2075 Woodside Road | Redwood City, CA 94061
(650) 260-0005 | peninsulacleanenergy.com

# Regular Meeting of the Board of Directors of the Peninsula Clean Energy Authority (PCEA)
# AGENDA

Thursday, September 26, 2024
6:30 pm

**PLEASE NOTE: This meeting will be held in a hybrid format with both in-person and Zoom participation options for members of the public; Board members shall appear in person.**

In-Person Meeting Locations:
PCEA Lobby, **2075 Woodside Road, Redwood City, CA 94061**
Los Banos City Hall, Conference Room A, **520 J Street, Los Banos, CA 93635**

Zoom, **Virtual Meeting Link:**
**Meeting ID:** 874-9664-9657 **Passcode:** 2075 **Phone:** +1 (669) 444-9171

This meeting of the Board of Directors will be held at the Peninsula Clean Energy Lobby: 2075 Woodside Road, Redwood City, CA 94061 and Los Banos City Hall, Conference Room A, 520 J Street, Los Banos, CA 93635 and by teleconference pursuant to California Assembly Bill 2449 and the Ralph M. Brown Act, CA Gov't Code. Section 54950, et seq. **Members of the Board are expected to attend the meeting in person** and should reach out to Assistant General Counsel for Peninsula Clean Energy, Jennifer Stalzer, with questions or accommodation information (jstalzer@smcgov.org). For information regarding how to participate in the meeting remotely, please refer to the instructions at the end of the agenda. In addition, a video broadcast of the meeting can be viewed at https://www.peninsulacleanenergy.com/board-of-directors following the meeting.

## Public Participation

The PCEA Board meeting may be accessed through Zoom online at https://pencleanenergy.zoom.us/j/87496649657. The webinar ID is: 874-9664-9657 and the passcode is 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 874-9664-9657, then press #. (Find your local number: https://pencleanenergy.zoom.us/u/kTlH1Ocod). Peninsula Clean Energy uses best efforts to ensure audio and visual clarity and connectivity. However, it cannot guarantee the connection quality.

Members of the public can also attend this meeting physically at the **Peninsula Clean Energy Lobby** at 2075 Woodside Road, Redwood City, CA 94061 or **Los Banos City Hall**, Conference Room A, 520 J Street, Los Banos, CA 93635.

Written public comments may be emailed to PCEA Board Clerk, Nelly Wogberg (nwogberg@peninsulacleanenergy.com) and such written comments should indicate the specific agenda item on which the member of the public is commenting.

Spoken public comments will be accepted during the meeting in the Board Room(s) or remotely through Zoom at the option of the speaker. Please use the "Raise Your Hand" function in the Zoom platform, or press *6 if you phoned into the meeting, to indicate that you would like to provide comment.

Please note that Peninsula Clean Energy Board of Directors meetings are a limited public forum, and all public comment must relate to something that is within the subject matter jurisdiction of the Board. If comments do not relate to the subject matter jurisdiction of the Board, we will stop the comment and move on to the next speaker. General Counsel will assist in identifying comments that are not related to the subject matter jurisdiction of the Board.

**ADA Requests**

Individuals who require special assistance or a disability related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting, should contact Nelly Wogberg, Board Clerk, by 10:00 a.m. on the day before the meeting at (nwogberg@peninsulacleanenergy.com). Notification in advance of the meeting will enable PCEA to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

Closed Captioning is available for all PCEA Board meetings. While watching the video broadcast in Zoom, please enable captioning.

**CALL TO ORDER / ROLL CALL / APPROVE TELECONFERENCE PARTICIPATION UNDER AB 2449**

*This item is reserved to approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.*

**PUBLIC COMMENT**

*This item is reserved for persons wishing to address the Board on any PCEA-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. Members of the public who wish to address the Committee are customarily limited to two minutes per speaker. The Board Chair may increase or decrease the time allotted to each speaker.*

**ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS**

1. Approval of 3 EV Ready Program Fund Reservation Agreements, Providing Approximately $336,000 in Customer Incentives
2. Approval of Minutes from the August 22, 2024 Board of Directors Meeting

**REGULAR AGENDA**

3. Chair Report (Discussion)
4. CEO Report (Discussion)
5. CAC Report (Discussion)
6. Update on Peninsula Clean Energy's Legislative Activities in the 2024 Legislative Session (Discussion)
7. Decision Regarding Allocation of Carbon-Free Attributes from the Diablo Canyon Nuclear Power Plant for 2025 - 2030 (Action)
8. Approval of the Execution and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of California Community Choice Financing Authority (CCCFA) Clean Energy Project Revenue Bonds; and Certain Other Actions Required to Ensure the Reduction in the Cost of Renewable Energy (Action)

9. Approval of Amendments to Peninsula Clean Energy Operating Rules and Regulations: "Policy 16, Policies and Procedures for Board of Directors, Committees and Advisory Groups" Section 4 and Associated Amendment to Section 3.9.1 of Peninsula Clean Energy's Third Amended Joint Powers Authority (JPA) Agreement (Action)

10. Board Members' Reports (Discussion)

**INFORMATIONAL REPORTS**

11. Data and Technology Department Quarterly Report

12. Account Services Quarterly Update

13. Report on California Community Power (CCP) Joint Powers Authority

14. Acronym List

**ADJOURNMENT**

Public records that relate to any item on the open session agenda are available for public inspection. The records are available at the Peninsula Clean Energy offices or on PCEA Website at: https://www.peninsulacleanenergy.com.

## Instructions for Joining a Zoom Meeting via Computer or Phone

**Best Practices:**

- Please mute your microphone when you are not speaking to minimize audio feedback
- If possible, utilize headphones or ear buds to minimize audio feedback
- If participating via videoconference, audio quality is often better if you use the dial-in option (option 2 below) rather than your computer audio

**Options for Joining**

- Videoconference with Computer Audio - see Option 1 below
- Videoconference with Phone Call Audio - see Option 2 below
- Calling in via Telephone/Landline - see Option 3 below

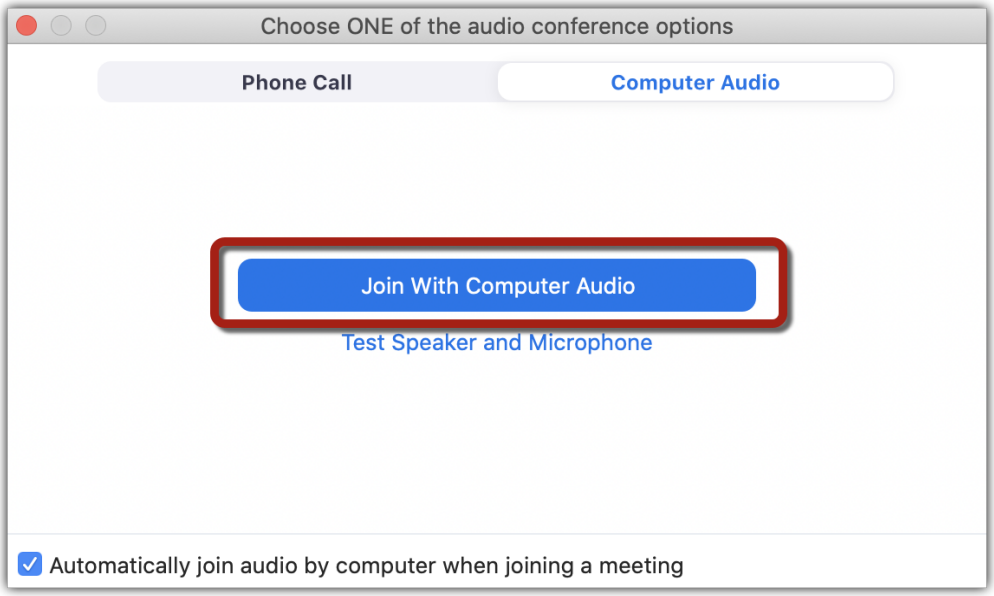
**Videoconference Options:**

Prior to the meeting, we recommend that you install the Zoom Meetings application on your computer by clicking here https://zoom.us/download.

If you want full capabilities for videoconferencing (audio, video, screensharing) you must download the Zoom application.

**Option 1 Videoconference with Computer Audio:**

- From your computer, click on the following link that is also included in the meeting calendar invitation: https://pencleanenergy.zoom.us/j/87496649657
- The Zoom application will open on its own or you will be instructed to open Zoom.
- After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Computer Audio option at the top of the pop-up screen.

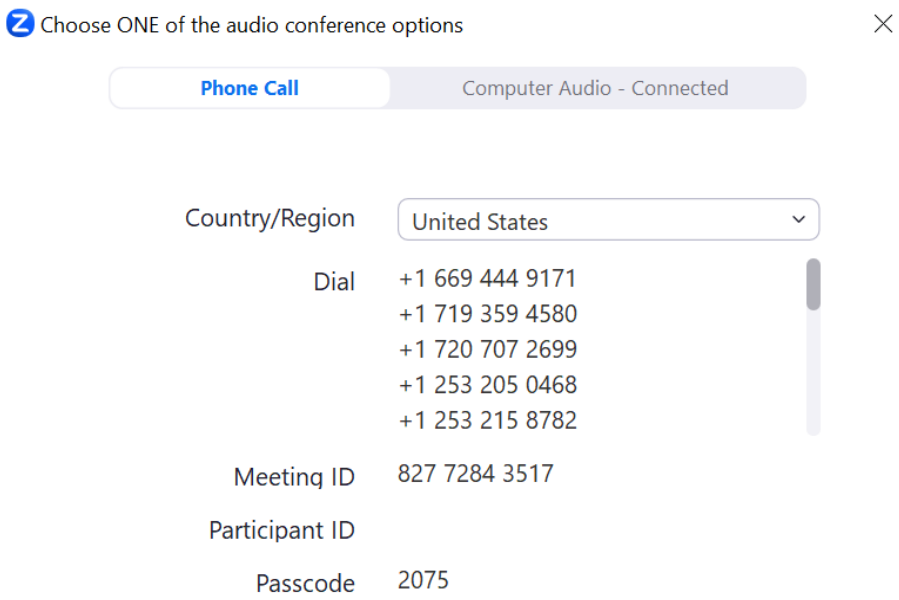



- Click the blue, "Join with Computer Audio" button.
- In order to enable video, click on "Start Video" in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

**Option 2 Videoconference with Phone Call Audio**

- From your computer, click on the following link that is also included in the meeting calendar invitation: https://pencleanenergy.zoom.us/j/87496649657
- The Zoom Application will open on its own or you will be instructed to Open Zoom.

- After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Phone Call option at the top of the pop-up screen.




- Please dial +1 (669) 444-9171.
- You will be instructed to enter the meeting ID: **874-9664-9657 followed by #**.
- You will be instructed to enter in your participant ID. Your participant ID is unique to you and is what connects your phone number to your Zoom account.
- After a few seconds, your phone audio should be connected to the Zoom application on your computer.
- In order to enable video, click on "Start Video" in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

**Audio Only Options:**

**Please note that if you call in/use the audio only option, you will not be able to see the speakers or any presentation materials in real time.**

**Option 3: Calling in via Telephone/Landline:**

- Please dial +1 (669) 444-9171.
- You will be instructed to enter the meeting ID: **874-9664-9657 followed by #**.
- You will be instructed to enter your **Participant ID** followed by #. If you do not have a participant ID or do not know it, you can press # to stay on the line.
- You will be instructed to enter the meeting passcode **2075 followed by #.**

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** September 13, 2024
**MEETING DATE:** September 26, 2024
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Melanie Jasper, Associate Programs Manager, Transportation

**SUBJECT:** Approval of 3 EV Ready Program Fund Reservation Agreements, Providing Approximately $336,000 in Customer Incentives

## RECOMMENDATION

Approval of a three Fund Reservation Agreements, which will provide an expected total of approximately $336,000 in customer incentives to install EV charging infrastructure. Two projects are within a large rental apartment property in Belmont and one is at a used electric auto dealership in Daly City. All three projects are being developed through the contractor, Green Water and Power.

## BACKGROUND

In December 2018, the Board approved PCE's EV charging infrastructure program intended to accelerate EV adoption in San Mateo County. The program, later named the "EV Ready Program," provides incentives and no-cost technical assistance to eligible property types, which include: 1) Affordable Housing, 2) Multi-Unit Dwellings (such as apartments and condominiums), 3) Employee Charging, including fleet, and 4) All Publicly Accessible, Non-Residential Locations. The program provides incentives for several different EV charging types, as part of the programs "right-speeding" strategy to install cost-effective charging options, depending on the use case. These incentivized charging options include: 1) Level 1 or Level 2 outlets, 2) Level 2 EV charging stations, 3) Make-Ready parking spaces, to encourage future-proofing, and 4) panel updates for multi-family property sites. These incentives range from $1,000 to $5,500 per charger, depending on property type, retrofit vs new build projects, and charging type.

Customers apply for EV Ready incentives online, which is reviewed and approved by Peninsula Clean Energy staff. Once approved, a Fund Reservation Agreement, which outlines the EV Ready Program standards and requirements, is distributed via DocuSign and executed by the customer and the Peninsula Clean Energy CEO. Fund Reservation Agreements are presented to the Board of Directors prior to execution by the Peninsula Clean Energy CEO when cumulative spending exceeds $250,000 in a fiscal year for the contractor.

## DISCUSSION

In the prior month, Peninsula Clean Energy received three EV Ready applications from a contractor who has previously exceeded $250,000 in cumulative value this current fiscal year and is presented to the Board of Directors for approval.

Following approval by the Board of Directors, this project's Fund Reservation Agreement will be executed by the Peninsula Clean Energy CEO and the customer will proceed to install their EV charging infrastructure and file for reimbursement from Peninsula Clean Energy upon completion in the future, subject to the EV Ready Programs Standards and Requirements.

Details of the Fund Reservation Agreements are included below. The incentive applications are being submitted for projects at a large rental apartment property in Belmont, and a used electric auto dealership in Daly City.

| Property Type | Total Expected Reserved Funds | Total Charge Ports Expected | City |
|---|---|---|---|
| Multi-Family Housing (Rental Apartments) | $93,000 | 16 | Belmont |
| Multi-Family Housing (Rental Apartments) | $93,000 | 16 | Belmont |
| Employee Parking (inc. Fleet)<br><br>(Car Dealership) | $150,000 | 48 | Daly City |

## FISCAL IMPACT

Funding for this project is included in the Board-approved EV Ready Program.

## STRATEGIC PLAN

Goal 3 Community Energy Programs:

- Objective A: Develop market momentum for electric transportation
- Key Tactic 1: Drive personal electrified transportation to majority adoption
- Objective B: Deliver tangible benefits throughout our diverse communities
- Key Tactic: Expand charging access and equity to low income communities

**ATTACHMENTS:**
7569 Mission St EVRP_FundReservationAgmt_V042524.pdf
2024 EV Ready Program Standards & Requirements MASTER.pdf
1000 Continentals Way Building B EVRP_FundReservationAgmt_V042524.pdf
1000 Continentals Way Building A EVRP_FundReservationAgmt_V042524.pdf

**RESOLUTION NO. _____**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**APPROVAL OF 3 EV READY PROGRAM FUND RESERVATION AGREEMENTS, PROVIDING APPROXIMATELY $336,000 IN CUSTOMER INCENTIVES**

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RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, Peninsula Clean Energy was formed on February 29, 2016; and

WHEREAS, expanding access to charging in increases adoption of electric vehicles to reduce greenhouse gasses is part of Peninsula Clean Energy's program roadmap approved by the Board; and

WHEREAS, in December 2018, the Peninsula Clean Energy Board of Directors approved the EV charging infrastructure program, which came to be called the "EV Ready" program; and

WHEREAS, eligible applicants are approved for EV Ready program incentives, subject to the EV Ready Program Standards & Requirements; and

WHEREAS, approved applicants in the EV Ready program are required to execute a Fund Reservation Agreement to secure their financial incentives; and

WHEREAS, per Peninsula Clean Energy policy, Agreements valued at or above $250,000 in cumulative spending per fiscal year require approval by the Peninsula Clean Energy Board of Directors; and

WHEREAS, three EV Ready incentive applications (Fund Reservation Agreements) were received by Peninsula Clean Energy in the prior month from a contractor who has already exceeded $250,000 in cumulative contract value this fiscal year; and

WHEREAS, the Board wishes to delegate to the Chief Executive Officer authority to finalize and execute the three Fund Reservation Agreements in the EV Ready program to provide incentives.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to execute three customer Fund Reservation Agreements in the EV Ready program to provide incentives for an expected total of approximately $336,000 in a form approved by the General Counsel.

**Peninsula Clean Energy**
**Electric Vehicle Ready Program**
**Fund Reservation Agreement**

| | |
|---|---|
| Applicant First Name | Tyler |
| Applicant Last Name | Galagas |
| Title | Business Development Manager |
| Organization | Green Water and Power |
| Email | tyler.galgas@greenwaterandpower.com |
| Phone Number | 818 519-7038 |
| Proposed Site Address | 7469 Mission St |
| City | Daly City |
| Zip Code | 94014 |
| Service Agreement ID | (Redacted) |
| Project ID | PROJ-060824-13577 |

**EV Charging Infrastructure Project Description:**

| | |
|---|---|
| Project Type | Existing Workplace |

| | Level 1 Outlets | Level 2 Outlets | Level 2 Charge Ports | Make Ready Ports |
|---|---|---|---|---|
| Submitted # Ports | | 30 | 18 | |
| Reserved Funds | $ | $60,000.00 | $ 90,000.00 | $ |

| | |
|---|---|
| Panel Upgrade | $ |

**Total Reserved Funds** $150,000.00

**Notes**

*Peninsula Clean Energy Authority ("PCEA") cannot guarantee rebate funds beyond what was reserved nor can rebate funds exceed 100% of the total project costs. Final projects with less ports than projected will only receive rebates for installed ports, up to the amount reserved.*

By signing below, the site owner ("Site Owner") or, if the property is owned by a commercial or corporate entity, the representative of the ownership entity ("Owner Representative") agrees to the "Electric Vehicle (EV) Ready Program" ("Program") Terms & Conditions. If neither Site Owner nor Owner Representative executes the Agreement, the applicant ("Applicant") certifies that a

Designated Applicant Assignment form was completed and submitted to PCEA to verify that the Site Owner or Owner Representative has designated the applicant ("Designated Applicant") authority to represent the Site Owner in the Program and execute all legal agreements as required by the Program.

The undersigned here is the: ☐ Site Owner or Owner Representative OR ☐ Designated Applicant

***[DocuSign]***

Applicant Signature Date

Peninsula Clean Energy Representative Signature Title Date

**Peninsula Clean Energy EV Ready Program Terms and Conditions**

1. **ELIGIBILITY**: Peninsula Clean Energy Authority offers a rebate to eligible PCEA customers or their designees (Applicant) installing EV Charging Infrastructure through the EV Ready Program. Applicants eligible to receive rebates under the Program must (1) abide by the terms and conditions listed herein; (2) have the EV charging port(s) metered through a PCEA account number; (3) comply with Program Standards and Requirements ("Program Requirements") in Appendix A; (4) provide PCEA with Required Installation Verification Documents as specified in the Program Requirements upon completion of the project.

2. **REBATE RESERVATION TERM AND AMOUNT**: The amounts of the rebates for which qualifying projects are eligible are outlined in Program Requirements. Rebate funds are reserved upon execution of this Agreement up to the maximum amount identified in the Program Requirements based on the "EV Charging Infrastructure Project Description" (hereinafter, the Project, *see* page 1 above). The funds are reserved according to the Fund Reservation Period timelines outlined in the Program Requirements and any modifications to the timelines are at the discretion of PCEA. Rebates will be paid to eligible Rebate Recipient once installation is verified as complete by PCEA. The final amount of the rebates will be the actual eligible costs of verified EV Charging Infrastructure installed or the maximum amount reserved, whichever is less.

3. **DISCRETION ON VERIFICATION**: Determinations regarding verification pursuant to paragraph (1) and paragraph (2) of these Terms and Conditions, shall be determined at PCEA's complete and exclusive discretion.

4. **REBATE RECIPIENT**: The Applicant may direct the rebate funds to any Rebate Recipient, who is a single vendor or service provider incurring costs for the Project up to the amount of documented costs incurred by that Rebate Recipient. The Rebate Recipient shall be identified in the Installation Verification Form submitted upon project completion to request disbursement of the rebate.

5. **NO GUARANTEES**: PCEA makes no guarantee, representations or warranties, expressed or implied, regarding the implementation or use of EV Charging Infrastructure and equipment purchased or installed pursuant to this PCEA Program. Customer is solely responsible for any liability, legal or otherwise, arising from the installation, operation, and maintenance of its selected EV Charging Infrastructure.

6. **EVSE PACKAGE:** Upon approval of the Funds Reservation Agreement by PCEA, customer shall install, operate and maintain the number and type of the EVSE unit(s) (defined in Program Requirements), associated equipment, and signage as selected by Customer and approved by PCEA. Customer acknowledges that:

7. **ADDITIONAL SERVICES FROM ELECTRIC VEHICLE SERVICE PROVIDER (EVSP):** Separate and apart from the Funds Reservation Agreement and PCEA's obligations under the Program, the EVSP may offer and contract directly with the Customer to provide any additional or complementary services, as long as these services do not interfere with the objectives of the Program. PCEA is not responsible for the costs of additional EVSP services or any cost related to operations

and maintenance of any additional EVSP services.

8. **INSTALLATION OF EV CHARGING INFRASTRUCTURE:** Customer is responsible for covering all upfront costs of the installation of the EV Charging Infrastructure. Upon completion of installation of the EV Charging Infrastructure, Site Owner understands it is responsible for the operation and maintenance of the EV charging port(s) installed.

9. **CONTRACTOR REQUIREMENTS**: All work performed on projects under this agreement shall be done by contractors who hold a valid California C-10 license. PCEA reserves the right to amend and change contractor requirements at any point during the program.

10. **EV DRIVERS RIGHT TO ACCESS:** Customer may limit the availability of the EV Charging Infrastructure to its employees or tenants. Under the Program, Customer may elect to make the EV Charging Infrastructure available for use by the general public. Customer shall not restrict access to use of the EV Charging Infrastructure for reasons including, but not limited to, race, color, religion, age, sex, national origin, ancestry, physical or mental disability, or any basis prohibited by applicable law.

