The savings projections take into account the new Solar Billing Plan being implemented by San Diego Gas & Electric December 15, 2023.

Participate.Energy and Tesla, Inc. Agreements

Under the terms of the agreements, Participate develops, finances and owns the solar and battery storage systems and Tesla, Inc. installs, operates and maintains the systems under an agreement with Participate. CEA purchases the electricity generated by the solar system from Participate through a Power Purchase Agreement. Unlike the traditional solar model, CEA has the benefit of claiming the renewable energy generation as part of its renewable energy portfolio. The following graphic visually depicts the program process.



CEA agrees to market and support the program to its residential customers and is compensated for the marketing of the program through the Program Management and Program Support Agreements.

There are four agreements that CEA has executed to establish the Program:

- **Power Purchase Agreement** (Attachment A) – establishes the terms, conditions, and price for CEA’s purchase of the solar energy and provides the rights for CEA to claim the renewable attributes of the energy;
- **Program Management Agreement** (Attachment B) – establishes CEA’s responsibilities to market the program to CEA’s customers and encourage participation in the Distributed Microgrids Program, for which CEA will be compensated by Participate.Energy;
- **Program Support Agreement** (Attachment C) – establishes CEA’s responsibilities to provide program support for the systems, for which CEA will be compensated by Participate.Energy;
- **Framework Distributed Microgrids Program Agreement** (Attachment D) – establishes the terms and conditions under which CEA, Participate and Tesla, Inc. will perform.

CEA’s Community Advisory Committee (CAC) heard a presentation on the proposed Solar Plus Program and were generally supportive and expressed the following questions and concerns:

- There are other markets other than California Independent System Operator to maximize value of battery storage and for grid reliability.
 - Acknowledged this is correct.
- In the future, can other company solar & battery systems be used?

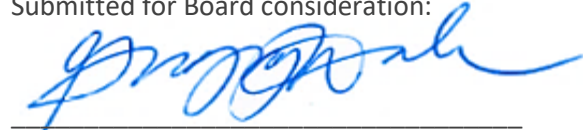
- Participate. Energy indicated it could be possible in the future.
- Did CEA consider phasing?
 - By the nature of the roll-out, this program will be defacto phased. CEA will market the program via social media outlets and in person events. Based on the experience in other CCA territories that have implemented this program, the applications are relatively slow.
- Is it possible for customers that already have solar to access just the battery?
 - This is contemplated for a future phase.
- Potential for liabilities should be carefully considered by CEA when implementing this program.
 - CEA's legal team have considered the liabilities and language is included to address the exposure.

During the Board meeting on March 28th, Staff will present an update on the Solar Plus Program and provide an overview of the website portal for the Program.

FISCAL IMPACT:

Funding for the energy purchase through the Power Purchase Agreement are included in the Energy Supply line item of the adopted Fiscal Year 2023/24 budget.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

None.