11. **APPLICABLE LAWS**: Customer is solely responsible for ensuring that the EV Charging Infrastructure is installed and operated in compliance with all applicable local, state, and federal laws.

12. **EV CHARGING PORT(S) OPERATION AND MAINTENANCE:** Customer will pay all ongoing costs associated with the EV Charging Infrastructure. Customer shall maintain a consistent uptime for the EV Charging Port(s) installed. Customer shall maintain the common area immediately surrounding the EV Charging Infrastructure in good condition, ordinary wear and tear accepted, and will promptly notify PCEA of any problems it is aware of related to the EV Charging Infrastructure. Such maintenance by Customer of the immediately surrounding common areas shall include, but not be limited to, pavement maintenance. Customer shall promptly notify PCEA if Customer will no longer maintain the installed EV Charging Infrastructure and/or the installed EV Charging Infrastructure is being removed from Customer's site. Uninterrupted service is not guaranteed, and Pacific Gas & Electric (PG&E) may interrupt service and access to the EV Charging Infrastructure when necessary to ensure safety or to perform maintenance as dictated by utility easement agreements and requirements.

13. **PERMISSION TO USE DATA:** For all EV Charging Infrastructure installed that are capable of collecting and reporting usage and utilization data, Site Owner agrees to allow PCEA and its authorized Contractors to access, collect, use, and report EV Charging Infrastructure usage and utilization data gathered as a part of the Program for use in regulatory reporting, ordinary business use, industry forums, case studies, or other similar activities, in accordance with applicable laws and regulations. PCEA and its authorized Contractors shall have access to the EV Charging Infrastructure usage and utilization data indefinitely and in accordance with all applicable laws, including but not limited to PCEA privacy guidelines and relevant regulatory decisions.

14. **DEMAND RESPONSE and LOAD SHAPING PROGRAMS:** Customer agrees that PCEA may, at its discretion enroll all networked EV charging port(s) units installed under the Program in any future demand response, grid optimization, and/ or load shaping programs implemented by PCEA. Future load shaping program will, by design, not incur any additional costs or expenses to Customer. The load shaping program will aim to curtail energy usage for each charging port during a predefined period established by PCEA. These curtailments will be designed to minimally impact EV drivers that are charging during these times whenever possible. Customers will be provided an appropriate mechanism to opt-out before the program is implemented.

15. **TAX LIABILITY and CREDITS**: PCEA is not responsible for any taxes which may be imposed on Customer as a result of the rebates provided within the Program. Site Owners receiving incentives from either the Program and/or other regional organizations, including, but not limited to, the Bay Area Air Quality Management District, that have been facilitated through assistance from PCEA are required to designate their Low Carbon Fuel Standard (LCFS) credits to PCEA. Customer attests they are releasing their rights to report and claim credits in the LCFS and are designating credits in the LCFS to PCEA (FEIN 81-2708786) on an ongoing basis. Customer will inform third-party entities when necessary, including CARB, that the LCFS credits generated by their installed EVSE are designated to PCEA on an ongoing basis. Customer will provide the EVSE usage and electricity data to PCEA for LCFS reporting pursuant to CARB sections 95483.2(b)(8), 95491 and 95491.1. Customer will provide PCEA with ongoing access to EV charging data through the use of a login to the online account and/or an application program interface (API), a dashboard with exportable data files, or other means to access the charging data.

16. **DISPUTES**: Except where otherwise limited by law, PCEA reserves the right, at its sole discretion, to make final determinations regarding any disputed issues about the Program, including but not limited to eligibility and rebate amounts. In the event of a dispute that cannot be remedied by the parties, any court filings and/or proceedings shall be venued in San Mateo County, California. PCEA shall in no case be responsible for the legal costs of Site Owner and/or Designated Applicant.

17. **PROGRAM CHANGES**: PCEA reserves the right to change, modify, or terminate the Program at any time without any liability except as expressly stated herein. PCEA will honor all written commitments made in the Funds Reservation Agreement provided to Customers prior to the date of any change, modification or termination of this program, provided that project installations are fully completed within the timeframe specified within the Program Requirements.

18. **PROGRAM EXPIRATION:** The Program will expire upon the earliest to occur: (i) when funds are depleted or (ii) when the program is terminated by PCEA.

19. **INDEMNIFICATION:** Applicant agrees to indemnify, defend, and hold PCEA, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Customer's negligence, recklessness or willful misconduct while participating in the PCEA Program.

20. **ACKNOWLEDGEMENTS:** Customer shall acknowledge PCEA as a funding source of the installed EV Charging Infrastructure each time Customer's activities related to the EV Charging Infrastructure are published in any news media, press release, brochures, or other type of public communication or promotional material. The acknowledgement of PCEA's support as a funding source, whether in whole or in part, shall include language such as: "Funding for [Customer Site Name]'s charging station(s) provided by Peninsula Clean Energy." If Customer is receiving funding from multiple organizations, Customer may use one statement conforming to the format listed above and include all organizations from which funding is received. PCEA also reverses the right to install stickers, signage, or other advertisement mechanism on the EV charging port(s) funded or facilitated by PCEA.

21. **CUSTOMER DISCLOSURE AUTHORIZATION:** By signing the Funds Reservation Agreement, Applicant confirms they are the authorized representative for the electric account holder identified in the Funds Reservation Agreement and authorized PCEA to disclose Customer's account status and participation in the PCEA Program. If Applicant is not the authorized representative for the electric account holder identified in the Funds Reservation Agreement, the Applicant certifies that they have submitted a Third Party Designated Applicant Assignment Form to verify that the Site Owner has delegated authority to the Applicant to represent the Site Owner and execute the Funds Reservation Agreement.

**Peninsula Clean Energy EV Ready Program**
**Standards & Requirements**

**Overview**

The Peninsula Clean Energy Electric Vehicle (EV) Ready Program is an EV charging infrastructure program to support multi-family, workplace, and public charging in San Mateo County and the City of Los Banos by providing incentives for the installation of Level 1, Level 2, and Make Ready charging infrastructure. Approximately $8 million in incentives funding is available. In addition to the incentives outlined in this document, Peninsula Clean Energy is providing free, but optional, technical assistance to help customers choose cost-effective EV charging options and design their projects.

1. **Definitions**
   a. Affordable Housing – Residential buildings that entirely consist of units below market rate and whose rents or sales prices are governed by local agencies to be affordable based on area median income.
   b. Designated Applicant – An organization or individual (contractor, developer, property manager, etc.) that has been authorized by a property owner to act on the property owner's behalf for the purpose of applying for and managing incentives in the EV Ready Program, including directly receiving incentives upon project completion (if desired), and has submitted a fully signed Designated Applicant form.
   c. Employee Parking – Parking that is assigned or dedicated to employee or fleet parking only and not accessible by the general public.
   d. EVSE – Electric vehicle supply equipment. Conductors, including ungrounded, grounded, and equipment grounding conductors, and the EV connectors, attachment plugs, and all other fittings, devices, power outlets, or apparatus installed specifically for the purpose of transferring energy between the premises wiring and the EV (NFPA 70-2017, Article 625).
   e. EV charging Port – a 120V – 240V AC outlet or J1772 connector on an EVSE which charges one vehicle at a time.
   f. EV charging infrastructure – refers to all electrical infrastructure, including, electrical panels, circuits, wire, conduit, raceway, and other materials required to bring power from a panel to an EV charging port, and the EV charging port, or electric vehicle supply equipment.
   g. Electric Vehicle Service Provider (EVSP) – An EVSP provides the connectivity across a network of charging stations. Connecting to a central server, they manage the software, database, and communication interfaces that enable operation of the station.
   h. Level 1 (L1) Outlet – Level 1 outlets offer charging through a 120V AC circuit, providing about 50 – 60 miles of range over a 12-hour overnight charge. EV drivers bring their own charging cord.
   i. Level 2 (L2) Outlet – Level 2 outlets offer charging through a 208 – 240V AC circuit, providing about 12 – 24 miles of range per hour. EV drivers bring their own charging cord.
   j. L2 Charging Stations, L2 EVSE, or L2 Charge Ports – charging stations that offer charging on a 208V – 240V AC circuit, providing about 12-24 miles of range per hour. EV drivers plug the charger's cord into their vehicle.
   k. Make Ready Ports – Projects that build, construct, and install the electrical infrastructure, including transformers, panels or panel capacity, and conduit required for an EV charging port, but do not install the EVSE. Make Ready Port incentives are meant to encourage customers to future-proof their site for additional EV charging ports to be installed later.
   l. Multi-Unit Dwelling (MUD) – Multi-family residential buildings with four or more residential units.
   m. Publicly Accessible – Charging that any EV driver can reasonably access during normal hours without special permissions or other restrictions.

## 2. Program Segments & Funding

a. Eligibility

**Summary of Eligible Property and Project Types**

| Measure Type | Multi-Unit Dwellings | Non-Residential |
|---|---|---|
| L1 or L2 Outlet | Eligible | Eligible |
| L2 Charging Stations | Eligible | Eligible |
| Main Panel Upgrade | Eligible | Not Eligible |
| Make Ready Project | Eligible | Eligible |

Eligible Residential Locations

- All multi-family housing (apartments, condos, etc.) with 4 or more housing units. Assigned parking spaces are eligible, as long as they are not located inside private, dedicated garages with access to only a single residential unit (see "Parking Type" below for more details and exceptions).
- Manufactured housing is eligible if master metered. If the housing is not master metered (each home has its own electrical meter), it must meet the "Parking Type" eligibility below. Private garages or driveways that are immediately adjacent to a home with its own meter are not eligible.

Eligible Non-Residential Locations

- Employee Parking, including fleet, does not need to be publicly accessible.
- All Publicly Accessible Non-Residential Locations
    - Retail, restaurants, schools, hotels, malls, parking garages, curbside charging, etc., must be open to the general public.
    - Government locations such as parks, libraries, government offices, city/county-owned garages, etc., must be open to the general public.
    - Location does not need to be accessible to the public 24/7 or all days, but needs to be reasonably available to any EV driver. Chargers cannot be behind a secured gate, require special permissions, or available only to specific people (e.g. employees, customers, or guests, etc. only).

To be eligible for program funding, *all* projects must comply with the following requirements:

1. Property is located within San Mateo County or the City of Los Banos.
2. EV charging infrastructure will be connected to a meter associated with an active Peninsula Clean Energy customer account.
    a. **EXCEPTION:** If the site is a MUD, then the stations may be installed on a non-Peninsula Clean Energy meter, provided the main or primary building meter is associated with a Peninsula Clean Energy account.
3. All work performed on projects under this agreement must be performed by contractor companies that hold a valid California C-10 license. PCEA reserves the right to amend and change contractor requirements at any point during the program.
4. Installations must comply with all federal, state, and municipal laws, ordinances, rules, codes, standards, and regulations.
5. Funds are not retroactively available to projects where the equipment was already purchased, or installation costs have been incurred, prior to approval by Peninsula Clean Energy.
6. Installations must be voluntary and surplus—charging stations that are required to be installed by a regulation, local ordinance, building code, or other legal obligations (e.g., legal settlement, condition

of lease agreement or use permit, EV-readiness ordinance) are NOT eligible, except for installations at Affordable Housing and public agencies.

7. Installations must be adding additional EV charging infrastructure. Replacement of existing charging equipment, whether operable or inoperable, is not eligible.
8. Parking Type: Installations cannot be located inside private garages with access to only a single residential unit. All other parking types are eligible.
    a. Assigned parking spaces are eligible.
    b. Private garages that are only accessible by a single residential unit are not eligible, unless electricity to this area is provided by a common/shared electrical meter and not the electrical meter associated with the residential unit that is utilizing that private garage.

b. Affordable Housing Funds Reservation

The program will reserve $1 million towards Affordable Housing charging installation projects, including at both existing Affordable Housing and new construction projects. Funding will be protected for up to 2 program years after which the allocation of funds will be re-assessed and any unreserved funds may be reallocated to the program funding pool and be eligible to fund other projects.

c. Multi-Unit Dwellings Funds Reservation

The program will reserve $3.5 million towards charging installation projects at MUD properties, inclusive of the $1 million reserved for Affordable Housing projects. Funding will be protected for up to 2 program years after which the allocation of funds will be re-assessed and any unreserved funds may be reallocated to the program funding pool and be eligible to fund other projects.

d. Public Agency Funds Reservation

The program will reserve $1.5 million toward charging installation projects at public agency properties. Funding will be protected for up to the beginning of Q4 2023 after which the allocation of funds will be re-assessed and any unreserved funds may be reallocated to the program funding pool and be eligible to fund other projects.

e. Combining Incentives

Installations may be eligible for additional funding programs such as CALeVIP, BAAQMD Charge! Program, etc. When customers combine incentives from multiple sources, Peninsula Clean Energy Incentives may be reduced so total incentives do not exceed the applicable caps indicated in the incentive table below.

**3. EV Charging Equipment Requirements**

a. Level 1 or Level 2 Outlet (110/120V or 208 – 240V, 15A – 50A circuit)
   i. Hardware Requirements
      1. Power Supply: 1.4 kW minimum
      2. NEMA 110/120V or 208 – 240V receptable, heavy duty, commercial, or industry grade
      3. Ground Fault Circuit Interrupter (GFCI) receptacle
      4. Must meet indoor or outdoor NEC requirements per installation location
   ii. Operational Requirement
      1. Mandatory 3-year operation period

b. Level 2 Charging Station (208 – 240V, 20A – 80A circuit)
   i. Hardware Requirements
      1. SAE J1772 or North American Charging Standard (NACS)/SAE J3400 connector
      2. NEMA 3R rated (outdoor rated hardware) minimum
      3. Hardware must be new. No refurnished or repurposed equipment can be installed (e.g., equipment previously used as display or returned)
   ii. Software Requirement
      1. If software is utilized, it must use an open standard protocol, such as Open Charge Point Protocol (OCPP)
   iii. Operational Requirement
      1. Mandatory 3-year operation period

c. Make Ready Spaces

The EV Ready Program provides funding to create Make Ready Spaces by installing future-proof infrastructure to support additional EV charging ports in the future. Eligible expenses for Make Ready Spaces include hardware such transformers, panels or panel capacity, and conduit, the labor costs associated with these projects, and permit costs, subject to site eligibility, incentive levels, and site caps, outlined further in the section below.

## 4. Incentive Amounts

| Property Category | Property Type | Measure Type | Port Incentive | Applicable Cap[1] |
|---|---|---|---|---|
| Existing Building | Multi-Unit Dwelling | L1 or L2 outlet | $2,000 | No cap |
| | | L2 charging station port | $5,500 | Up to 75% of project cost, maximum $90,000 per property |
| | | Main panel upgrade[2] | $5,000 | Up to $5,000 per property |
| | Affordable Housing Multi-Unit Dwelling | L1 or L2 outlet | $2,500 | No cap |
| | | L2 charging station port | $5,500 | Up to 100% of project cost, maximum $90,000 per property |
| | | Main panel upgrade[2] | $5,000 | Up to $5,000 per property |
| | Employee Parking | L1 or L2 outlet | $2,000 | No cap |
| | | L2 charging station port | $5,000 | Up to 75% of project cost, maximum $90,000 per property |
| | All Publicly Accessible Non-Residential Locations[3] | L1 or L2 outlet | $2,000 | No cap |
| | | L2 charging station port | $5,000 | Up to 75% of project cost, no maximum |
| | Any | Make ready space[4] | $2,000 | Up to $20,000 per property |
| New Construction[6] | Market Rate Multi-Unit Dwelling *(Above Code[5])* | L1 or L2 outlet | $1,000 | No cap |
| | | L2 charging station port | $2,000 | Up to $40,000 per property |
| | Affordable Housing Multi-Unit Dwelling | L1 or L2 outlet | $1,500 | No cap |
| | | L2 charging station port | $2,500 | Up to $100,000 per property |
| | Public Agency | L1 or L2 outlet | $1,000 | No cap |
| | | L2 charging station port | $2,000 | Up to $250,000 per property |

[1] Maximum incentive award is up to 100% of project cost – maximum port incentive or applicable cost, whichever is less, unless otherwise stated

[2] Must install 4 or more ports to be eligible for the main panel upgrade incentive.

[3] Publicly-Accessible Non-residential locations are defined in Section 2 Program Segments & Funding.

[4] Can not be layered with L2 incentives from other programs to fund the same port.

[5] Market rate above code incentive covers *voluntary and surplus* charging stations from those required to be installed by a regulation, local ordinance, building code, or other legal obligations.

[6] If a new construction project is a multi-use site and is eligible for multiple incentive categories, the site owner must select which property type category and corresponding incentive structure to apply for.

**5. Eligible Project Costs**

All incentives are capped at a percentage of project costs. Project costs can only include the monetary cost required to install the EV charging infrastructure included within the project scope. Peninsula Clean Energy requires itemized invoices fully documenting the project costs prior to issuing the incentive payment. The following costs are considered eligible project costs when determining the incentive cap:

- Utility service upgrades, net of any utility service allowance
- Design & engineering services
- EV charging infrastructure hardware (EV charging stations and outlets)
- Networking or subscription costs, as applicable
- Service, warranty, and O&M agreements associated with EV charging infrastructure, as applicable
- Costs associated with extended Wi-Fi or cell connectivity for EV charging infrastructure, as applicable
- Installation costs
    - Materials (conduit, panels, wire, etc.)
    - Labor
    - Civil (trenching, backfill, curb cutting, etc.)
- Project signage
- Required ADA upgrades due to charging project
- Load management, power sharing equipment, charge controller, energy management systems, etc. associated with the EV charging infrastructure, as applicable
- Permit fees
- Adder Hardware
    - Networked L1 charging management systems; for example, networked energy monitors, energy controllers, or outlets added to the project to create a networked L1 charging station

**6. Funds Reservation Period**

The Funds Reservation Period begins when Peninsula Clean Energy approves an incentives application. All project applications approved for an incentive rebate must submit a preliminary site plan within 60 days from the beginning of the Funds Reservation Period that outlines the total number and type of EV charging infrastructure to be installed and approximate location within the property. For project applications through a Designated Applicant, the applicant must show evidence that the preliminary site plan has been approved by the property owner or site host. **Applicants that do not provide a preliminary site plan within 60 days of the Funds Reservation period will be cancelled at Peninsula Clean Energy's discretion.** Projects receiving technical assistance from Peninsula Clean Energy do not need to provide a preliminary site plan.

All project applications approved for an incentive rebate must also be completed and submit an Installation Verification Form to Peninsula Clean Energy within the timeline outlined below. Peninsula Clean Energy reserves the right to extend the Funds Reservation Period or progress milestones at its discretion.

<table>
<tr><th>Property Category</th><th>Property Type</th><th>Unit Type</th><th>Funds Reservation Period</th></tr>
<tr><td rowspan="7">Existing</td><td rowspan="2">Multi-Unit Dwelling</td><td>L1 outlet</td><td rowspan="2">270 days</td></tr>
<tr><td>L2 charging station port</td></tr>
<tr><td rowspan="2">Affordable Housing Multi-Unit Dwelling</td><td>L1 outlet</td><td rowspan="2">365 days (12 months)</td></tr>
<tr><td>L2 charging station port</td></tr>
<tr><td rowspan="2">Employee Parking & All Publicly Accessible Non-Residential Locations</td><td>L1 outlet</td><td rowspan="3">270 days</td></tr>
<tr><td>L2 charging station port</td></tr>
<tr><td>Any</td><td>Make Ready circuit</td></tr>
<tr><td rowspan="5">New</td><td rowspan="2">Market Rate Multi-Unit Dwelling (Above Code)</td><td>L1 outlet</td><td rowspan="2">Reservation period: 2 years<br>Required progress milestones to maintain the reservation:<br>• Design drawing showing scope of EV charging by 6 months, and<br>• Copy of approved building permit by 12 months</td></tr>
<tr><td>L2 charging station port</td></tr>
<tr><td rowspan="2">Affordable Housing Multi-Unit Dwelling</td><td>L1 outlet</td><td rowspan="2">Reservation Period: 3 years<br>Required progress milestones to maintain reservation:<br>• Submit confirmation of "Notice to Proceed" documentation</td></tr>
<tr><td>L2 charging station port</td></tr>
<tr><td rowspan="2">Public Agency</td><td>L1 Outlet</td><td rowspan="2">365 days (12 months)</td></tr>
<tr><td>L2 EVSE Port</td></tr>
</table>

**7. Required Installation Verification Documents**

To receive rebate reimbursement, applicants must complete the Installation Verification Form, which will be sent via email after the funds have been reserved. Incomplete applications may delay payment.

1. Purchase invoice for equipment. Invoice must be marked as paid.
2. Purchase invoice for all installation costs. Invoice must be marked as paid.
    i. If the project required a panel upgrade, the invoice must explicitly list this cost in a separate line item and only include those hardware or installation costs associated with the panel, if possible. Otherwise, before and after photos of the panel upgrade are required.
3. Design invoice for engineering and design costs.
4. Copy of permits from local agency and (if applicable) utility permits/service orders
5. Pictures of the following:
    i. At least 2 photos of installed and operational EV Charging ports, which also clearly displays PCEA labeling (to be provided by PCEA to the site)
    ii. Photos of equipment serial numbers
    iii. If the project required a panel upgrade, please provide a picture of the new panel displaying all the circuits and a picture of the pre-existing panel.
6. Invoice for networking or subscription fees, if applicable. Invoice must be marked as paid.
7. Invoice for operation and maintenance contract, if applicable. Invoice must be parked as paid.
8. Authority Having Jurisdiction on electrical inspections Inspection Card, including inspector sign-off.

PCE reserves the right to request additional documentation as needed for demonstration of compliance with program requirements and audit Customer documents and attestations at its sole discretion.

**Peninsula Clean Energy**
**Electric Vehicle Ready Program**
**Fund Reservation Agreement**

| | |
|---|---|
| Applicant First Name | Tyler |
| Applicant Last Name | Galagas |
| Title | Business Development Manager |
| Organization | Green Water and Power |
| Email | tyler.galgas@greenwaterandpower.com |
| Phone Number | 818 519-7038 |
| Proposed Site Address | 1000 Continentals Way (Building B) |
| City | Belmont |
| Zip Code | 94002 |
| Service Agreement ID | (Redacted) |
| Project ID | PROJ-090824-13614 |

**EV Charging Infrastructure Project Description:**

| | |
|---|---|
| Project Type | Existing Multi-Unit Dwelling |

| | Level 1 Outlets | Level 2 Outlets | Level 2 Charge Ports | Make Ready Ports |
|---|---|---|---|---|
| Submitted # Ports | | | 16 | |
| Reserved Funds | $ | $ | $88,000.00 | $ |

| | |
|---|---|
| Panel Upgrade | $ 5000.00 |

| | |
|---|---|
| **Total Reserved Funds** | $93,000.00 |
| **Notes** | |

*Peninsula Clean Energy Authority ("PCEA") cannot guarantee rebate funds beyond what was reserved nor can rebate funds exceed 100% of the total project costs. Final projects with less ports than projected will only receive rebates for installed ports, up to the amount reserved.*

By signing below, the site owner ("Site Owner") or, if the property is owned by a commercial or corporate entity, the representative of the ownership entity ("Owner Representative") agrees to the "Electric Vehicle (EV) Ready Program" ("Program") Terms & Conditions. If neither Site Owner nor Owner Representative executes the Agreement, the applicant ("Applicant") certifies that a

Designated Applicant Assignment form was completed and submitted to PCEA to verify that the Site Owner or Owner Representative has designated the applicant ("Designated Applicant") authority to represent the Site Owner in the Program and execute all legal agreements as required by the Program.

The undersigned here is the: ☐ Site Owner or Owner Representative OR ☐ Designated Applicant

***[DocuSign]***

Applicant Signature Date

Peninsula Clean Energy Representative Signature Title Date

**Peninsula Clean Energy EV Ready Program Terms and Conditions**

1. **ELIGIBILITY**: Peninsula Clean Energy Authority offers a rebate to eligible PCEA customers or their designees (Applicant) installing EV Charging Infrastructure through the EV Ready Program. Applicants eligible to receive rebates under the Program must (1) abide by the terms and conditions listed herein; (2) have the EV charging port(s) metered through a PCEA account number; (3) comply with Program Standards and Requirements ("Program Requirements") in Appendix A; (4) provide PCEA with Required Installation Verification Documents as specified in the Program Requirements upon completion of the project.

2. **REBATE RESERVATION TERM AND AMOUNT**: The amounts of the rebates for which qualifying projects are eligible are outlined in Program Requirements. Rebate funds are reserved upon execution of this Agreement up to the maximum amount identified in the Program Requirements based on the "EV Charging Infrastructure Project Description" (hereinafter, the Project, *see* page 1 above). The funds are reserved according to the Fund Reservation Period timelines outlined in the Program Requirements and any modifications to the timelines are at the discretion of PCEA. Rebates will be paid to eligible Rebate Recipient once installation is verified as complete by PCEA. The final amount of the rebates will be the actual eligible costs of verified EV Charging Infrastructure installed or the maximum amount reserved, whichever is less.

3. **DISCRETION ON VERIFICATION**: Determinations regarding verification pursuant to paragraph (1) and paragraph (2) of these Terms and Conditions, shall be determined at PCEA's complete and exclusive discretion.

4. **REBATE RECIPIENT**: The Applicant may direct the rebate funds to any Rebate Recipient, who is a single vendor or service provider incurring costs for the Project up to the amount of documented costs incurred by that Rebate Recipient. The Rebate Recipient shall be identified in the Installation Verification Form submitted upon project completion to request disbursement of the rebate.

5. **NO GUARANTEES**: PCEA makes no guarantee, representations or warranties, expressed or implied, regarding the implementation or use of EV Charging Infrastructure and equipment purchased or installed pursuant to this PCEA Program. Customer is solely responsible for any liability, legal or otherwise, arising from the installation, operation, and maintenance of its selected EV Charging Infrastructure.

6. **EVSE PACKAGE:** Upon approval of the Funds Reservation Agreement by PCEA, customer shall install, operate and maintain the number and type of the EVSE unit(s) (defined in Program Requirements), associated equipment, and signage as selected by Customer and approved by PCEA. Customer acknowledges that:

7. **ADDITIONAL SERVICES FROM ELECTRIC VEHICLE SERVICE PROVIDER (EVSP):** Separate and apart from the Funds Reservation Agreement and PCEA's obligations under the Program, the EVSP may offer and contract directly with the Customer to provide any additional or complementary services, as long as these services do not interfere with the objectives of the Program. PCEA is not responsible for the costs of additional EVSP services or any cost related to operations

and maintenance of any additional EVSP services.

8. **INSTALLATION OF EV CHARGING INFRASTRUCTURE:** Customer is responsible for covering all upfront costs of the installation of the EV Charging Infrastructure. Upon completion of installation of the EV Charging Infrastructure, Site Owner understands it is responsible for the operation and maintenance of the EV charging port(s) installed.

9. **CONTRACTOR REQUIREMENTS**: All work performed on projects under this agreement shall be done by contractors who hold a valid California C-10 license. PCEA reserves the right to amend and change contractor requirements at any point during the program.

10. **EV DRIVERS RIGHT TO ACCESS:** Customer may limit the availability of the EV Charging Infrastructure to its employees or tenants. Under the Program, Customer may elect to make the EV Charging Infrastructure available for use by the general public. Customer shall not restrict access to use of the EV Charging Infrastructure for reasons including, but not limited to, race, color, religion, age, sex, national origin, ancestry, physical or mental disability, or any basis prohibited by applicable law.

11. **APPLICABLE LAWS**: Customer is solely responsible for ensuring that the EV Charging Infrastructure is installed and operated in compliance with all applicable local, state, and federal laws.

12. **EV CHARGING PORT(S) OPERATION AND MAINTENANCE:** Customer will pay all ongoing costs associated with the EV Charging Infrastructure. Customer shall maintain a consistent uptime for the EV Charging Port(s) installed. Customer shall maintain the common area immediately surrounding the EV Charging Infrastructure in good condition, ordinary wear and tear accepted, and will promptly notify PCEA of any problems it is aware of related to the EV Charging Infrastructure. Such maintenance by Customer of the immediately surrounding common areas shall include, but not be limited to, pavement maintenance. Customer shall promptly notify PCEA if Customer will no longer maintain the installed EV Charging Infrastructure and/or the installed EV Charging Infrastructure is being removed from Customer's site. Uninterrupted service is not guaranteed, and Pacific Gas & Electric (PG&E) may interrupt service and access to the EV Charging Infrastructure when necessary to ensure safety or to perform maintenance as dictated by utility easement agreements and requirements.

13. **PERMISSION TO USE DATA:** For all EV Charging Infrastructure installed that are capable of collecting and reporting usage and utilization data, Site Owner agrees to allow PCEA and its authorized Contractors to access, collect, use, and report EV Charging Infrastructure usage and utilization data gathered as a part of the Program for use in regulatory reporting, ordinary business use, industry forums, case studies, or other similar activities, in accordance with applicable laws and regulations. PCEA and its authorized Contractors shall have access to the EV Charging Infrastructure usage and utilization data indefinitely and in accordance with all applicable laws, including but not limited to PCEA privacy guidelines and relevant regulatory decisions.

14. **DEMAND RESPONSE and LOAD SHAPING PROGRAMS:** Customer agrees that PCEA may, at its discretion enroll all networked EV charging port(s) units installed under the Program in any future demand response, grid optimization, and/ or load shaping programs implemented by PCEA. Future load shaping program will, by design, not incur any additional costs or expenses to Customer. The load shaping program will aim to curtail energy usage for each charging port during a predefined period established by PCEA. These curtailments will be designed to minimally impact EV drivers that are charging during these times whenever possible. Customers will be provided an appropriate mechanism to opt-out before the program is implemented.

15. **TAX LIABILITY and CREDITS**: PCEA is not responsible for any taxes which may be imposed on Customer as a result of the rebates provided within the Program. Site Owners receiving incentives from either the Program and/or other regional organizations, including, but not limited to, the Bay Area Air Quality Management District, that have been facilitated through assistance from PCEA are required to designate their Low Carbon Fuel Standard (LCFS) credits to PCEA. Customer attests they are releasing their rights to report and claim credits in the LCFS and are designating credits in the LCFS to PCEA (FEIN 81-2708786) on an ongoing basis. Customer will inform third-party entities when necessary, including CARB, that the LCFS credits generated by their installed EVSE are designated to PCEA on an ongoing basis. Customer will provide the EVSE usage and electricity data to PCEA for LCFS reporting pursuant to CARB sections 95483.2(b)(8), 95491 and 95491.1. Customer will provide PCEA with ongoing access to EV charging data through the use of a login to the online account and/or an application program interface (API), a dashboard with exportable data files, or other means to access the charging data.

16. **DISPUTES**: Except where otherwise limited by law, PCEA reserves the right, at its sole discretion, to make final determinations regarding any disputed issues about the Program, including but not limited to eligibility and rebate amounts. In the event of a dispute that cannot be remedied by the parties, any court filings and/or proceedings shall be venued in San Mateo County, California. PCEA shall in no case be responsible for the legal costs of Site Owner and/or Designated Applicant.

17. **PROGRAM CHANGES**: PCEA reserves the right to change, modify, or terminate the Program at any time without any liability except as expressly stated herein. PCEA will honor all written commitments made in the Funds Reservation Agreement provided to Customers prior to the date of any change, modification or termination of this program, provided that project installations are fully completed within the timeframe specified within the Program Requirements.

18. **PROGRAM EXPIRATION:** The Program will expire upon the earliest to occur: (i) when funds are depleted or (ii) when the program is terminated by PCEA.

19. **INDEMNIFICATION:** Applicant agrees to indemnify, defend, and hold PCEA, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Customer's negligence, recklessness or willful misconduct while participating in the PCEA Program.

20. **ACKNOWLEDGEMENTS:** Customer shall acknowledge PCEA as a funding source of the installed EV Charging Infrastructure each time Customer's activities related to the EV Charging Infrastructure are published in any news media, press release, brochures, or other type of public communication or promotional material. The acknowledgement of PCEA's support as a funding source, whether in whole or in part, shall include language such as: "Funding for [Customer Site Name]'s charging station(s) provided by Peninsula Clean Energy." If Customer is receiving funding from multiple organizations, Customer may use one statement conforming to the format listed above and include all organizations from which funding is received. PCEA also reverses the right to install stickers, signage, or other advertisement mechanism on the EV charging port(s) funded or facilitated by PCEA.

21. **CUSTOMER DISCLOSURE AUTHORIZATION:** By signing the Funds Reservation Agreement, Applicant confirms they are the authorized representative for the electric account holder identified in the Funds Reservation Agreement and authorized PCEA to disclose Customer's account status and participation in the PCEA Program. If Applicant is not the authorized representative for the electric account holder identified in the Funds Reservation Agreement, the Applicant certifies that they have submitted a Third Party Designated Applicant Assignment Form to verify that the Site Owner has delegated authority to the Applicant to represent the Site Owner and execute the Funds Reservation Agreement.

**Peninsula Clean Energy**
**Electric Vehicle Ready Program**
**Fund Reservation Agreement**

| | |
|---|---|
| Applicant First Name | Tyler |
| Applicant Last Name | Galagas |
| Title | Business Development Manager |
| Organization | Green Water and Power |
| Email | tyler.galgas@greenwaterandpower.com |
| Phone Number | 818 519-7038 |
| Proposed Site Address | 1000 Continentals Way (Building A) |
| City | Belmont |
| Zip Code | 94002 |
| Service Agreement ID | (Redacted) |
| Project ID | PROJ-090824-13613 |

**EV Charging Infrastructure Project Description:**

| | |
|---|---|
| Project Type | Existing Multi-Unit Dwelling |

| | Level 1 Outlets | Level 2 Outlets | Level 2 Charge Ports | Make Ready Ports |
|---|---|---|---|---|
| Submitted # Ports | | | 16 | |
| Reserved Funds | $ | $ | $88,000.00 | $ |

| | |
|---|---|
| Panel Upgrade | $ 5000.00 |

**Total Reserved Funds** $93,000.00

**Notes**

*Peninsula Clean Energy Authority ("PCEA") cannot guarantee rebate funds beyond what was reserved nor can rebate funds exceed 100% of the total project costs. Final projects with less ports than projected will only receive rebates for installed ports, up to the amount reserved.*

By signing below, the site owner ("Site Owner") or, if the property is owned by a commercial or corporate entity, the representative of the ownership entity ("Owner Representative") agrees to the "Electric Vehicle (EV) Ready Program" ("Program") Terms & Conditions. If neither Site Owner nor Owner Representative executes the Agreement, the applicant ("Applicant") certifies that a

Designated Applicant Assignment form was completed and submitted to PCEA to verify that the Site Owner or Owner Representative has designated the applicant ("Designated Applicant") authority to represent the Site Owner in the Program and execute all legal agreements as required by the Program.

The undersigned here is the: ☐ Site Owner or Owner Representative OR ☐ Designated Applicant

***[DocuSign]***

Applicant Signature Date

Peninsula Clean Energy Representative Signature Title Date

**Peninsula Clean Energy EV Ready Program Terms and Conditions**

1. **ELIGIBILITY**: Peninsula Clean Energy Authority offers a rebate to eligible PCEA customers or their designees (Applicant) installing EV Charging Infrastructure through the EV Ready Program. Applicants eligible to receive rebates under the Program must (1) abide by the terms and conditions listed herein; (2) have the EV charging port(s) metered through a PCEA account number; (3) comply with Program Standards and Requirements ("Program Requirements") in Appendix A; (4) provide PCEA with Required Installation Verification Documents as specified in the Program Requirements upon completion of the project.

2. **REBATE RESERVATION TERM AND AMOUNT**: The amounts of the rebates for which qualifying projects are eligible are outlined in Program Requirements. Rebate funds are reserved upon execution of this Agreement up to the maximum amount identified in the Program Requirements based on the "EV Charging Infrastructure Project Description" (hereinafter, the Project, *see* page 1 above). The funds are reserved according to the Fund Reservation Period timelines outlined in the Program Requirements and any modifications to the timelines are at the discretion of PCEA. Rebates will be paid to eligible Rebate Recipient once installation is verified as complete by PCEA. The final amount of the rebates will be the actual eligible costs of verified EV Charging Infrastructure installed or the maximum amount reserved, whichever is less.

3. **DISCRETION ON VERIFICATION**: Determinations regarding verification pursuant to paragraph (1) and paragraph (2) of these Terms and Conditions, shall be determined at PCEA's complete and exclusive discretion.

4. **REBATE RECIPIENT**: The Applicant may direct the rebate funds to any Rebate Recipient, who is a single vendor or service provider incurring costs for the Project up to the amount of documented costs incurred by that Rebate Recipient. The Rebate Recipient shall be identified in the Installation Verification Form submitted upon project completion to request disbursement of the rebate.

5. **NO GUARANTEES**: PCEA makes no guarantee, representations or warranties, expressed or implied, regarding the implementation or use of EV Charging Infrastructure and equipment purchased or installed pursuant to this PCEA Program. Customer is solely responsible for any liability, legal or otherwise, arising from the installation, operation, and maintenance of its selected EV Charging Infrastructure.

6. **EVSE PACKAGE:** Upon approval of the Funds Reservation Agreement by PCEA, customer shall install, operate and maintain the number and type of the EVSE unit(s) (defined in Program Requirements), associated equipment, and signage as selected by Customer and approved by PCEA. Customer acknowledges that:

7. **ADDITIONAL SERVICES FROM ELECTRIC VEHICLE SERVICE PROVIDER (EVSP):** Separate and apart from the Funds Reservation Agreement and PCEA's obligations under the Program, the EVSP may offer and contract directly with the Customer to provide any additional or complementary services, as long as these services do not interfere with the objectives of the Program. PCEA is not responsible for the costs of additional EVSP services or any cost related to operations

and maintenance of any additional EVSP services.

8. **INSTALLATION OF EV CHARGING INFRASTRUCTURE:** Customer is responsible for covering all upfront costs of the installation of the EV Charging Infrastructure. Upon completion of installation of the EV Charging Infrastructure, Site Owner understands it is responsible for the operation and maintenance of the EV charging port(s) installed.

9. **CONTRACTOR REQUIREMENTS**: All work performed on projects under this agreement shall be done by contractors who hold a valid California C-10 license. PCEA reserves the right to amend and change contractor requirements at any point during the program.

10. **EV DRIVERS RIGHT TO ACCESS:** Customer may limit the availability of the EV Charging Infrastructure to its employees or tenants. Under the Program, Customer may elect to make the EV Charging Infrastructure available for use by the general public. Customer shall not restrict access to use of the EV Charging Infrastructure for reasons including, but not limited to, race, color, religion, age, sex, national origin, ancestry, physical or mental disability, or any basis prohibited by applicable law.

11. **APPLICABLE LAWS**: Customer is solely responsible for ensuring that the EV Charging Infrastructure is installed and operated in compliance with all applicable local, state, and federal laws.

12. **EV CHARGING PORT(S) OPERATION AND MAINTENANCE:** Customer will pay all ongoing costs associated with the EV Charging Infrastructure. Customer shall maintain a consistent uptime for the EV Charging Port(s) installed. Customer shall maintain the common area immediately surrounding the EV Charging Infrastructure in good condition, ordinary wear and tear accepted, and will promptly notify PCEA of any problems it is aware of related to the EV Charging Infrastructure. Such maintenance by Customer of the immediately surrounding common areas shall include, but not be limited to, pavement maintenance. Customer shall promptly notify PCEA if Customer will no longer maintain the installed EV Charging Infrastructure and/or the installed EV Charging Infrastructure is being removed from Customer's site. Uninterrupted service is not guaranteed, and Pacific Gas & Electric (PG&E) may interrupt service and access to the EV Charging Infrastructure when necessary to ensure safety or to perform maintenance as dictated by utility easement agreements and requirements.

13. **PERMISSION TO USE DATA:** For all EV Charging Infrastructure installed that are capable of collecting and reporting usage and utilization data, Site Owner agrees to allow PCEA and its authorized Contractors to access, collect, use, and report EV Charging Infrastructure usage and utilization data gathered as a part of the Program for use in regulatory reporting, ordinary business use, industry forums, case studies, or other similar activities, in accordance with applicable laws and regulations. PCEA and its authorized Contractors shall have access to the EV Charging Infrastructure usage and utilization data indefinitely and in accordance with all applicable laws, including but not limited to PCEA privacy guidelines and relevant regulatory decisions.

14. **DEMAND RESPONSE and LOAD SHAPING PROGRAMS:** Customer agrees that PCEA may, at its discretion enroll all networked EV charging port(s) units installed under the Program in any future demand response, grid optimization, and/ or load shaping programs implemented by PCEA. Future load shaping program will, by design, not incur any additional costs or expenses to Customer. The load shaping program will aim to curtail energy usage for each charging port during a predefined period established by PCEA. These curtailments will be designed to minimally impact EV drivers that are charging during these times whenever possible. Customers will be provided an appropriate mechanism to opt-out before the program is implemented.

15. **TAX LIABILITY and CREDITS**: PCEA is not responsible for any taxes which may be imposed on Customer as a result of the rebates provided within the Program. Site Owners receiving incentives from either the Program and/or other regional organizations, including, but not limited to, the Bay Area Air Quality Management District, that have been facilitated through assistance from PCEA are required to designate their Low Carbon Fuel Standard (LCFS) credits to PCEA. Customer attests they are releasing their rights to report and claim credits in the LCFS and are designating credits in the LCFS to PCEA (FEIN 81-2708786) on an ongoing basis. Customer will inform third-party entities when necessary, including CARB, that the LCFS credits generated by their installed EVSE are designated to PCEA on an ongoing basis. Customer will provide the EVSE usage and electricity data to PCEA for LCFS reporting pursuant to CARB sections 95483.2(b)(8), 95491 and 95491.1. Customer will provide PCEA with ongoing access to EV charging data through the use of a login to the online account and/or an application program interface (API), a dashboard with exportable data files, or other means to access the charging data.

16. **DISPUTES**: Except where otherwise limited by law, PCEA reserves the right, at its sole discretion, to make final determinations regarding any disputed issues about the Program, including but not limited to eligibility and rebate amounts. In the event of a dispute that cannot be remedied by the parties, any court filings and/or proceedings shall be venued in San Mateo County, California. PCEA shall in no case be responsible for the legal costs of Site Owner and/or Designated Applicant.

17. **PROGRAM CHANGES**: PCEA reserves the right to change, modify, or terminate the Program at any time without any liability except as expressly stated herein. PCEA will honor all written commitments made in the Funds Reservation Agreement provided to Customers prior to the date of any change, modification or termination of this program, provided that project installations are fully completed within the timeframe specified within the Program Requirements.

18. **PROGRAM EXPIRATION:** The Program will expire upon the earliest to occur: (i) when funds are depleted or (ii) when the program is terminated by PCEA.

19. **INDEMNIFICATION:** Applicant agrees to indemnify, defend, and hold PCEA, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Customer's negligence, recklessness or willful misconduct while participating in the PCEA Program.

20. **ACKNOWLEDGEMENTS:** Customer shall acknowledge PCEA as a funding source of the installed EV Charging Infrastructure each time Customer's activities related to the EV Charging Infrastructure are published in any news media, press release, brochures, or other type of public communication or promotional material. The acknowledgement of PCEA's support as a funding source, whether in whole or in part, shall include language such as: "Funding for [Customer Site Name]'s charging station(s) provided by Peninsula Clean Energy." If Customer is receiving funding from multiple organizations, Customer may use one statement conforming to the format listed above and include all organizations from which funding is received. PCEA also reverses the right to install stickers, signage, or other advertisement mechanism on the EV charging port(s) funded or facilitated by PCEA.

21. **CUSTOMER DISCLOSURE AUTHORIZATION:** By signing the Funds Reservation Agreement, Applicant confirms they are the authorized representative for the electric account holder identified in the Funds Reservation Agreement and authorized PCEA to disclose Customer's account status and participation in the PCEA Program. If Applicant is not the authorized representative for the electric account holder identified in the Funds Reservation Agreement, the Applicant certifies that they have submitted a Third Party Designated Applicant Assignment Form to verify that the Site Owner has delegated authority to the Applicant to represent the Site Owner and execute the Funds Reservation Agreement.

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** September 20, 2024
**MEETING DATE:** September 26, 2024
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Brianna Arroyo, Interim Board Clerk

**SUBJECT:** Approval of Minutes from the August 22, 2024 Board of Directors Meeting

**RECOMMENDATION**

Approval of Minutes from the August 22, 2024 Board of Directors Meeting

**BACKGROUND**

Approval of Minutes from August 22, 2024 Board of Directors Meeting

**ATTACHMENTS:**
08-22-2024 BOD Draft Minutes.pdf

**Regular Meeting of the Board of Directors of the**
**Peninsula Clean Energy Authority (PCEA)**
**Minutes**

Thursday, August 22, 2024
6:30 p.m.
Zoom Video Conference and Teleconference

## CALL TO ORDER

Meeting was called to order at 6:38 p.m. in virtual teleconference, in the Peninsula Clean Energy Authority lobby and in the Los Banos City Hall conference room B.

## ROLL CALL YouTube

**Participating:**

Dave Pine, San Mateo County
Ray Mueller, San Mateo County arrived at 6:54
Effie Verducci, San Mateo County Alternate, sworn in
Rick DeGolia, Atherton
Tom McCune, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Chair*
Ken Gonzalez, Colma
Patrick Sullivan, Foster City
Harvey Rarback, Half Moon Bay
Leslie Ragsdale, Hillsborough, AB 2449 Exception
Paul Llanez, Los Banos
Betsy Nash, Menlo Park
Anders Fung, Millbrae, Arrived at 6:41
Tygarjas Bigstyck, Pacifica
Marty Medina, San Bruno, *Vice Chair*
Adam Loraine, San Mateo

**Absent:**

Roderick Daus-Magbual, Daly City
Carlos Romero, East Palo Alto
Jeff Aalfs, Portola Valley
Elmer Martinez Saballos, Redwood City
John Dugan, San Carlos
James Coleman, South San Francisco
Ned Fluet, Woodside

**A quorum was established.**

## PUBLIC COMMENT:

Brian Schmidt, Menlo Spark Gave a Public Comment

**ACTION TO ALLOW BOD MEMBERS TO ATTEND VIA AB 2449** YouTube

Public Comment: None

**MOTION:** Vice Chair Medina moved, seconded by Director Rarback to allow Director Ragsdale to participate via exemption AB 2449.

**MOTION PASSED:** 15-8 (Absent: San Mateo County, Daly City, East Palo Alto, Portola Valley, Redwood City, San Carlos, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Mueller | | | | X |
| Atherton | Director DeGolia | X | | | |
| Belmont | Director McCune | X | | | |
| Brisbane | Director Mackin | X | | | |
| Burlingame | Director Colson | X | | | |
| Colma | Director Gonzalez | X | | | |
| Daly City | Director Daus-Magbual | | | | X |
| East Palo Alto | Director Romero | | | | X |
| Foster City | Director Sullivan | X | | | |
| Half Moon Bay | Director Rarback | X | | | |
| Hillsborough | Director Ragsdale | X | | | |
| Los Banos | Director Llanez | X | | | |
| Menlo Park | Director Nash | X | | | |
| Millbrae | Director Fung | X | | | |
| Pacifica | Director Bigstyck | X | | | |
| Portola Valley | Director Aalfs | | | | X |
| Redwood City | Director Martinez Saballos | | | | X |
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Loraine | X | | | |
| South San Francisco | Director Coleman | | | | X |
| Woodside | Director Fluet | | | | X |
| | Total | 15 | | | 8 |

**Swearing in of Board of Directors:** YouTube

Jennifer Stalzer, Peninsula Clean Energy's Legal Counsel swore in Effie Verducci

**Public Comment:** YouTube

Brian Schmidt, from Menlo Spark gave a public comment.

**PRESENTATIONS and ACKNOWLEDGMENTS** YouTube

1. Informational Briefing from Caltrain representative, Brent Tietjen, External Affairs Manager

Public Comment: None

**ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS** YouTube

Public Comment: None

**MOTION:** Director Pine moved, seconded by Vice Chair Medina to set the Agenda, and approve Agenda Item Numbers 2, 3, 5, 6.

2. Approval of a Resolution Appointing a Los Banos Representative to the Community Advisory Committee
3. Approval of Contract Renewal with Maher Accountancy

5. Approval of Member Agency Energy Grant Agreements
6. Approval of Second Amendment to Second Agreement with the Law Firm of Braun Blaising & Wynne, P.C., in an Amount Not-to-Exceed $150,000 for a Total Contract Not-to-Exceed Amount of $600,000.

**MOTION PASSED: 16-0** (Absent: Daly City, East Palo Alto, Portola Valley, Redwood City, San Carlos, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Mueller | X | | | |
| Atherton | Director DeGolia | X | | | |
| Belmont | Director McCune | X | | | |
| Brisbane | Director Mackin | X | | | |
| Burlingame | Director Colson | X | | | |
| Colma | Director Gonzalez | X | | | |
| Daly City | Director Daus-Magbual | | | | X |
| East Palo Alto | Director Romero | | | | X |
| Foster City | Director Sullivan | X | | | |
| Half Moon Bay | Director Rarback | X | | | |
| Hillsborough | Director Ragsdale | X | | | |
| Los Banos | Director Llanez | X | | | |

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|---|---|---|---|---|---|
| Menlo Park | Director Nash | X | | | |
| Millbrae | Director Fung | X | | | |
| Pacifica | Director Bigstyck | X | | | |
| Portola Valley | Director Aalfs | | | | X |
| Redwood City | Director Martinez Saballos | | | | X |
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Loraine | X | | | |
| South San Francisco | Director Coleman | | | | X |
| Woodside | Director Fluet | | | | X |
| | Total | 16 | | | 7 |

**Public Comment:** YouTube

Dave Marrow, with IBEW gave a public comment in regard to item number 4

**MOTION:** Director Bigstyck moved, seconded by Director Medina to Add item 4 back to the agenda.

**MOTION PASSED:** 16-0 (Absent: Daly City, East Palo Alto, Portola Valley, Redwood City, San Carlos, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Mueller | X | | | |
| Atherton | Director DeGolia | X | | | |
| Belmont | Director McCune | X | | | |
| Brisbane | Director Mackin | X | | | |
| Burlingame | Director Colson | X | | | |
| Colma | Director Gonzalez | X | | | |
| Daly City | Director Daus-Magbual | | | | X |
| East Palo Alto | Director Romero | | | | X |
| Foster City | Director Sullivan | X | | | |
| Half Moon Bay | Director Rarback | X | | | |
| Hillsborough | Director Ragsdale | X | | | |
| Los Banos | Director Llanez | X | | | |
| Menlo Park | Director Nash | X | | | |
| Millbrae | Director Fung | X | | | |
| Pacifica | Director Bigstyck | X | | | |
| Portola Valley | Director Aalfs | | | | X |
| Redwood City | Director Martinez Saballos | | | | X |
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Loraine | X | | | |
| South San Francisco | Director Coleman | | | | X |

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|---|---|---|---|---|---|
| Woodside | Director Fluet | | | | X |
| | Total | 16 | | | 7 |

**MOTION:** Director DeGolia moved, seconded by Director Loraine to add item 7 back onto the agenda with a proposed correction to the attendance on the April 25, 2024 Minutes.

**Public Comment:** None

**MOTION PASSED:** 15-0 (Absent: Daly City, East Palo Alto, Portola Valley, Redwood City, San Carlos, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Mueller | X | | | |
| Atherton | Director DeGolia | X | | | |
| Belmont | Director McCune | X | | | |
| Brisbane | Director Mackin | X | | | |
| Burlingame | Director Colson | X | | | |
| Colma | Director Gonzalez | X | | | |
| Daly City | Director Daus-Magbual | | | | X |
| East Palo Alto | Director Romero | | | | X |
| Foster City | Director Sullivan | | | X | |
| Half Moon Bay | Director Rarback | X | | | |
| Hillsborough | Director Ragsdale | X | | | |
| Los Banos | Director Llanez | X | | | |
| Menlo Park | Director Nash | X | | | |
| Millbrae | Director Fung | X | | | |
| Pacifica | Director Bigstyck | X | | | |
| Portola Valley | Director Aalfs | | | | X |
| Redwood City | Director Martinez Saballos | | | | X |
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Loraine | X | | | |
| South San Francisco | Director Coleman | | | | X |
| Woodside | Director Fluet | | | | X |
| | Total | 15 | | 1 | 7 |

**REGULAR AGENDA** YouTube

8. Chair Report YouTube

Donna Colson, Chair of the Board gave an update to the Board.

9. CEO Report YouTube

Shawn Marshall, Chief Executive Officer, gave a CEO update to the Board.

10. Community Advisory Committee Report YouTube

Jason Mendelson, Community Advisory Committee (CAC) Chair, gave a CAC update to the Board.

11. Approval of a Resolution to Delegate Authority to the Chief Executive Officer to Finalize and Execute a Contract with the San Mateo County Office of Education for an Amount Not-to-Exceed $210,000 in Fiscal Year 2024-2025 (Action) YouTube

Kirsten Andrews-Schwind, Associate Director, Community Relations & Climate Equity, and Vanessa Shin, Associate Manager, Community Relation, gave a presentation on the San Mateo County Office of Education Contract.

Public Comment: None

**Motion:** Director Mackin moved, seconded by Director Rarback to Approve the resolution to Delegate Authority to the Chief Executive Officer to Finalize and Execute a Contract with the San Mateo County Office of Education for an Amount Not-to-Exceed $210,000 in Fiscal Year 2024-2025

**MOTION PASSED: 16:0** (Absent: Daly City, East Palo Alto, Portola Valley, Redwood City, San Carlos, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Mueller | X | | | |
| Atherton | Director DeGolia | X | | | |
| Belmont | Director McCune | X | | | |
| Brisbane | Director Mackin | X | | | |
| Burlingame | Director Colson | X | | | |
| Colma | Director Gonzalez | X | | | |
| Daly City | Director Daus-Magbual | | | | X |
| East Palo Alto | Director Romero | | | | X |
| Foster City | Director Sullivan | X | | | |
| Half Moon Bay | Director Rarback | X | | | |
| Hillsborough | Director Ragsdale | X | | | |
| Los Banos | Director Llanez | X | | | |
| Menlo Park | Director Nash | X | | | |
| Millbrae | Director Fung | X | | | |
| Pacifica | Director Bigstyck | X | | | |
| Portola Valley | Director Aalfs | | | | X |
| Redwood City | Director Martinez Saballos | | | | X |

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|---|---|---|---|---|---|
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Loraine | X | | | |
| South San Francisco | Director Coleman | | | | X |
| Woodside | Director Fluet | | | | X |
| | Total | 16 | | | 7 |

12. Approval of a Resolution to Delegate Authority to the Chief Executive Officer to Finalize and Execute a Contract with the County of San Mateo Sustainability Division for the Youth Climate Ambassadors Program for an Amount Not-to-Exceed $50,000 in Fiscal Year Ends 2025 and 2026 (Action) YouTube

Kirsten Andrews-Schwind, Associate Director, Community Relations & Climate Equity, and Vanessa Shin, Associate Manager, Community Relation, gave a presentation on the Youth Climate Ambassadors Program Contract with the County of San Mateo Sustainability Division.

Public Comment: None

**Motion:** Director Loraine moved, seconded by Director Pine to Approve a Resolution to Delegate Authority to the Chief Executive Officer to Finalize and Execute a Contract with the County of San Mateo Sustainability Division for the Youth Climate Ambassadors Program for an Amount Not-to-Exceed $50,000 in Fiscal Year Ends 2025 and 2026

**MOTION PASSED: 16:0** (Absent: Daly City, East Palo Alto, Portola Valley, Redwood City, San Carlos, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Mueller | X | | | |
| Atherton | Director DeGolia | X | | | |
| Belmont | Director McCune | X | | | |
| Brisbane | Director Mackin | X | | | |
| Burlingame | Director Colson | X | | | |
| Colma | Director Gonzalez | X | | | |
| Daly City | Director Daus-Magbual | | | | X |
| East Palo Alto | Director Romero | | | | X |
| Foster City | Director Sullivan | X | | | |
| Half Moon Bay | Director Rarback | X | | | |
| Hillsborough | Director Ragsdale | X | | | |
| Los Banos | Director Llanez | X | | | |
| Menlo Park | Director Nash | X | | | |
| Millbrae | Director Fung | X | | | X |
| Pacifica | Director Bigstyck | X | | | |
| Portola Valley | Director Aalfs | | | | X |

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|---|---|---|---|---|---|
| Redwood City | Director Martinez Saballos | | | | X |
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Loraine | X | | | |
| South San Francisco | Director Coleman | | | | X |
| Woodside | Director Fluet | | | | X |
| | Total | 16 | | | 7 |

13. Approval of Proposed Administrative Updates to the Peninsula Clean Energy Authority Joint Powers Authority (JPA) Agreement (Action) YouTube

Shawn Marshall, Chief Executive Officer explained the administrative updates being made to the Peninsula Clean Energy's the Joint Powers Authority Agreement (JPA).

Public Comment: None

**Motion:** Chair Colson made a motion of a resolution approving an amendment to allow for administrative updates to the Peninsula Clean Energy Authority Joint Powers Agreement. This motion was seconded by Director Fung.

**Motion Amended**: After discussion led by Director Mueller, Director Loraine moved to proceed with all changes but item 4, with the understanding that item 4 will return to the Board after amendment. This motion was seconded by Director Bigstyck.

**MOTION PASSED: 16:0** (Absent: Daly City, East Palo Alto, Portola Valley, Redwood City, San Carlos, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Mueller | X | | | |
| Atherton | Director DeGolia | X | | | |
| Belmont | Director McCune | X | | | |
| Brisbane | Director Mackin | X | | | |
| Burlingame | Director Colson | X | | | |
| Colma | Director Gonzalez | X | | | |
| Daly City | Director Daus-Magbual | | | | X |
| East Palo Alto | Director Romero | | | | X |
| Foster City | Director Sullivan | X | | | |
| Half Moon Bay | Director Rarback | X | | | |
| Hillsborough | Director Ragsdale | X | | | |
| Los Banos | Director Llanez | X | | | |
| Menlo Park | Director Nash | X | | | |
| Millbrae | Director Fung | X | | | |
| Pacifica | Director Bigstyck | X | | | |
| Portola Valley | Director Aalfs | | | | X |

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|---|---|---|---|---|---|
| Redwood City | Director Martinez Saballos | | | | X |
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Loraine | X | | | |
| South San Francisco | Director Coleman | | | | X |
| Woodside | Director Fluet | | | | X |
| | Total | 16 | | | 7 |

14. Approval of the First Amendment to the Agreement with Shawn E. Marshall, Chief Executive Officer, for the term of July 1, 2023 to June 30, 2026, increasing the annual salary amount to $393,750 and awarding a bonus of $25,000 (Action) YouTube

Jennifer Stalzer, Peninsula Clean Energy's Legal Counsel, along with Chair Donna Colson gave a brief description on item 14.

**MOTION:** Director Nash moved, to approve the First Amendment to the Agreement with Shawn E. Marshall, Chief Executive Officer, for the term of July 1, 2024 to June 30, 2026, increasing the annual salary amount to $393,750 and awarding a bonus of $25,000. Seconded by Director Sullivan.

Public Comment: None

**MOTION PASSED: 16:0** (Absent: Daly City, East Palo Alto, Portola Valley, Redwood City, San Carlos, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Mueller | X | | | |
| Atherton | Director DeGolia | X | | | |
| Belmont | Director McCune | X | | | |
| Brisbane | Director Mackin | X | | | |
| Burlingame | Director Colson | X | | | |
| Colma | Director Gonzalez | X | | | |
| Daly City | Director Daus-Magbual | | | | X |
| East Palo Alto | Director Romero | | | | X |
| Foster City | Director Sullivan | X | | | |
| Half Moon Bay | Director Rarback | X | | | |
| Hillsborough | Director Ragsdale | X | | | |
| Los Banos | Director Llanez | X | | | |
| Menlo Park | Director Nash | X | | | |
| Millbrae | Director Fung | X | | | |
| Pacifica | Director Bigstyck | X | | | |
| Portola Valley | Director Aalfs | | | | X |
| Redwood City | Director Martinez Saballos | | | | X |

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|---|---|---|---|---|---|
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Loraine | X | | | |
| South San Francisco | Director Coleman | | | | X |
| Woodside | Director Fluet | | | | X |
| | Total | 16 | | | 7 |

15. Discussion of Program Innovation and Funding Opportunities (Discussion) YouTube

Jana Kopyciok-Lande, Associate Director of Strategic Innovation gave a presentation on Peninsula Clean Energy's Program Innovation and Funding Opportunities

Public Comment: None

16. Discussion of Peninsula Clean Energy's Brand Strategy Update (Discussion) YouTube

Gwen Rose, Director of Marketing, gave a presentation about Peninsula Clean Energy's planned brand update to the Board of Directors

Public Comment:

17. Board Members' Reports

Director Bigstyck, gave a brief Board Member Report.

**ADJOURNMENT**

Meeting was adjourned at 9:19 p.m.

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** September 20, 2024
**MEETING DATE:** September 26, 2024
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee

**FROM:** Shawn Marshall, Chief Executive Officer

**SUBJECT:** CEO Report (Discussion)

## BACKGROUND

This report is provided monthly to the Board of Directors and is informational only.

## DISCUSSION

During the Board meeting, CEO Shawn Marshall will provide an update on a variety of PCE topics including but not limited to: 1) an update on PCE's strategic planning process, 2) Q4 Board meeting and retreat plans, 3) PCE office space and in-house call center updates.

**PCE is Delivering on Customer Affordability**
As reported in this month's Account Services update, as of July 31, 2024, PCE customers have saved more than $27 million in CY 2024. These savings, already exceeding the total savings of $24.5 million in CY 2023, are the result of the Board's decision in January to freeze rates at 2023 levels. This rate freeze provided PCE customers with at least 10% savings compared to PG&E default generation rates. The Board further reduced PCE rates starting in August 2024 to reflect a 5% savings compared to PG&E default generation rates, which puts the agency on pace to deliver ~ $40M in customer rate savings this year! Staff will return to the Board in Q1 2025 with exact savings numbers for 2024.

**Conferences, Industry Events, and Speaking Engagements:**

| | |
|---|---|
| Sept. 9 | **Peter Levitt,** Distributed Energy Panel at RE+ North America Conf. |
| Sept. 25 | **Philip Kobernick**, Forth Mobility Roadmap Conference |
| October 1-2 | **Shawn Marshall,** Cal-CCA Board of Directors Retreat |
| October 2 | **Philip Kobernick**, CLEAResult Energy Forum |
| October 7-9 | **Shawn Marshall, Rafael Reyes, Philip Kobernick, Marc Hershman, Jeremy Waen** National CCA Conference, Washington |
| October 7-9 | **Roy Xu, Gwen Rose, Sara Maata, Shayna Levia**, SunZia Site Tour |

| | |
|---|---|
| October 8 | **Kirsten Andrews-Schwind,** Environmental Justice Panel, Thrive Environmental Conference |
| October 10 | **Shawn Marshall, Roy Xu**, **Gwen Rose**, and other team members, Arica Project Site Visit and Ribbon Cutting Event |
| October 11 | **Shawn Marshall, Roy Xu, Gwen Rose** and other team members, Chapparal and Lockhart Project Site Visits |
| October 22-23 | **Peter Levitt**, California Energy Storage Association Market Development Forum |
| October 28 | **Shawn Marshall,** CCPower Member's Forum, Sacramento |
| October 29 | **Shawn Marshall**, Cal-CCA/CMUA Forum, Sacramento |
| October 29-30 | **Shawn Marshall, Jeremy Waen, Roy Xu** and members of the Regulatory and Power Resources Teams, Annual CAISO Symposium, Sacramento |
| Nov 19-20 | **Peter Levitt**, VPP Forum, Smart Grid Observer in San Francisco |

**PCE In the Community:**

| | |
|---|---|
| Sept. 27 | Los Banos Parks & Recreation Salute to Seniors |
| Sept. 28 | Roots & Watts - 350 Silicon Valley; Half Moon Bay |
| Sept. 28 | Climate Resilient Communities Fair - English; East Palo Alto |
| Sept. 28 | Climate Resilient Communities Fair - Spanish; East Palo Alto |
| Sept. 29 | Clean Air Day event at the Foster City Library |
| October 2 | Healthy Air, Healthy Homes; Menlo Park |
| October 3 | Half Moon Bay Electrification Workshop |
| October 8 | Climate Summit of San Mateo County |
| October 10 | Los Banos High School Field Trip |
| October 17 | Sustainable SMC Happy Hour on Home Upgrade Program |
| October 19 | Citizens Climate Lobby Climate Rally Tabling; San Mateo |
| October 21 | Los Banos City Hall Tabling |
| October 23 | Thrive Alliance Home Upgrade Program; San Mateo County |
| October 24 | Pacheco High School Popcorn Making Event |
| October 26 | Pacifica-Coastside Electric Vehicle Exhibition; Half Moon Bay |
| October 27 | Los Banos Chamber of Commerce Halloween Fest |
| October 29 | VERGE 24 Conference; San Mateo County |

**CEO Member Agency Briefings:**

| | |
|---|---|
| September 23 | Daly City |
| September 25 | Portola Valley |
| October 22 | San Mateo County Board of Supervisors |
| October 22 | Menlo Park |
| November 13 | Colma |
| January 14 | Millbrae |
| Date TBD | Woodside |

**PCE Staffing Update**

**Please Welcome to Our Team…**

Leilani Johnson, Director of People and Culture (starting 10/1)
Kerstin Grune, Associate Director of Marketing (starting 11/1)
Shelby Bush, Energy Efficiency Programs Manager (starting 12/2)

**…And Celebrating Two Promotions!**

Congratulations to **Roy Xu** who was promoted to Senior Director of Power Resources and **Shayna Levia** who was promoted to Power Resources Analyst. We appreciate their commitment, expertise, and valuable service to PCE!

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** September 12, 2024
**MEETING DATE:** September 26, 2024
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Marc Hershman, Director of Government Affairs

**SUBJECT:** Update on Peninsula Clean Energy's Legislative Activities in the 2024 Legislative Session (Discussion)

## RECOMMENDATION

Discussion

## BACKGROUND

With the conclusion of the scheduled 2024 legislative session in Sacramento, and the possibility of a special session occurring this Fall, Peninsula Clean Energy Director of Government Affairs, Marc Hershman, and our lobbyist in Sacramento, Mark Fenstermaker, Principal and Co-Founder of Pacific Policy Group, will provide the Board of Directors with an oral report on our 2024 legislative activities and results.

## DISCUSSION

### SACRAMENTO SUMMARY

The Legislature returned from its summer recess on August 5 and adjourned its regular session on August 31. Many state legislators were in Chicago for the Democratic Convention during the week of August 19, which slowed the typical pace of end-of-session activity.

Peninsula Clean Energy took an official position on 5 bills that passed both houses of the Legislature and now sit on Governor Newsom's desk awaiting his signature or veto. Attached to this report are letters of support addressed to the Governor for AB 1359 (Papan), AB 2513 (Pellerin), AB 2666 (Boerner), AB 2847 (Addis) and SB 1130 (Bradford). Please see the attached Matrix for details of these bills and other bills which we monitored and engaged in during the 2024 legislative session.

Governor Newsom has until September 30, 2024 to sign or veto these bills.

**$10 Billion Climate Bond on the 2024 Ballot Now Designated as Proposition 4, The Parks, Environment, Energy, and Water Bond Measure**

Proposition 4 on the November 5 ballot, if approved by the voters, would authorize the issuance of bonds in the amount of $10 billion to finance projects for safe drinking water, drought, flood, and water resilience ($3.8 billion), wildfire and forest resilience ($1.5 billion), coastal resilience ($1.2 billion), extreme heat mitigation ($450 million), biodiversity and nature-based climate solutions ($1.2 billion), climate-smart, sustainable, and resilient farms, ranches, and working lands ($300 million), park creation and outdoor access ($700 million), and clean air programs ($850 million).

The language in the bond requires that at least 40% of the money go to projects that aid disadvantaged communities, defined as those whose median household income is less than 80% of the area average.

$850 million of the bond proceeds are to be dedicated to clean energy developments, including proposed offshore wind energy projects.

**Summer Focus – EE/PPP and RA**

Two issues were at the forefront of attention for Peninsula Clean Energy's legislative staff this summer. The first concerns the Energy Efficiency/Public Purpose Program Charge (EE/PPP) and the second concerns the Resource Adequacy Market Price Benchmark.

Beginning in June discussions in Sacramento centered around an energy affordability package.

Once the package began to take shape, it came to our attention that a potential August budget trailer bill might attempt to cut "non cost effective" energy efficiency (EE) programs funded through the Public Purpose Program Charge (PPP). These "non cost effective" programs are primarily aimed at low-income customers, who are hard-to-reach and therefore cost more money to serve. The California Public Utilities Commission had already rejected the proposal from the Public Advocates Office to cut "non cost effective" energy efficiency programs in its energy efficiency proceeding.

Energy efficiency is a key strategy in California's fight against climate change. As electricity costs increase, energy efficiency reduces demand, decreases the need for grid upgrades, and complements electrification strategies so bills remain affordable. Energy efficiency funding is approximately 1.7% of total revenue collected from ratepayers statewide. Ultimately, EE funds were not cut at this time. Instead, the legislature will be looking more closely and EE and other program expenditures.

AB 3264 (Petrie-Norris) is one of the bills in the package that attempts to mandate this reporting on program expenditures. After being introduced a few hours before the 72 hour mandated deadline for new bills, the bill has passed both houses and made it to the Governor's desk. This bill has not been signed by Governor Newsom as of the filing of this report.

AB 3264 would provide to the CPUC the authority to analyze and report on demand side management programs in California, including those funded and administered outside of the CPUC process. This includes PCE's programs funded by PCE's customers and administered by staff. The bill's author, Asm. Petrie-Norris has indicated a willingness to address this concern through clean-up legislation in 2025.

As noted in our August Legislative Update, we also learned that there was a proposal by PG&E, in its 2025 Energy Resources Recovery Account (ERRA) filing at the CPUC, that proposed to freeze the Resource Adequacy (RA) Market Price Benchmark (MPB). This MPB is used in the calculation of the exit fee that CCA customers pay to the incumbent utility, also known as the Power Charge Indifference Adjustment (PCIA).

If PG&E were successful in freezing the RA MPB, it would effectively shift their costs to CCA customers, resulting in a 27% bill increase to CCA customers. Additionally, the PCIA has a true-up function, so the savings would be temporary as the costs would have to be recovered later.

Peninsula Clean Energy and other CCAs engaged with legislators, legislative staff and administration officials on these issues. In addition, we were part of a large coalition that formed to support EE programs. The coalition included the County of San Mateo and many Nonprofit, Environmental and Environmental Justice organizations.

We are pleased to report that our efforts were successful and that neither the EE/PPP nor RA efforts discussed in this report were passed by the Legislature this year. However, PG&E may attempt a regulatory pathway to freeze the RA MPB in the future.

**Special Session**

Governor Gavin Newsom has asked the Legislature to return to Sacramento for a Special Session to address rising gasoline prices. It is the Governor's authority to call on the Legislature to assemble for a Special Session on a particular subject as determined by the Governor. This session must be opened and closed prior to November 30.

The Assembly passed a resolution to open the Special Session. Assembly Speaker Robert Rivas has scheduled information hearings for September 18 and 19, a bill hearing on September 26 and a floor session for October 1. The Speaker has also announced that two Assemblymembers, Cecilia Aguiar-Curry and Gregg Hart, will be authoring bills.

As of the date of the report, the Senate has not passed a resolution to open the Special Session.

How this might play out is still unclear.

**Fall Focus – Meeting with Legislators, Legislative Staff and Preparing for 2025**

In the coming months, PCE will be scheduling annual meetings in Sacramento and on the Peninsula with our local legislators, their legislative staff, and staffers in the Assembly and the Senate.

A large freshman class will be in Sacramento on December 2 when the 2025-26 legislative session will commence. On that date the oaths of office are administered in both the Assembly and Senate. The Legislature will then recess until January.

**Federal Engagement**

PCE has been reaching out to our federal Legislator's offices to prepare for the 2025 round of funding. We are meeting with federal legislative staff to answer any questions that they may

have and to discuss how we can better support a future funding request. Later this month, a staff member for U.S. Senator Alex Padilla is scheduled to tour a Peninsula home that has benefited from our Peninsula Clean Energy low-income home upgrade program.

In October, staff members will be traveling to Washington, D.C. for a Community Choice Aggregation conference organized by LEAN Energy, bringing together CCA representatives from all corners of the county. Several Peninsula Clean Energy staff members are scheduled to speak at the conference and meetings with legislative staff have also been arranged.

(Public Policy Objective B, Key Tactic 1)

**FISCAL IMPACT**

none

**ATTACHMENTS:**
AB 2847 (Addis) - Support.pdf
AB 2513 (Pellerin) - Support.pdf
SB 1130 (Bradford) - Support.pdf
AB 2666 (Boerner) - Support.pdf
AB 1359 (Papan) - Support.pdf
September 2024 Bill Matrix.docx

PENINSULA CLEAN ENERGY

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September 6, 2024

The Honorable Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

**Re: AB 2847 (Addis) – SUPPORT**

Dear Governor Newsom,

On behalf of Peninsula Clean Energy Authority (PCE), a community choice aggregator (CCA) serving roughly 800,000 Californians in San Mateo County and Los Banos in Merced County, I write in support of AB 2847 (Addis), which would require investor-owned utilities (IOUs) when making a request for capital expenditures to provide their best estimation, alongside supporting documents, of the impact of the proposed expenditures on the IOU's authorized revenue for each year of the life of the capital asset, as well as the asset's net present value.

Electric utility rates have seen considerable increases over the past few years and Californians are now facing some of the highest rates in the country. Peninsula Clean Energy, through sound fiscal management, was proud to announce a rate freeze at the beginning of the year. Holding our rates at 2023 levels, while PG&E's rates increased nearly 13%, resulted in bill savings for Peninsula Clean Energy customers of between 10-15% compared to PG&E.

As the IOUs continue to request rate increases, it's important to ensure that every cost included in ratepayers' bills is just and reasonable. This is especially true for capital costs, which will have a long-term impact on rates. Greater transparency of how IOU capital requests will impact future rates is invaluable.

We are pleased to support AB 2847 and we thank Assemblymember Addis for authoring this important piece of legislation. We respectfully request that you sign AB 2847 into law.

Sincerely,

Marc Hershman
Director of Government Affairs

cc: The Honorable Dawn Addis

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September 6, 2024

The Honorable Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

**Re: AB 2513 (Pellerin) – SUPPORT**

Dear Governor Newsom,

On behalf of Peninsula Clean Energy Authority (PCE), a community choice aggregator (CCA) serving roughly 800,000 Californians in San Mateo County and Los Banos in Merced County, I write in support of AB 2513 (Pellerin), which will ensure that Californians are aware of the health harming impacts of fossil gas combustion in stoves and ranges.

Peninsula Clean Energy is proud to offer several programs to its customers to facilitate the transition to zero-emission appliances, including heat-pump HVACs, heat-pump water heaters, and induction stoves. We are engaged in this transition as we understand the planet harming greenhouse gas emissions associated with fossil gas combustion as well as the associated human-health impacts. A 2023 study from Stanford's Doerr School of Sustainability and PSE Healthy Energy, a nonprofit research institute, found that gas stoves can also emit amounts of benzene that can lead to indoor concentrations that exceed health benchmarks. Long-term exposure to Benzene can lead to leukemia and other blood-related cancers, while high levels of short-term exposure can affect the nervous system.

AB 2513 will help ensure that the findings of this research reaches more Californians as it would require all gas stoves manufactured after January 1, 2025 for sale in California have a conspicuous label warning prospective buyers that gas stoves or ranges can release nitrogen dioxide, carbon monoxide, and benzene that creates concentrations exceeding the standards of the Office of Environmental Health Hazard Assessment and the United States Environmental Protection Agency's standards for outdoor air quality.

We are pleased to support AB 2513, and we thank Assemblymember Pellerin for authoring this important piece of legislation. We respectfully request that you sign AB 2513 into law.

Sincerely,

Marc Hershman
Director of Government Affairs

cc: Honorable Assemblymember Gail Pellerin

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September 6, 2024

The Honorable Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

**Re: SB 1130 (Bradford) – SUPPORT**

Dear Governor Newsom,

On behalf of Peninsula Clean Energy Authority (PCE), a community choice aggregator (CCA) serving roughly 800,000 Californians in San Mateo County and Los Banos in Merced County, I write in support of SB 1130 (Bradford), which expands eligibility for the Family Electric Rate Assistance (FERA) program to households with fewer than three members and requires the investor-owned utilities (IOUs) and the California Public Utilities Commission (CPUC) to work together to ensure all eligible households are enrolled in the program.

Electric utility rates have seen considerable increases over the past few years and Californians are now facing some of the highest rates in the country. Low-income Californians are struggling to afford the rising cost of electricity despite the assistance provided by the California Alternate Rates for Energy (CARE) program and FERA. Recent analyses show that FERA is largely undersubscribed. SB 1130 will help enroll more eligible customers into the FERA program, which will alleviate the cost burden for low-income customers of the IOUs. The bill would require the IOUs to report on their efforts to enroll customers in the FERA program, have the CPUC asses the IOUs' efforts, and if the CPUC determines the IOUs' efforts have been insufficient then the IOUs would be ordered to develop a strategy to increase enrollment.

The bill would also remove FERA's current eligibility limitation to those households of three or more persons and open the program up to those households with annual gross income levels between 200 percent and 250 percent of the federal poverty guideline level. This will enable more households with lesser financial means to enroll in the FERA program and receive rate relief.

We are pleased to support SB 1130, and we thank Senator Bradford for authoring this important piece of legislation. We respectfully request you sign SB 1130 into law.

Sincerely,

Marc Hershman
Director of Government Affairs

cc: The Honorable Senator Steven Bradford

PENINSULA CLEAN ENERGY

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September 6, 2024

The Honorable Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

**Re: AB 2666 (Boerner) – SUPPORT**

Dear Governor Newsom,

On behalf of Peninsula Clean Energy Authority (PCE), a community choice aggregator (CCA) serving roughly 800,000 Californians in San Mateo County and Los Banos in Merced County, I write in support of AB 2666 (Boerner), which would require the California Public Utilities Commission (CPUC) to review investor-owned utilities' (IOUs) actual past costs following each general rate case (GRC), and consider the IOUs' cost saving activities in the subsequent general rate case.

Electric utility rates have increased considerably over the past few years and Californians are now facing some of the highest rates in the country. Peninsula Clean Energy, through sound fiscal management, was proud to announce a rate freeze at the beginning of the year. By holding our rates at 2023 levels, while PG&E's rates increased nearly 13%, Peninsula Clean Energy customers realized bill savings of between 10-15% compared to PG&E.

As the IOUs continue to request rate increases while registering record profits, it's important to ensure that the costs IOUs propose in their GRCs are their actual costs. It is critical to ensure that costs are not overstated in a GRC as subsequent cost-savings realized by an IOU benefit shareholders as profits rather than reduced rates for ratepayers. AB 2666 will help provide clarity in this process and lead to more accurate cost calculations in GRCs.

We are pleased to support AB 2666, and we thank Assemblymember Boerner for authoring this important piece of legislation. We respectfully request you sign AB 2666 into law.

Sincerely,

Marc Hershman
Director of Government Affairs

cc: The Honorable Tasha Boerner

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September 6, 2024

The Honorable Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

**Re: AB 1359 (Papan) – SUPPORT**

Dear Governor Newsom,

On behalf of Peninsula Clean Energy Authority (PCE), a community choice aggregator (CCA) serving roughly 800,000 Californians in San Mateo County and Los Banos in Merced County, I write in support of AB 1359 (Papan), forward-thinking legislation that will help our state achieve its ambitious climate goals on schedule.

Geothermal power has significant potential to help California meet our climate goals, especially at times, such as night or winter, when other renewable resources like solar and wind, may be unavailable. Before development of a geothermal field can begin, the developer needs to drill exploratory wells to gather subsurface data to confirm project feasibility and inform design decisions. Under the California Environmental Quality Act (CEQA), the drilling of an exploratory well is treated as a separate project – with a separate environmental review process – from the broader geothermal field development. This makes sense as the initial exploratory well is much smaller in scale and impact.

Unfortunately, an outdated provision of state law specifying that the state Geologic Energy Management Division (CalGEM) must serve as the lead agency under CEQA for geothermal exploration projects threatens to prevent advanced geothermal from taking off in California. The relevant provision of law – Public Resources Code §3715.5 – was originally put in place to accelerate geothermal development, but is now having the opposite effect, as CalGEM works under multi-year delays due to resource constraints associated with its role in oil and gas permitting. These delays put developers in the position of having to wait years before they can even explore whether a site is viable for geothermal development. These constraints also delay the timing for completion of the project and the date on which it can begin generating clean power. No other form of renewable energy operates under a similar requirement. This antiquated provision of state law threatens to derail new geothermal development in California before it can even begin.

Fortunately, counties already typically serve as the lead agency for larger, more complex geothermal field development projects and are fully capable of serving as the lead agency for geothermal exploration, as well. Deleting Public Resources Code §3715.5, as envisioned in AB 1359, will allow geothermal exploration projects to receive a lead agency under CEQA the same way any other project would, instead of slowing these projects down with an arbitrary, unique,

and anachronistic requirement. This proposal will NOT weaken CEQA or lower environmental standards. It will simply ensure that geothermal exploration wells go through the same CEQA process as other projects in the state.

We are pleased to support AB 1359, and we thank Assemblymember Papan for authoring this important piece of legislation. We respectfully request you sign AB 1359 into law.

Sincerely,

Marc Hershman
Director of Government Affairs

cc: The Honorable Diane Papan

# Status of 2024 Legislative Session Bills
## As of September 13, 2024
### With Peninsula Clean Energy and CalCCA Adopted Positions

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| AB 817 (Pacheco)<br><br>Brown Act Exemption: Advisory Committees | This bill, until January 1, 2026, would authorize a subsidiary body, defined as one that serves exclusively in an advisory capacity and has no final decision-making authority, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. To use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specific findings by majority vote before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter. | Dead.<br><br>Failed to pass Senate Local Government Committee. | Support | Support | This bill started last year and moved through the Assembly in January as a two-year bill. This bill's impact on Peninsula Clean Energy will be limited to the Community Advisory Committee |
| AB 1359 (Papan)<br><br>CEQA: Geothermal Exploratory Projects | This bill would repeal the requirement that the Geologic Energy Management Division in the Department of Conservation be the lead agency for all geothermal exploratory projects for purposes of California Environmental Quality Act (CEQA). This bill would declare that it is to take effect immediately as an urgency statute. | Awaiting Governor Newsom's signature or veto. | Support | None | This bill was brought to Asm. Papan at the request of Sonoma Clean Power to facilitate additional geothermal projects |
| AB 1550 (Bennett) | Would define green hydrogen as hydrogen produced utilizing non biogas/biomass | Dead | None | None | |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| Green Hydrogen Standard | renewable electricity to electrolyze water into hydrogen. Also defines renewable hydrogen as hydrogen produced utilizing renewable electricity, except for dairy biogas, to electrolyze water into hydrogen The bill would require all hydrogen used in transportation and energy sectors to be green or renewable by 2045. | 2-year bill that failed to pass the Assembly by 1/31/24 deadline | | | |
| AB 1567 (Garcia)<br><br>Climate Bond | Proposes a $15.9 billion climate resilience bond to fund programs responding to drought/flood, wildfire, sea-level rise, etc. The bond proposes $2 billion for energy resilience programs such as zero-emission vehicle infrastructure and clean energy transmission projects. | The Legislature passed a $10 billion climate bond in SB 867. | None | None | |
| AB 1834 (Garcia)<br><br>Reliability Reserve | Existing law establishes the Electricity Supply Strategic Reliability Reserve Program and requires the Department of Water Resources to implement projects, purchases, and contracts related to the procurement of electrical resources, as provided. If DWR determines, by June 30, 2027, that resources procured through the program were used in a given month to meet a LSE's or POU's identified reliability need, existing law requires the PUC or CEC to annually assess a capacity payment on each LSE or POU, respectively, that during that same month failed | Awaiting Governor Newsom's signature or veto. | None | Support | |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | to meet its system resource adequacy requirements. Existing law requires the PUC or the CEC to determine a capacity payment unit cost in kilowatt per month for LSEs or POUs that is based on the monthly cost of the resources procured using the moneys from the program, as provided. This bill would require the PUC and the CEC, in determining the capacity payment unit cost, to consider mitigating factors, including the extent of scarcity-driven or otherwise above-market costs of those resources procured using moneys from the Department of Water Resources Electricity Supply Reliability Reserve Fund | | | | |
| AB 1852 (Pacheco)<br><br>Clean Power Alliance | Current law makes certain information presented to the joint powers agency in closed session confidential, and authorizes a member of the legislative body of a local agency member to disclose certain information obtained in a closed session to legal counsel of that member local agency or to other members of the legislative body of that local agency in a closed session. Current law further authorizes the Clean Power Alliance of Southern California to authorize a designated alternate member of its legislative body who is not a member of the legislative body of a local agency member to | Signed by Governor Newsom and chaptered into law. | None | None | This bill is sponsored by the Clean Power Alliance |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | attend its closed sessions and to make similar disclosures described above. Current law repeals these provisions relating to the Clean Power Alliance of Southern California on January 1, 2025. This bill would extend that repeal date to January 1, 2030. | | | | |
| AB 1912 (Pacheco) | Would require, before holding a committee hearing on a bill that proposes a new or modifies an existing requirement imposed on an Investor Owned Utility (IOU) or proposes a new or modifies an existing program that would be paid for by IOU ratepayers, that a request be made to the University of California, Berkeley, to prepare a written analysis of the bill assessing impacts to rates, other potential funding sources, etc. | Dead.<br><br>Held on the Senate Appropriations Suspense File. | None | None | |
| AB 1921 (Papan)<br><br>Linear Generators | This bill would expand the definition of "renewable electrical generation facility", for purposes of compliance with the Renewable Portfolio Standard (RPS), to include a facility that uses linear generators using RPS eligible fuels. | Awaiting Governor Newsom's signature or veto. | None | None | This bill is sponsored by Mainspring, a company located in Menlo Park |
| AB 1999 (Irwin)<br><br>Fixed Charges | The bill would permit the California Public Utilities Commission (CPUC or PUC) to authorize fixed charges that, as of January 1, 2015, do not | Held on Assembly Appropriations | None | None | This bill is in response to the Income |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | exceed $5 per residential customer account per month for low-income customers enrolled in the California Alternate Rates for Energy (CARE) program and that do not exceed $10 per residential customer account per month for customers not enrolled in the CARE program. The bill would authorize these maximum allowable fixed charges to be adjusted by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year, beginning January 1, 2016. | Suspense File and is now dead. | | | Graduated Fixed Charge proceeding at the CPUC as authorized by AB 205 (2022).<br><br>The CPUC voted 4-0 to institute a fixed charge of $24.15 per month with reduced fixed charges for Family Electric Rate Assistance (FERA) and CARE customers |
| AB 2037 (Papan)<br><br>County Sealers: EV Chargers | This bill would grant county sealers jurisdiction over publicly operated electric vehicle (EV) chargers. Existing law requires county sealers to test all weighing and measuring devices used for commercial purposes in the counties in which they have jurisdiction. This includes privately-operated EV chargers. However, a 1977 Attorney General (AG) opinion limited the | Awaiting Governor Newsom's signature or veto. | None | None | |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | jurisdiction of county sealers by excluding publicly owned weighing and measuring devices. This did not present an issue until recently, when cities and counties began owning and operating many commercial EV chargers. | | | | |
| AB 2054 (Bauer-Kahan)<br><br>PUC Commissioners | This bill would prohibit a member of the Energy Commission or the CPUC from being employed by an entity subject to regulation by the Energy Commission or CPUC for a period of 1 year after ceasing to be a member of the commission. | Awaiting Governor Newsom's signature or veto. | Removed Support after bill was amended | None | |
| AB 2083 (Berman)<br><br>Industrial Decarbonization | This bill would require the CEC, by July 1, 2026, to evaluate opportunities to increase electrification of industrial heat processes to meet the state's industrial emissions reduction goals, as provided. The bill would, as part of the California Air Resources Board's (CARB) next update to the scoping plan occurring on or after January 1, 2025, require CARB to assess the potential for the state to reduce the emissions of greenhouse gasses from the state's industrial facilities' heat application equipment and processes, as specified. | Dead.<br><br>Held on the Senate Appropriations Suspense File. | Support | None | We decided to support this bill as electrification will be a main strategy to decarbonizing the industrial sector |
| AB 2329 (Muratsuchi) | Would require the PUC and CEC to jointly authorize the establishment of the California Affordable Decarbonization Authority as a nonprofit public benefit corporation, to be | Dead. | None | Support | This bill was previously attempted as SB 1020 (Laird) |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| California Affordable Decarbonization Authority | governed by an independent board of directors appointed by the Governor, Speaker of the Assembly, and Senate Committee on Rules. The bill would require the authority to comply with Bagley-Keene Open Meeting Act and the California Public Records Act. The bill would establish the Climate Equity Trust Fund as a trust fund, separate and apart from all public moneys or funds of the state, and would, upon appropriation by the Legislature, require that the moneys in the trust fund be expended by the authority for the benefit of electricity customers and to promote affordable electricity rates, as specified. | Held on Assembly Appropriations Suspense File. | | | |
| AB 2513 (Pellerin)<br><br>Gas Stoves and Ranges: Warning Label | This bill would prohibit a person from selling, attempting to sell, or offering to sell to a consumer in this state a gas stove, as defined, that is manufactured on or after January 1, 2025, unless the gas stove bears a label that sets forth a specified statement relating to air pollutants that can be released by gas stoves and that is attached to the gas stove in a conspicuous location. | Awaiting Governor Newsom's signature or veto. | Support | None | |
| AB 2619 (Connolly)<br><br>Net Energy Metering (NEM) | This bill would require the CPUC to develop a new standard contract or tariff providing NEM for eligible customer-generators of IOUs. | Dead.<br><br>Never heard in Assembly | None | None | |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | | Committee on Utilities & Energy | | | |
| AB 2666 (Boerner)<br><br>Public Utilities: Rate of Return | This bill would require the PUC, following the approval of each general rate case, to review which costs, if any, differed from the general rate case forecasts for each IOU or gas corporation, and to adjust the authorized revenue requirement in the subsequent general rate case, as appropriate, based on the actual past costs the corporation records. The bill would require the Commission to establish guidelines for electrical corporations and gas corporations to calculate and report annually their actual rates of return to the Commission. | Awaiting Governor Newsom's signature or veto. | Support | None | This bill is opposed by the California State Association of Electrical Workers, California State Pipe Trades Council, and Coalition of California Utility Employees |
| AB 2672 (Petrie-Norris)<br><br>CARE Program | Existing law requires the PUC to establish the CARE program. Existing law establishes the Multifamily Housing Program administered by the Department of Housing and Community Development which includes a disbursement system referred to as Homekey. This bill would require that the CARE program include public housing authority owned or administered Homekey housing facilities where the residents of the facility substantially meet the CARE program's income eligibility requirements, as determined by the PUC, and the account is in the name of Homekey. | Awaiting Governor Newsom's signature or veto. | None | Support | |

Status of 2024 Legislative Session Bills
As of September 13, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| AB 2779 (Petrie-Norris)<br><br>CAISO Transmission Planning | Existing law establishes the California Independent System Operator (CAISO) as a nonprofit, public benefit corporation to manage the transmission grid and related energy markets, as provided. This bill would require the Independent System Operator, upon approval of each transmission plan, to report to the Public Utilities Commission and to the relevant policy committees of each house of the Legislature any new use of any grid enhancing technology that is deemed reasonable by the Independent System Operator in that plan and the cost or efficiency savings of the deployment of that grid enhancing technology. | Awaiting Governor Newsom's signature or veto. | None | Support | |
| AB 2815 (Petrie-Norris)<br><br>EV Charging Repair Grants | Would require the Energy Commission to establish a program to provide grants for repairs to EV charging infrastructure that has been in operation for at least 5 years and that is in a publicly available parking space. The bill would authorize grant funding to be used for the cost to repair or replace an EV charging station. The bill would require the commission to allocate at least 50% of grant funding to low-income communities and disadvantaged communities. | Dead<br><br>Held on the Senate Appropriations Suspense File. | Support | None | The funding for this bill would come from the Clean Transportation Program which is funded by registration fees and smog checks. |
| AB 2847 (Addis) | This bill would require an IOU's application requesting authorization for or recovery of capital expenditures to include the IOU's best | Awaiting Governor Newsom's signature or veto. | Support | None | The bill language specifically |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| IOU Revenue Requirements for Proposed Capital Expenditures | estimate of the application's impact on annual revenue requirement for each year that the capital expenditures are expected to remain in the application's rate base and the net present value of those impacts. | | | | references undergrounding |
| AB 2891 (Friedman)<br><br>Electrical Demand Forecasts | This bill would require the Energy Commission, on or before July 1, 2026, and in consultation with the PUC, CAISO, load-serving entities, and resource aggregators, to adopt a set of upfront technical requirements and load automation standards to provide the option for a load-serving entity to reduce or modify its electrical demand forecast upon aggregated system operation. | Dead.<br><br>Held on Assembly Appropriations Suspense File | None | None | |
| AB 3121 (Petrie-Norris)<br><br>Public Utilities: Incentive Programs | This bill would prematurely sunset the Self-Generation Incentive Multifamily Affordable Housing Solar Roofs Program and require the PUC to credit no more than 1/2 of program funds that are unencumbered as of January 1, 2025, back to IOU residential ratepayers. This bill would prematurely sunset the School Energy Efficiency Stimulus Program and require the PUC to credit no more than 1/2 of program funds that are unencumbered as of December 1, 2026, back to IOU residential ratepayers. | Dead.<br><br>The author pulled the bill before its hearing in Senate Energy, Utilities, & Communications. | None | None | AB 3121 was the last bill to be introduced into the 2023-24 session as it was amended into print late in the evening of August 28. The bill faced opposition from environmental groups and DER |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | | | | | companies. The bill would have provided a one-time $30 bill credit. Ultimately, the author did not move the bill. |
| AB 3238 (Garcia)<br><br>CEQA: Electrical Infrastructure Projects | The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. The CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. The CEQA exempts certain projects from its requirements, including actions necessary to prevent or mitigate an emergency. Existing law prohibits an electrical | Dead.<br><br>Held on the Senate Appropriations Suspense File. | None | Support | |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | corporation from beginning the construction of a line, plant, or system, or extensions of those facilities without first having to obtain from the Public Utilities Commission a certificate that the present or future convenience and necessity require or will require the construction. Existing law specifies that the certificate is not required for the extension, expansion, upgrade, or other modification of existing electrical transmission facilities. This bill would, for electrical infrastructure projects, as defined, designate the commission as the lead agency for purposes of the CEQA, would require the commission to prescribe procedures for the preparation of the appropriate environmental review document for those projects, and would specify the manner in which the environmental review for those projects is to be conducted. The bill would repeal these provisions on January 1, 2035. This bill contains other existing laws. | | | | |
| AB 3246 (Garcia)<br><br>Advanced Reconductoring | This bill would require the PUC, on or before January 1, 2026, to authorize an IOU to seek the PUC's approval of advanced reconductoring, as defined, of its existing electrical transmission facilities through the commission's informal advice letter process, as specified. | Dead.<br><br>Held on the Senate Appropriations Suspense File. | None | Support | |

Status of 2024 Legislative Session Bills
As of September 13, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| AB 3256 (Irwin)<br><br>Memorandum and Balancing Accounts: Reports to the Legislature | This bill would require the PUC to include, as part of its annual update to the Legislature on the status of its review of balancing accounts, the amount of funds in, and the expenditures from, the memorandum accounts and balancing accounts of each public utility as they relate to wildfire management and emergencies. The bill would require the commission to annually determine if each memorandum account and each balancing account has achieved its intended purpose in the previous year. | Dead.<br><br>Held on the Senate Appropriations Suspense File. | None | None | |
| AB 3264 (Petrie-Norris)<br><br>Demand-Side Management Programs; Transmission Grid: Study | This bill would require the PUC to develop a framework for assessing, tracking, and analyzing total annual energy costs (electricity, natural gas, gasoline, propane, and diesel fuel) paid by residential households and develop strategies to reduce those costs. The bill requires each IOU to publish a breakdown of its costs on its own website. The bill requires the PUC to develop and submit a report to the Legislature on the demand-side management programs it oversees or that are paid for by ratepayers of community choice aggregators, electrical corporations, or gas corporations. | Awaiting Governor Newsom's signature or veto. | None | None | AB 3264 is the only bill of the "Energy Affordability Package" to actually pass the Legislature.<br><br>Language in the bill regarding CCA programs funded by CCA ratepayers is concerning and will require a |

Status of 2024 Legislative Session Bills
As of September 13, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | | | | | follow up effort in 2025. |
| SB 59 (Skinner)<br><br>Bidirectional Charging | Would authorize California Air Resources Board (CARB), working with the California Energy Commission (CEC) and the PUC, to require any weight class of battery electric vehicle to be bidirectional capable, as defined, if it determines there is a sufficiently compelling beneficial bidirectional-capable use case to the battery electric vehicle operator and electrical grid. The bill would require the board, in its analysis, to consider vehicle readiness and duty cycles required of vehicles operated by essential service providers. | Awaiting Governor Newsom's signature or veto. | None | Support | This is a gut and amend bill to revisit the issue of bidirectional charging that Senator Skinner previously attempted in SB 233. |
| SB 382 (Becker)<br><br>Property Disclosures: Electrical Systems | This bill would, on or after January 1, 2026, require a seller of a single-family residential property to deliver a specified disclosure statement to the prospective buyer regarding the electrical systems of the property. | Awaiting Governor Newsom's signature or veto. | None | None | |
| SB 867 (Allen)<br><br>Climate Bond | Proposes a $10 billion climate resilience bond to fund programs responding to drought/flood, wildfire, sea-level rise, etc. The bond proposes $850 million for energy resilience programs such as clean energy transmission projects and support offshore wind activities. | Placed on the November 5, 2024, ballot.<br><br>Passed by the Legislature and signed. | None | None | The final bond proposal came together in the final week before summer recess. |

Status of 2024 Legislative Session Bills
As of September 13, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | | | | | |
| SB 938 (Min)<br><br>Utility Accountability Act | Would prohibit, except as provided, an electrical or gas corporation from recording various expenses associated with political influence activities or with advertising to accounts that contain expenses that the electrical or gas corporation recovers from ratepayers. The bill would require an electrical or gas corporation to provide the Public Utilities Commission with all information deemed necessary to monitor compliance with that prohibition. The bill also would require an electrical or gas corporation, for each business unit of the corporation that performs work associated with political influence activities or advertising, to annually file with the commission a report containing specified information. The bill would require the commission to make the report publicly available. | Dead.<br><br>Failed to pass the Senate Committee on Energy, Utilities and Communications | None | None | This bill is co-sponsored by TURN and Earthjustice. |
| SB 993 (Becker)<br><br>Clean energy development incentive rate tariff | This bill requires the PUC to develop a special tariff (set of electricity rates) to support the development of green hydrogen and the electrification of industrial heat by providing attractive rates at times when we have abundant clean energy (and high rates at other times). This tariff will offer these new | Dead.<br><br>Held on Senate Appropriations Suspense File. | None | None | |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | customers a great deal: pricing to help them be cost-competitive, but only if they operate in a way that relies on clean energy, avoids new grid infrastructure costs, and helps us maintain a reliable grid. | | | | |
| SB 1014 (Dodd)<br><br>Wildfire safety: The California Wildfire Mitigation Strategic Planning Act. | Existing law establishes the Office of the State Fire Marshal in the Department of Forestry and Fire Protection and establishes the Deputy Director of Community Wildfire Preparedness and Mitigation within the office. Existing law makes the deputy director responsible for fire preparedness and mitigation missions of the department, as provided. This bill would require the deputy director, on or before January 1, 2026, and every 3 years thereafter, to prepare a Wildfire Risk Mitigation Planning Framework sufficient to quantitatively evaluate wildfire risk mitigation actions, as provided. The bill would require the framework to allow for geospatial evaluation and comparison of wildfire risk mitigation actions, as defined, sufficient to direct coordinated mitigation efforts and long-term collaborative mitigation. This bill contains other related provisions. | Dead.<br><br>Held on the Assembly Appropriations Suspense File. | None | Support | |
| SB 1018 (Becker) | The cheapest and cleanest way to provide renewable energy to power hydrogen electrolyzers or to displace fossil fuels in | Dead. | None | None | |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | industry would be directly connecting those renewables to those new clean energy loads. This is prevented today by the ""over-the-fence rule,"" which allows ""behind the meter"" usage of electricity only in very limited cases (such as when generated on the same property as rooftop solar). That doesn't work when you need acres of solar panels to provide enough power for a big factory. This bill will create a targeted new exception to the over-the-fence rule to enable off-grid use of renewables for these new, climate-beneficial purposes. | Held on the Assembly Appropriations Suspense File. | | | |
| SB 1095 (Becker)<br><br>Cozy Homes Cleanup Act | This bill updates code ambiguities to ensure individuals can switch from gas to electric appliances, allowing Californians to opt for cozier and healthier zero-emission homes. To do so, the bill: (1) Prevents HOAs from implementing provisions which prevent the switch from gas to electric appliances, (2) Clarifies the authority of individuals to replace gas with electric appliances in mobile and manufactured homes, and (3) Provides the Department of Housing and Community Development authority to update its regulations should further legal uncertainty inhibit appliance replacement. | Dead.<br><br>Held on Senate Appropriations Suspense File. | Support | Support | |

Status of 2024 Legislative Session Bills
As of September 13, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| SB 1130 (Bradford)<br><br>IOU Reports on Family Electric Rate Assistance | Would require the PUC to review each IOU's report to ensure it has sufficiently enrolled eligible households in the FERA program commensurate with the proportion of households the commission determines to be eligible within the electrical corporation's service territory. If the commission, in its review of a report, determines an IOU has not sufficiently enrolled eligible households in the FERA program, the bill would require the commission to require the IOU to develop a strategy and plan to sufficiently enroll eligible households within 3 years of the adoption of the strategy and plan. | Awaiting Governor Newsom's signature or veto. | Support | Support | |
| SB 1165 (Padilla) | Existing law authorizes a person proposing an eligible facility, including an electrical transmission line carrying electricity from certain other facilities that are located in the state to a point of junction with any interconnected electrical transmission system, to file an application, on or before June 30, 2029, with the State Energy Resources Conservation and Development Commission (Energy Commission) to certify a site and related facility for purposes of specified environmental review procedures. This bill would expand the facilities eligible to be | Dead.<br><br>Held on Senate Appropriations Suspense File. | None | Support | |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| | certified pursuant to the provisions described above by the Energy Commission and deemed environmental leadership development projects to include electrical transmission projects. The bill would require an applicant applying for certification of an electrical transmission project to take certain actions, including, among other actions, to avoid or minimize significant environmental impacts in any disadvantaged community. This bill contains other related provisions and other existing laws. | | | | |
| SB 1305 (Stern)<br><br>Virtual Power Plant Procurement Mandate | This bill would require each Investor-Owned Utility (IOU) to procure from virtual power plants, defined as actively coordinated aggregations of behind-the-meter distributed energy resources that can perform certain functions, sufficient capacity to meet specified minimum capacity requirements by certain dates. The bill would require capacity procured from a virtual power plant by an IOU pursuant to these provisions to be used to meet the resource adequacy requirements established for the load-serving entity. | Dead.<br><br>Senator Stern never presented the bill in Senate Committee on Energy, Utilities and Communications | None | None | |
| SB 1374 (Becker)<br><br>Restoring Self-consumption | When the PUC changed net energy metering for behind-the-meter solar, it retained the ability for solar customers to avoid purchasing energy from the utility for solar power that was self- | Awaiting Governor Newsom's signature or veto. | None | None | |

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|---|---|---|---|---|---|
| Benefits for On-Site Generation | consumed (during the same time in which it was generated) while drastically lowering the value of excess solar power that is exported to the utility. For virtual net energy metering (VNEM) and net energy metering aggregation (NEMA) customers (where energy from a carport solar system over a school parking lot could be virtually netted against power usage by separately metered school buildings), the PUC eliminated any credit for self-consumption, making it an even worse deal for these customers. This bill would re-establish credit for self-consumption for VNEM and NEMA for apartment complexes and public schools, equivalent to what is provided for single family homes. | | | | |

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** September 20, 2024
**MEETING DATE:** September 26, 2024
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Shawn Marshall, Chief Executive Officer; Jeremy Waen, Senior Director of Regulatory Policy; Rox Xu, Director of Power Resources

**SUBJECT:** Decision Regarding Allocation of Carbon-Free Attributes from the Diablo Canyon Nuclear Power Plant for 2025 - 2030 (Action)

## RECOMMENDATION

Board discussion and vote whether to accept or decline the six year allocation of carbon-free attributes from Diablo Canyon Power Plant for the period 2025-2030; and, to delegate authority to the Chief Executive Officer and Senior Director of Power Resources to accept or decline the allocation each year as may be needed to support carbon-free energy requirements through 2030.

## BACKGROUND

Diablo Canyon Nuclear Power Plant (Diablo Canyon), located in San Luis Obispo County, is a 2,240 MW facility owned and operated by Pacific Gas and Electric (PG&E) that was originally slated to be retired in 2025. In 2022, the California Legislature mandated the extension of Diablo Canyon to 2030 for grid reliability purposes, and authorized PG&E to collect a surcharge from all California Public Utilities Commission (CPUC) jurisdictional customers in California to fund the continued operation of the facility.

Prior to the extension, under the Power Cost Indifference Adjustment (PCIA) proceeding, the CPUC required PG&E to offer nuclear allocations from Diablo Canyon to load-serving entities (LSEs) including Peninsula Clean Energy beginning in 2021. In November 2020, the Peninsula Clean Energy Board of Directors voted by narrow margin to decline the 2021-2025 nuclear allocation from PG&E.

With the Diablo Canyon extension, PG&E is once again required to offer allocations of carbon-free attributes from the facility to LSEs at no additional cost through 2030. Per current regulations, the Diablo Canyon nuclear allocation may not be resold by the receiving LSEs and if an LSE elects not to receive the Diablo Canyon nuclear allocation, PG&E may not use that portion in its own portfolio.

Peninsula Clean Energy will be offered an allocation of carbon-free attributes proportional to

its load share relative to all CPUC-jurisdictional LSEs. PG&E will offer the allocation for the first year (calendar year 2025) to all LSEs in late 2024, and each LSE will have 30 days to respond. The process is expected to conclude by the end of December 2024. The allocation offer process will repeat annually through 2029 (for the 2030 calendar year).

**DISCUSSION**

Since 2020, the cost of carbon-free energy (which includes large hydroelectric and nuclear energy) has increased dramatically. In April 2024, the Board voted to adjust Peninsula Clean Energy's renewable target to be 100% renewable by 2030, and to maintain a minimum of 60% renewable content for ECOplus prior to 2030, with the remainder to be fulfilled by carbon-free energy. To date, Peninsula Clean Energy has almost entirely procured large hydroelectric generation to meet its carbon-free energy procurement targets and plans to continue doing so. Large hydroelectric resources are becoming more scarce in the West (due to drought) and are experiencing higher demand from LSEs who also need carbon-free energy. These factors are driving up the cost of large hydroelectric energy. Accepting the Diablo Canyon nuclear allocation would reduce the large hydroelectric purchases necessary to meet Peninsula Clean Energy's product goals, thereby reducing procurement costs during those years.

Any carbon-free attribute allocation from Diablo Canyon accepted by PCE must be shown on its annual Power Content Label and/or reported under a newly established "oversupply account" in the Power Source Disclosure Report. It is important to note that accepting the allocation (in the form of carbon free attributes) would not have any impact on the physical grid, the generation output from Diablo Canyon through 2030, nor the charges that California ratepayers will be assessed starting in January 2025.

Below is a summary of three options that staff has prepared to inform the Board's discussion and decision on the carbon-free attribute allocation from the Diablo Canyon extension. Cost reduction calculations in the table below are based on staff's best estimates. Peninsula Clean Energy will have the ability to make the election decision on an annual basis for each year from 2025 through 2030.

| Option 1: Status Quo | Option 2: Accept the allocation and use only a portion of it | Option 3: Accept and use the entire allocation |
|---|---|---|
| Decline the allocation | Accept the allocation and use a portion to cover line losses only | Accept the nuclear allocation and use all of it |
| 0% nuclear in the ECOplus product content | 0% nuclear in the ECOplus product content | 2% nuclear in the ECOplus product content |
| 0% nuclear in the Total Power Content (includes losses) | 4% nuclear in the Total Power Content (includes losses) | 6% nuclear in the Total Power Content (includes losses) |
| No change to procurement costs in 2025 | Approx. $6M reduction in costs for 2025 | Approx. $9M reduction in costs for 2025 |
| No change to procurement costs in 2025-2029 | Approx. $29M reduction in costs over 6 years | Approx. $39M reduction in costs over 6 years |

Staff has presented this information to following committees and groups for discussion:

- Procurement Subcommittee on August 20, 2024
- PCE Staff on August 27, 2024
- Executive Committee on September 9, 2024
- Community Advisory Committee on September 12, 2024, and
- Community Based Organization partners on September 12, 2024.

Staff will provide a verbal summary of the results of these meetings during the Board presentation, but notes the Executive Committee recommendation from its September 9, 2024 meeting is to accept the allocation as outlined in Option 3 above.

## FISCAL IMPACT

Accepting the allocation of carbon-free attributes for calendar year 2025 would decrease power procurement costs by up to $9M in Fiscal Year 24/25.

## STRATEGIC PLAN

Priority 1: Deliver 100% renewable energy on an annual basis by 2030 through strategic and cost-effective procurement of resources that maximize Peninsula Clean Energy's 24/7 hourly matching of renewable energy and load

- Power Resources Goal 1: Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates

**ATTACHMENTS:**
09-26-2024 Nuclear Allocation.pdf

**RESOLUTION NO. _____**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**DECISION REGARDING ALLOCATION OF CARBON-FREE ATTRIBUTES FROM THE DIABLO CANYON NUCLEAR POWER PLANT FOR 2025 - 2030 (ACTION)**

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**RESOLVED,** by the Peninsula Clean Energy Authority of the County of San Mateo, State of California ("Peninsula Clean Energy"), that

**WHEREAS,** Peninsula Clean Energy was formed on February 29, 2016; and

**WHEREAS,** Peninsula Clean Energy has set targets to be 100% renewable in 2030 and beyond; and

**WHEREAS,** prior to 2030, Peninsula Clean Energy plans to source carbon-free energy to fulfill product content requirements; and

**WHEREAS,** on August 30, 2024 Pacific Gas and Electric (PG&E) submitted Supplemental Advice Letter 7295-E-A to the California Public Utilities Commission (CPUC) to update its Bundled Procurement Plan – Carbon Free Energy (Appendix P) to allocation nuclear attributes to CPUC-jurisdictional load serving entities, including Peninsula Clean Energy, in 2025 through 2030; and

**WHEREAS,** acceptance of the nuclear allocation would result in nuclear resource appearing in Peninsula Clean Energy's annual Power Content Label; and

**WHEREAS,** acceptance of the nuclear allocation would help Peninsula Clean Energy to meet its carbon-free targets while lowering customer costs.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates the authority to the Chief Executive Officer to accept or decline the Diablo Canyon carbon-free attribute allocation each year from 2025 through 2030 in accordance with the general guidance from the Board.

PENINSULA CLEAN ENERGY

# PG&E Nuclear Allocation from 2025-2030 Diablo Canyon Extension (Action)





Shawn Marshall, Chief Executive Officer
Jeremy Waen, Sr. Director, Regulatory Affairs
Roy Xu, Director of Power Resources

# The Question at Hand

**Should PCE elect to take an annual allocation of carbon-free attributes from Diablo Canyon for the calendar years 2025-2030?**

***If not, why not? If yes, under what scenario?***

In November 2020, PCE considered a similar allocation, and on a split vote, declined it over concerns about customer/community optics and fear that taking it might extend CA's reliance on the plant.

Today, the allocation has a different regulatory context and set of circumstances than in 2020 (explained later in this presentation)



*Diablo Canyon Nuclear Power Plant*
*San Luis Obispo County, California*

# Definitions: Allocation and Attributes

**To best understand the decision at hand, we need to first understand what is meant by "allocation" and "attributes" in the energy business.**

**An allocation** is…a portion of a larger volume (in this case nuclear attributes) that is assigned or offered by another party. In our business, some allocations are voluntary, others are not. An allocation is not direct procurement of or a contract for actual physical energy generated by a power plant.

**An attribute** is…the accounting/reporting value of a unit of energy; in this case, a carbon free value. An attribute is not a unit of physical energy.

# What the Decision Is and Isn’t

## The Board presentation will focus on the impacts to PCE and its customers

### What this IS:

- A decision whether to accept or reject the carbon-free attributes (not the actual energy) from the Diablo Canyon nuclear allocation for 2025-2030.
- A decision that affects PCE's Power Content Label and how much we do or don’t save in avoided procurement costs

### What this is NOT:

- This is not PCE buying nuclear power (this is not procurement)
- This is not PCE adding new nuclear energy to the grid
- This is not a decision that impacts state policy or the development of nuclear power in CA

# Regardless of What PCE Does…

1. Acceptance or rejection of the allocation will have no impact on the extension of Diablo Canyon (DC) operations, which has already been approved
2. Over the next 6 years, DC will continue to run at full capacity; PCE cannot cause the plant to stop, decrease, or increase operations
3. Every customer in the State will start paying for Diablo Canyon power in 2025
4. PCE's decision has no impact on the physical grid
5. PCE will continue receiving a Resource Adequacy (RA) allocation as part of the Diablo Canyon operations, reducing its RA obligations

# Diablo Canyon Background & Acknowledged Nuclear Concerns

# History of Diablo Canyon Nuclear Power Plant

- Located in San Luis Obispo County
- Owned and operated by PG&E
- Combined generation capacity 2,240 MW
- Began operation on May 7, 1985 (Unit 1) and March 13, 1986 (Unit 2)
- Licensed by the United States Nuclear Regulatory Commission (NRC) to operate until November 2, 2024 (Unit 1) and August 26, 2025 (Unit 2)
- DC operations were extended by the CA legislature in 2022. *Why?*



*Diablo Canyon Nuclear Power Plant*
*San Luis Obispo County, California*

# Extended Operations

- In 2018, PG&E received CPUC approval to retire Diablo Canyon
- In 2022, after several wildfires and PSPS events, the CA Legislature mandated its extension to 2030

**Why was an extension granted?**

- Grid reliability
- State decarbonization goals
- Economic considerations
- Regulatory, policy and political support

# CPUC Allocation Requirements

**To continue operations, the CPUC requires that PG&E:**

1. Allow all CCAs paying for Diablo Canyon's extended operations to receive a no cost allocation through an agreement with PG&E

2. CCAs who accept the allocation must report use of nuclear on their Power Content Labels

3. Any unclaimed allocations could not be resold, would not be reported on any Power Content Label, and would be placed in an oversupply account, effectively "disappearing" from any public-facing reporting.

# Acknowledged Nuclear Issues & Concerns

## Diablo Canyon-Specific Concerns

- Earthquake Risks: Located near several earthquake faults (within 1-8 miles)
- Tsunami Risks: A significant population lives within 30 miles of evacuation zone surrounding Diablo Canyon susceptible to a tsunami

## General Facts and Concerns about Nuclear Energy

- Safety Concerns: Risk of accidents such as Chernobyl and Fukushima
- Nuclear Waste: Long-term storage concerns for radioactive waste
- Water Usage: Cooling requires large amounts of water
- Environmental Impacts: Mining and potential contamination
- High Costs: Construction, maintenance, and decommissioning

# California Moratorium on New Nuclear

In 1976, the State of California issued a moratorium on the construction and licensing of new nuclear.

**No new nuclear fission reactors are to be built** until the Federal Government implements a solution to radioactive waste disposal.

# PCE Power Resources Impacts Analysis

# Role of Carbon-Free (or GHG-Free) Attributes

**PCE needs carbon-free attributes through 2030**

- To meet ECOplus content requirements
- To cover Line Loss on Total Power Content (this is a new CEC requirement)

**Nuclear generation is considered carbon-free as is Large Hydro generation**

- Both resource types generate carbon-free attributes (i.e. no emissions on Power Content Label)

**Carbon-free attributes from Large Hydro are transacting at record-high prices with limited availability**

**Accepting the nuclear allocation would reduce the amount of carbon-free attributes PCE currently plans to procure, thereby lowering procurement costs**

# Additional Facts About the Allocation

Six (6) year Diablo Canyon allocation (2025-2030) based on load share.

**PCE can decide annually:**

- PCE can choose not to take DC allocation in any particular year, based on staff's assessment of portfolio needs
- For example, it is likely that PCE would not take an allocation in 2030 since we will be powered by 100% renewable energy by then.

**Any unclaimed allocations would be unused**, and would not be reported on any individual LSE's Power Content Label or other communications

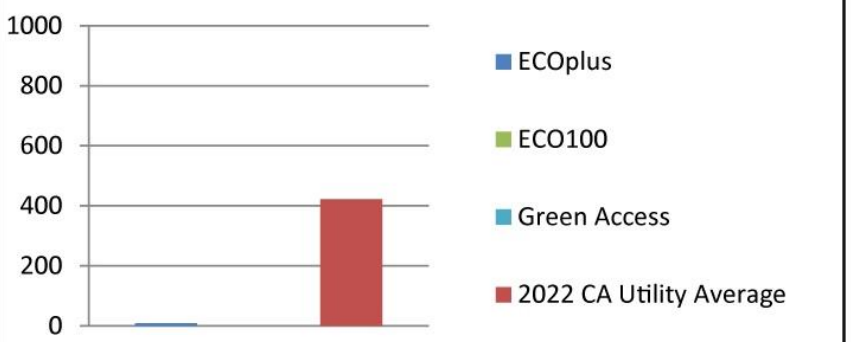
- PG&E cannot use or report PCE's share of DC allocation even if we don't take it
- Allocations cannot be resold

# PCE's Power Content Label (PCL)

## 2022 POWER CONTENT LABEL
## Peninsula Clean Energy Authority
## www.peninsulacleanenergy.com

**Greenhouse Gas Emissions Intensity (lbs $CO_2e$/MWh)**

| ECOplus | ECO100 | Green Access | 2022 CA Utility Average |
|---|---|---|---|
| **9** | **0** | **0** | **422** |




| Energy Resources | ECOplus | ECO100 | Green Access | 2022 CA Power Mix |
|---|---|---|---|---|
| **Eligible Renewable**[1] | **51.8%** | **100.0%** | **100.0%** | **35.8%** |
| Biomass & Biowaste | 8.2% | 0.0% | 0.0% | 2.1% |
| Geothermal | 4.9% | 0.0% | 0.0% | 4.7% |
| Eligible Hydroelectric | 0.8% | 0.0% | 0.0% | 1.1% |
| Solar | 18.5% | 50.0% | 100.0% | 17.0% |
| Wind | 19.3% | 50.0% | 0.0% | 10.8% |
| **Coal** | **0.0%** | **0.0%** | **0.0%** | **2.1%** |
| **Large Hydroelectric** | **48.2%** | **0.0%** | **0.0%** | **9.2%** |
| **Natural Gas** | **0.0%** | **0.0%** | **0.0%** | **36.4%** |
| **Nuclear** | **0.0%** | **0.0%** | **0.0%** | **9.2%** |
| **Other** | **0.0%** | **0.0%** | **0.0%** | **0.1%** |
| **Unspecified Power**[2] | **0.0%** | **0.0%** | **0.0%** | **7.1%** |
| **TOTAL** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |
| **Percentage of Retail Sales Covered by Retired Unbundled RECs**[3]**:** | **0%** | **0%** | **0%** | |

[1]The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.

[2]Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.

[3]Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.

| | |
|---|---|
| For specific information about this electricity portfolio, contact: | **Peninsula Clean Energy Authority 1-866-966-0110** |
| For general information about the Power Content Label, visit: | https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program |

# New CEC Reporting Requirement for PCL

- CEC created a new Power Content Label (PCL) requirement called: Total Power Content
- Total Power Content will cover Loss-Adjusted Load (i.e. including “line loss”)
- Required Loss Accounting = 4% for in-state and 6% for out-of-state resources
- Further, CEC created an Oversupply Account to store excess loss adjusted load
- Mandatory reporting year starting in 2025 (for customer mailing in Oct. 2026)
- LSEs -including CCAs - have no ability to change the structure / presentation of the PCL

***Key Concept:*** Consider using DC nuclear allocation to cover new line loss procurement obligation and power content reporting requirement.

# Analyzed Scenarios on PCL and Cost Impacts

| Scenario 1: Status Quo | Scenario 2: Middle Ground | Scenario 3: All In |
|---|---|---|
| Don’t take DC allocation | Take DC allocation | Take DC allocation |
| | Use a portion to cover line loss with remainder sent to the oversupply account | Use the entire DC allocation |
| Nuclear would not show up on PCE’s Power Content Label | Nuclear would show up only in new Total Power Content column | Nuclear would show up in ECOplus AND Total Power Content columns of the PCL |
| No economic value via avoided cost | Some economic value via avoided cost | Most economic value via avoided cost |
| $0 incremental savings | Est. $29M saving over 6 years | Est. $39M saving over 6 years |

# Scenario 1: Status Quo

**2025 Mock PCL without taking nuclear allocation**

| 2025 Power Content Label | | | | | |
|---|---|---|---|---|---|
| Peninsula Clean Energy Authority | | | | | |
| www.peninsulacleanenergy.com | | | | | |
| **Greenhouse Gas Emissions Intensity** | **ECOplus** | **ECO100** | **Green Transit** | **Green Access** | **Total Power Content** |
| Average lbs of CO2e emited per megawatt hour | 0 | 0 | 0 | 0 | 0 |
| **Electricity Sources** | | | | | |
| Renewables and Zero-Carbon Resources | | | | | |
| Fossil Fuels and Unspecified Power | | | | | |
| Biomass & Biogas | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Geothermal | 15.5% | 0.0% | 0.0% | 0.0% | 13.3% |
| Small Hydroelectric | 1.3% | 0.0% | 0.0% | 0.0% | 1.1% |
| Solar | 22.7% | 50.0% | 50.0% | 100.0% | 24.7% |
| Wind | 20.5% | 50.0% | 50.0% | 0.0% | 22.5% |
| Large Hydroelectric | 40.0% | 0.0% | 0.0% | 0.0% | 38.4% |
| Nuclear | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Natural Gas | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Coal & Petroleum | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Unspecified Power (primarily fossil fuels) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

GHG intensity figures exclude biogenic CO2 and emissions from geothermal sources. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the link below.
"Total Power Content" include retail sales to customers, other electricity uses that support retail electric service, and energy losses.

This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the retirement of tracking instruments called renewable energy credits (RECs). Unblundled RECs (credits without electricity) can be used for RPS compliance, but they are not reflected in the power mx of GHG emissions intensities above.

**Want to learn more? Visit https://www.energy.ca.gov/pcl**

***PCE elects not to take DC allocation***

***Does not impact PCL***

***No incremental procurement savings or customer savings***

# Scenario 2: Middle Ground

**2025 Mock PCL with nuclear allocation covering line loss only**

| 2025 Power Content Label | | | | | |
|---|---|---|---|---|---|
| Peninsula Clean Energy Authority | | | | | |
| www.peninsulacleanenergy.com | | | | | |
| **Greenhouse Gas Emissions Intensity** | **ECOplus** | **ECO100** | **Green Transit** | **Green Access** | **Total Power Content** |
| Average lbs of CO2e emited per megawatt hour | 0 | 0 | 0 | 0 | 0 |
| **Electricity Sources** | | | | | |
| Renewables and Zero-Carbon Resources | | | | | |
| Fossil Fuels and Unspecified Power | | | | | |
| Biomass & Biogas | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Geothermal | 15.5% | 0.0% | 0.0% | 0.0% | 13.3% |
| Small Hydroelectric | 1.3% | 0.0% | 0.0% | 0.0% | 1.1% |
| Solar | 22.7% | 50.0% | 50.0% | 100.0% | 24.7% |
| Wind | 20.5% | 50.0% | 50.0% | 0.0% | 22.5% |
| Large Hydroelectric | 40.0% | 0.0% | 0.0% | 0.0% | 34.4% |
| Nuclear | 0.0% | 0.0% | 0.0% | 0.0% | 4.0% |
| Natural Gas | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Coal & Petroleum | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Unspecified Power (primarily fossil fuels) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

GHG intensity figures exclude biogenic CO2 and emissions from geothermal sources. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the link below.
"Total Power Content" include retail sales to customers, other electricity uses that support retail electric service, and energy losses.

This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the retirement of tracking instruments called renewable energy credits (RECs). Unblundled RECs (credits without electricity) can be used for RPS compliance, but they are not reflected in the power mx of GHG emissions intensities above.

**Want to learn more? Visit https://www.energy.ca.gov/pcl**

***If DC Allocation is higher than what's required to cover line loss, any excess nuclear would be placed in the oversupply account.***

Under this scenario, PCE would save approx. $6 million in CY 2025 and potentially $29.1 million from 2025-2030

Average resi bill savings of $8 for CY 2025, cumulative bill savings of $35 over years 2025-2030

# Scenario 3: All In

**2025 Mock PCL with nuclear allocation covering line loss and showing in ECOplus**

| 2025 Power Content Label | | | | | |
|---|---|---|---|---|---|
| Peninsula Clean Energy Authority | | | | | |
| www.peninsulacleanenergy.com | | | | | |
| **Greenhouse Gas Emissions Intensity** | **ECOplus** | **ECO100** | **Green Transit** | **Green Access** | **Total Power Content** |
| Average lbs of CO2e emited per megawatt hour | 0 | 0 | 0 | 0 | 0 |
| **Electricity Sources** | | | | | |
| Renewables and Zero-Carbon Resources | | | | | |
| Fossil Fuels and Unspecified Power | | | | | |
| Biomass & Biogas | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Geothermal | 15.5% | 0.0% | 0.0% | 0.0% | 13.3% |
| Small Hydroelectric | 1.3% | 0.0% | 0.0% | 0.0% | 1.1% |
| Solar | 22.7% | 50.0% | 50.0% | 100.0% | 24.7% |
| Wind | 20.5% | 50.0% | 50.0% | 0.0% | 22.5% |
| Large Hydroelectric | 37.7% | 0.0% | 0.0% | 0.0% | 32.4% |
| Nuclear | 2.3% | 0.0% | 0.0% | 0.0% | 6.0% |
| Natural Gas | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Coal & Petroleum | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Unspecified Power (primarily fossil fuels) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

GHG intensity figures exclude biogenic CO2 and emissions from geothermal sources. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the link below.
"Total Power Content" include retail sales to customers, other electricity uses that support retail electric service, and energy losses.

This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the retirement of tracking instruments called renewable energy credits (RECs). Unblundled RECs (credits without electricity) can be used for RPS compliance, but they are not reflected in the power mx of GHG emissions intensities above.

**Want to learn more? Visit https://www.energy.ca.gov/pcl**

***This scenario uses the full allocation and leaves none of it in the oversupply account***

Under this scenario, PCE would save approx. $9.1 million in CY 2025 and potentially $38.7 million from 2025-2030.

Average resi bill savings of $12 for CY 2025, cumulative bill savings of $48 over years 2025-2030.

# Additional Information

# Steps in the Process

| Date | Action | Who |
|---|---|---|
| 8/20 | Procurement Subcommittee Discussion | Staff/ Subcmte |
| 8/27 | Staff presentation and discussion w/ pulse poll | PCE |
| September | CPUC releases DC allocation methodology and timing of election; PCE adjusts assumptions as needed | CPUC/PCE |
| 9/9 | Executive Committee Presentation (Discussion) | PCE |
| 9/12 | CBO Partner and CAC presentations w/ pulse polls | PCE |
| 9/25 | Board Presentation and Vote (Action Item) | PCE |
| November/ December | If the Board approves taking the DC nuclear allocation:<br>• Notify PGE/CPUC of annual election (Nov)<br>• Sign Agreement (Dec) | PCE, PG&E, CPUC |

*Regardless of PCE's decision, non-bypassable charges for DC extension will appear on customer bills starting in January 2025.*

# What are Other LSEs/CCAs Doing?

| IOU/CCAs | Retail Sales (MWh) | Nuclear |
|---|---|---|
| Pacific Gas and Electric Company - Base Plan | 30,291,314 | 49.3% |
| San José Clean Energy - GreenValue | 202,231 | 30.9% |
| Pioneer Community Energy | 1,633,901 | 27.6% |
| Orange County Power Authority | 177,052 | 25.3% |
| San José Clean Energy - GreenSource | 3,476,520 | 24.8% |
| Silicon Valley Clean Energy | 3,605,920 | 24.3% |
| Energy for Palmdale's Independent Choice (EPIC, City of Palmdale) | 52,416 | 22.9% |
| Lancaster Choice Energy | 611,814 | 9.7% |
| San Jacinto Power | 172,810 | 5.8% |
| Rancho Mirage Energy Authority | 282,288 | 5.7% |
| Pomona Choice Energy | 423,784 | 5.7% |
| Apple Valley Choice Energy | 254,247 | 5.6% |
| Pico Rivera Innovative Municipal Energy | 211,547 | 5.4% |
| **2022 CA Utility Average and Total Retail Sales** | **243,240,118** | **9.2%** |

*CCAs not on this list, including MCE, SCP and Ava, are also considering taking the 2025-2030 nuclear allocation.*

# Considerations: Balancing Priorities, Economics, and Optics

**On the one hand…**

- A nuclear allocation could help PCE reach its GHG free goals and save significant money due to avoided procurement costs
- Current priorities now and in the foreseeable future include customer affordability and expanded renewable power content; both have budget implications
- Multiple CCAs have taken the nuclear allocation in the past with no impact on reputation or opt-outs

**On the other hand…**

- Avoided procurement costs are estimated in the tens of millions over 5-6 years, but still only represent 1-2% of the procurement budget and even less of the overall budget
- The potential for customer cost savings is relatively minor (e.g. in 2025, $8 - $12 per average customer)
- Our website data shows 623 visits to our Power Mix page since October 2022.
  From last year's PCL email and mailer, 2% (4,964) of PCL email recipients clicked to view the full postcard online, and 15 direct mail recipients scanned the QR code on their postcard.

# Questions/Discussion

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** September 19, 2024
**MEETING DATE:** September 26, 2024
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Nicholas Bijur, Chief Financial Officer

**SUBJECT:** Approval of the Execution and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of California Community Choice Financing Authority (CCCFA) Clean Energy Project Revenue Bonds; and Certain Other Actions Required to Ensure the Reduction in the Cost of Renewable Energy (Action)

## RECOMMENDATION

Approval to complete a Prepay transaction and adopt a Resolution which authorizes Peninsula Clean Energy (PCE) to sign:

- Clean Energy Purchase Contract with California Community Choice Finance Authority (CCCFA)
- Form of Limited Assignment Agreement (LAA)
- Letter Agreement regarding LAAs
- PPA Custodial Agreement
- Operational Services Agreement
- MOU with CCCFA

The adoption of the Resolution by the PCE Board of Directors (Board) and the execution of the above documents will enable the CCCFA Board of Directors to approve the transaction, further enabling the issuance of tax-exempt municipal bonds required to initiate the Prepay transaction.

The approvals provided shall be subject to the following parameters:

a. the municipal bonds will not be obligations of PCE, but will be limited obligations of CCCFA;
b. the aggregate principal amount of the municipal bonds issued to fund the Prepay shall not exceed $1.5 billion;
c. the annual energy savings to PCE under the Clean Energy Purchase Contract shall be at least 9%; and
d. the cost of issuing the municipal bonds will not exceed 1% of the bonds.

## BACKGROUND

An energy prepayment – or 'Prepay' – is a long-term transaction available to municipal utilities and other tax-exempt load serving entities such as CCAs that enables a meaningful power procurement cost savings opportunity. The Prepay structure has been utilized for natural gas procurement for over 30 years and is now being applied in the renewable energy sector. Over the past three years there have been 12 Prepay transactions for California CCAs, raising $11 billion in bond proceeds and generating approximately $70 million in annual energy procurement cost savings. The CCAs that have completed Prepay transactions are Marin Clean Energy, Ava Community Energy, Silicon Valley Clean Energy, Pioneer Community Energy, Clean Power Alliance, and Central Coast Community Energy.

In April 2024, the Board approved continued pursuit and evaluation of a possible Prepay transaction, including approval to join CCCFA as conduit issuer for the bond issuance and engagement of PFM Financial Advisors as Municipal Financial Advisor and Chapman and Cutler as Prepay Counsel. Since then, PCE staff has been preparing for a possible transaction that could occur as soon as September 30, 2024, pending market conditions.

On September 9, 2024, the Executive Committee unanimously recommended to the Board approval to complete a Prepay transaction subject to market conditions and minimum savings.

**Prepay Process**

Utilizing the municipal bond market, a tax-exempt Load Serving Entity, such as PCE, and a taxable energy supplier (traditionally a bank such as Goldman Sachs, also called a Prepay Supplier) enter into a 30-year arrangement through which PCE assigns existing power supply contracts (i.e., PPAs) to the Prepay Supplier. The Prepay Supplier contracts with CCCFA and CCCFA contracts with PCE for the delivery of energy. The Prepay Supplier pays the contract price to the PPA providers, while PCE pays CCCFA at a discounted rate for power delivered. The discounted rate is agreed upon in the Prepay documents for an initial 6- to 10- year period and is based largely on the spread between taxable and tax-exempt bond interest rates. The market availability of this interest rate spread is critical to the savings realized.

Tax-exempt bonds are issued by CCCFA to raise funds for the Prepay transaction. The proceeds from the bond transaction flow from CCCFA to the Prepay Supplier as the prepayment amount. PCE executes a limited assignment of one or more of its PPAs to the Prepay Supplier. PCE is required to continue to perform under the contract, while maintaining rights to the electricity and attributes delivered under the PPA. PCE realizes a discount on its PPA payments, which has ranged from 8-12% on prior CCA Prepay transactions, but is subject to change based on market conditions.

The tax-exempt bonds will have a 30-year maturity with a mandatory tender in 6 to 10 years (exact tender date depends on market conditions at the time of issuance). The interest rate at this point on the yield curve provides optimal savings due to dynamics in the tax-exempt bond market. After 6-10 years the bonds are "remarketed" to investors and the savings over the subsequent 6-10 years will depend on the market conditions at the time of the remarketing. If the savings at the time of the remarketing do not meet the minimal savings guarantee (expected to be approximately 5%), PCE can terminate the transaction with no penalty.

While the contracts are assigned to the Prepay Supplier, PCE continues to ultimately take and pay for all the energy and attributes delivered through the contract; all other terms of the PPA remain unchanged. If the Prepay transaction terminates early for any reason – either the Prepay Supplier fails to perform or the savings after the remarketing are not sufficient – PCE

forgoes future savings and the PPAs are reassigned back to PCE.

## DISCUSSION

Since the Board meeting in April, staff have engaged Goldman Sachs as Prepaid Supplier, finalized the structure of the transaction, joined CCCFA as an Associate member, negotiated LAAs with the selected PPA counterparties, and finalized transaction documents. Assuming Board approval and pending market conditions, the transaction could be announced as soon as the week of September 30, with pricing shortly thereafter.

Markets continue to be favorable for Prepay transactions. As a reminder, the savings are based largely on the spread between taxable and tax-exempt interest rates, which continues to remain relatively large, albeit down from earlier this year. As a data point, CPA recently completed their third Prepay transaction, which was very successful and generated significant cost savings. CPA is expected to launch their fourth Prepay transaction shortly, and several other CCAs are preparing for their first transactions.

The annual savings from an initial PCE Prepay transaction, assuming assignment of four selected PPAs, are currently estimated to be approximately $5 million, which represents approximately 10% of the annual energy procurement costs included in the transaction. Importantly, staff will continue to monitor the financial markets and will only launch a transaction if a minimum discount of 9% can be realized, which represents annual savings of approximately $4 million. The potential competing supply from peer CCAs could negatively impact the Prepay market and could impact the timing of a PCE transaction.

To execute a transaction based on the current assumptions, CCCFA is expected to issue $1.1 billion of tax-exempt municipal bonds to fund the Prepay. Although unlikely, PCE is seeking approval to issue up to $1.5 billion of bonds for additional flexibility in case market conditions materially improve. Of note, CPA's recent transaction was for $1.5 billion. In addition to Goldman Sachs as underwriter for the municipal bonds, Siebert Williams Shank, a woman and minority-owned investment bank, will serve as co-manager on the bond issuance.

PCE will need to execute several documents to complete a Prepay transaction.

**Clean Energy Purchase Contract**

- Function: 30-year agreement under which PCE will purchase discounted electricity from CCCFA
- Signed by: PCE and CCCFA

**Form of Limited Assignment Agreement**

- Function: Governs the assignment of electricity and green attributes from selected PPAs into the Prepay
- Signed by: PCE, PPA counterparties, and J. Aron (Goldman Sachs subsidiary)

**Letter Agreement to LAA**

- Function: Agreement on management of the PPA portfolio assigned into the Prepay
- Signed by: PCE and J. Aron

**PPA Custodial Agreement**

- Function: Creates a custody account at US Bank for the receipt of payments from PCE

and J. Aron to settle monthly invoices
- Signed by: PCE, J. Aron and US Bank

**LLC Agreement**
- Function: PCE representative to be one of three directors of LLC setup specifically for this Prepay
- Signed by: PCE, J. Aron and independent director

**Operational Services Agreement**
- Function: Sets out terms for PCE to act on behalf of CCCFA
- Signed by: PCE and CCCFA

**MOU with CCCFA**
- Function: PCE is responsible for rating agency and Green Bonds verification fees (paid from bond proceeds at closing)
- Signed by: PCE and CCCFA

**Preliminary Offering Statement (POS)**
- Function: Public offering document for bonds issued by CCCFA which describes in Appendix A PCE's organization and operations; used to market the bonds
- Signed by: Not a signed document; PCE Board to approve Appendix A of POS

At its September 9, 2024 meeting, the Executive Committee voted unanimously to recommend that the Board approve a Prepay transaction under certain market conditions and adopt a Resolution which authorizes PCE to sign related documents.

## FISCAL IMPACT

Based on current market conditions and assumptions, an initial PCE Prepay transaction will result in approximately $5 million in annual energy procurement cost savings. Actual savings are unknown until the time of transaction.

**ATTACHMENTS:**
Transaction Overview.pdf
Clean Energy Purchase Contract
Form of Limited Assignment Agreement
Letter Agreement re Limited Assignment Agreement
MOU Rating and Opinion Fee MOU
Operational Services Agreement
Appendix A
PPA Custodial Agreement

**RESOLUTION NO. _____**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**APPROVAL OF THE EXECUTION AND DELIVERY OF A CLEAN ENERGY PURCHASE CONTRACT AND CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY (CCCFA) CLEAN ENERGY PROJECT REVENUE BONDS; AND CERTAIN OTHER ACTIONS REQUIRED TO ENSURE THE REDUCTION IN THE COST OF RENEWABLE ENERGY (ACTION)**

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**WHEREAS**, Peninsula Clean Energy ("Peninsula Clean Energy" or "PCE") was formed on February 29, 2016, under the provisions of the Joint Exercise Powers Act of the State of California, Government Code section 6500 et seq. (the "JPA Law");

**WHEREAS**, Peninsula Clean Energy is duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California, is duly authorized to transact business, having obtained all necessary and legally required filings, governmental licenses, and approvals in the State of California, and has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage;

**WHEREAS**, Peninsula Clean Energy maintains an office at 2075 Woodside Road, Redwood City, California 94061, and this is the principal office at which it keeps its books and records;

**WHEREAS**, Peninsula Clean Energy is a community choice aggregator (as defined in Section 331.1 of the California Public Utilities Code (the "Public Utilities Code")), and is a public agency (as defined in the JPA Law) that has implemented a CCA program pursuant to Section 366.2 of the Public Utilities Code, and possesses the power to purchase and sell electric energy and enter into related contracts for such purposes;

**WHEREAS**, Peninsula Clean Energy, acting pursuant to the JPA Law, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to California Government Code Section 6588, to exercise certain additional powers;

**WHEREAS**, pursuant to the provisions of the JPA Law, Peninsula Clean Energy and certain other California community choice aggregators entered into a joint powers agreement (the "Joint Powers Agreement") pursuant to which the CCCFA (the "Issuer") was organized for the purpose, among other things, of entering into contracts and issuing bonds to assist community choice aggregators, including Peninsula Clean Energy, in financing the acquisition of supplies of clean energy;

**WHEREAS**, the Issuer is authorized by its Joint Powers Agreement to acquire supplies of clean energy and to issue revenue bonds to finance the cost of acquisition of such supplies, and is vested with all powers necessary to accomplish the purposes for which it was created;

**WHEREAS**, Peninsula Clean Energy has determined that it is desirable to acquire a long-term supply of clean energy from the Issuer pursuant to a clean energy prepayment transaction (the "Prepayment Transaction");

**WHEREAS**, Peninsula Clean Energy has determined to authorize pursuant to this Resolution the undertaking of the Prepayment Transaction with the Prepaid Supplier (defined below);

**WHEREAS**, in connection with the foregoing, Peninsula Clean Energy is requesting the Issuer to agree to purchase on a prepaid basis certain quantities of clean energy from Aron Energy Prepay 43, LLC, a Delaware limited liability company (the "Prepaid Supplier") and to sell such clean energy to Peninsula Clean Energy, as contemplated herein (the "Project");

**WHEREAS**, Peninsula Clean Energy is requesting that the Issuer finance the costs of the Project with the proceeds of its clean energy project revenue bonds, with a Series designation determined by the Issuer based on the timing and sequence of issuance (the "Bonds");

**WHEREAS**, Peninsula Clean Energy has determined to authorize the representatives of Peninsula Clean Energy to take all necessary action to accomplish the purchase of clean energy from the Issuer and to assist the Issuer in the issuance, sale, and delivery of the Bonds; and

**WHEREAS**, there have been submitted to the Board for approval forms of the following agreements to which Peninsula Clean Energy is a party (collectively, the "PCE Documents"):

1. Clean Energy Purchase Contract between Peninsula Clean Energy and the Issuer;
2. Custodial Agreement by and among Peninsula Clean Energy, the Issuer, J. Aron & Company LLC, a New York limited liability company ("J. Aron") and a custodial bank to be named therein;
3. Form of Limited Assignment Agreement, by and among Peninsula Clean Energy, the counterparty to the power purchase agreement described therein and J. Aron, and;
4. Letter Agreement between Peninsula Clean Energy and J. Aron regarding matters relating to Assignment Agreements;
5. Operational Services Agreement relating to the Project, between Peninsula Clean Energy and the Issuer; and
6. Memorandum of Understanding between Peninsula Clean Energy and the Issuer indemnifying Issuer against certain fees

**WHEREAS**, there have also been submitted to the Board forms of the following additional documents relating to the Project:

1. Appendix A to the Preliminary Official Statement to be used in connection with the offering and sale of the Bonds (together with the PCE Documents, the "Project Documents");

**NOW, THEREFORE, IT IS HEREBY DETERMINED, AFFIRMED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE PENINSULA CLEAN ENERGY** as follows:

Section 1. **Authorized Representatives**. The following named individuals are the authorized

representatives of Peninsula Clean Energy with the respective titles specified below (collectively referred to as "Authorized Representatives" and individually referred to as an "Authorized Representative"):

Shawn Marshall, Chief Executive Officer
Nick Bijur, Chief Financial Officer
David Silberman, General Counsel
Jennifer Stalzer, Assistant General Counsel

Section 2. **PCE Documents**. The proposed forms of the PCE Documents, attached hereto as Exhibit A, are hereby approved. The form of Limited Assignment Agreement may be used, in a substantially similar form, for assignments of the initial or any additional PCE power purchase agreements, as needed to maintain the transactions approved hereby, and any such Limited Assignment Agreements shall be included in the PCE Documents are hereby approved. Subject to the parameters set forth in Section 5 of this Resolution, any Authorized Representative is hereby authorized and directed, for and on behalf of Peninsula Clean Energy, to execute and deliver the PCE Documents in substantially similar form, with such changes and insertions therein as the Authorized Representatives executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. **Appendix A to the Preliminary Official Statement.** Appendix A to the Preliminary Official Statement is hereby approved. Any Authorized Representative is hereby authorized and directed, for and on behalf of Peninsula Clean Energy, to execute and deliver a certificate as to the information regarding Peninsula Clean Energy contained in such Appendix A, with such changes and insertions therein as the Authorized Representative approving the same may deem necessary or appropriate. Peninsula Clean Energy hereby authorizes the inclusion of such Appendix A in the Preliminary Official Statement and the final Official Statement, in each case with such changes as may be approved as aforesaid.

Section 4. **Actions Authorized.** The Authorized Representatives, each acting alone, are hereby authorized and directed, for and in the name and on behalf of Peninsula Clean Energy, to execute and deliver any and all documents, including, without limitation, any tax certificate relating to its expected use of the energy to be purchased by it from the Project, any continuing disclosure certificate or similar agreement required for the offering or sale of the Bonds, and any and all closing certificates to be executed in connection with the issuance of the Bonds and to take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which Peninsula Clean Energy has approved in this Resolution, for the issuance, sale and delivery of the Bonds, and to consummate by Peninsula Clean Energy the transactions contemplated by the Power Supply Contract for the Project, the PCE Documents approved hereby and the other Project Documents presented to the Board herewith, including any subsequent amendments, waivers or consents entered into or given under or in accordance with such documents.

Section 5. **Transaction Parameters.** The approvals provided for herein shall be subject to the following parameters:

a. the Bonds will not be obligations of Peninsula Clean Energy, but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged thereto, including amounts payable by Peninsula Clean Energy under the Power Supply Contract;
b. the aggregate principal amount of the related Series of Bonds shall not exceed

$1,500,000,000;

c. the “Monthly Discount Percentage” as provided for in the Clean Energy Purchase Contract shall result in at least 9.0% savings on an annual basis; and
d. CCCFA total cost of issuance including all underwriting, legal and consultant fees for the Project will not exceed 1.0% of the amount of the proceeds of the Bonds issued by CCCFA with respect to such Project.

Section 6. Execution and delivery of the PCE Documents by an Authorized Representative shall be conclusive evidence that the parameters set forth in Section 5 have been met, and all actions heretofore taken by the Authorized Representatives with respect to the issuance of the Bonds are hereby ratified, confirmed, and approved.

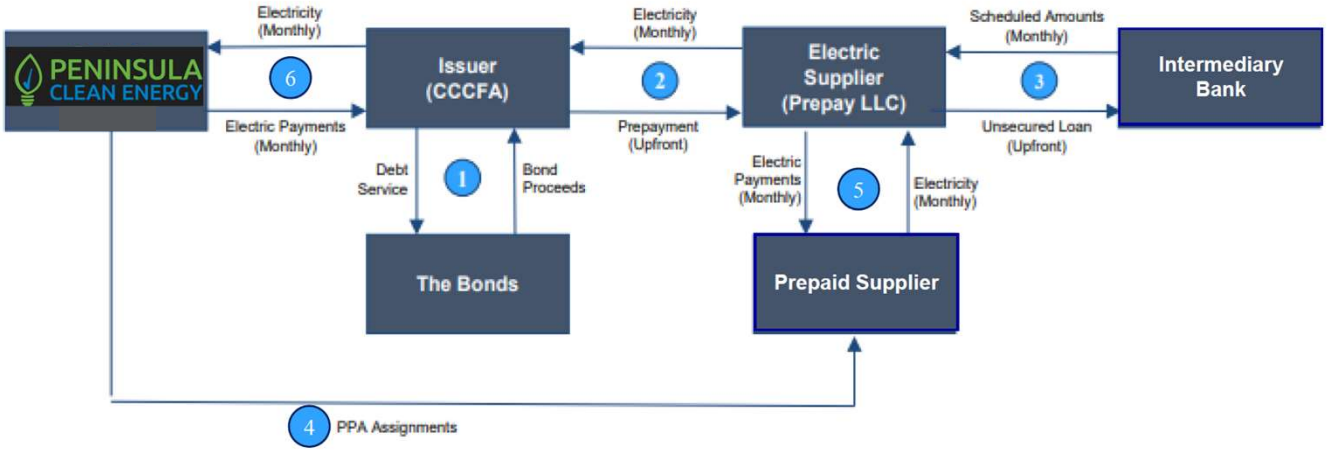
Section 7. If Section 5 and Section 6 listed herein have been met, an Authorized Representative may direct CCCFA to make payments to vendors that provided professional services to PCE to complete the PCE Documents and ultimately the issuance of the Bonds with respect to the Project. These professional services include legal counsel, bond counsel, tax counsel, municipal financial advisor, swap advisor, trustee and trustee counsel, underwriter of the bonds, underwriter’s counsel, and any other vendor required to complete the issuance of the Bonds. Payment to these vendors is considered a cost of issuance and will be paid by CCCFA out of the proceeds of the sale of the Bonds.

**IT IS HEREBY FURTHER DETERMINED AND ORDERED** that the Authorized Representatives are duly elected, appointed, or employed by or for Peninsula Clean Energy, as the case may be. This Resolution now stands of record on the books of Peninsula Clean Energy, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

**IT IS HEREBY FURTHER DETERMINED AND ORDERED** that any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved.

**IT IS HEREBY FURTHER DETERMINED AND ORDERED** that this Resolution shall take effect upon its passage, shall be continuing and shall remain in full force and effect unless and until expressly revoked by further resolution of the Board of Directors.

# Transaction Diagram



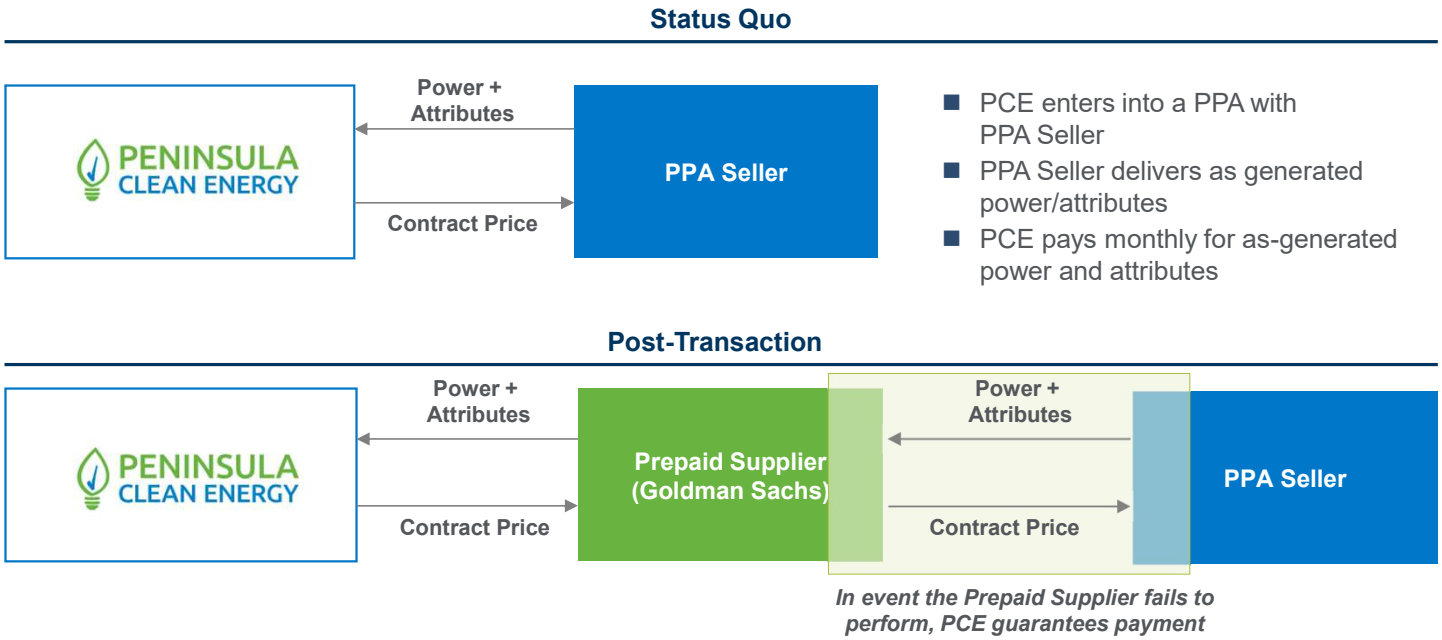

### Initial Issuance and Cash Flows

1. Debt Issuance – CCCFA issues tax-exempt bonds
2. Prepayment – CCCFA remits bond proceeds to Prepay LLC in return for 30 years of assigned electricity deliveries
3. Unsecured Loan – Prepay LLC loans bond proceeds to Intermediary Bank. Bank makes fixed monthly payments to Prepay LLC equal to assigned electricity multiplied by PPA price

### Monthly Cash / Energy Flows

4. Assigned PPAs – PCE assigns to Prepaid Supplier certain rights and obligations as Buyer; Prepaid Supplier makes monthly payments to PPA counterparties for assigned delivered energy
5. Electricity Supply – Prepay LLC enters into long-term agreement to purchase electricity from Prepaid Supplier to match assigned electricity quantities/terms
6. Project Participant – CCCFA sells PCE all assigned electricity delivered by Prepay LLC at the **discounted** prepay price

# PPA Assignment Concept




- PCE enters into a PPA with PPA Seller
- PPA Seller delivers as generated power/attributes
- PCE pays monthly for as-generated power and attributes

- Structures remains the same, but instead of facing PCE, the PPA Seller faces Goldman Sachs
- If the Prepaid Supplier fails to pay, PCE guarantees payments (which it is able to recoup from the Prepay Trust Estate)

- Under certain scenarios, assignment can be terminated, and PPA Seller goes back to facing PCE

- The existing Scheduling Coordinator will remain the Scheduling Coordinator; only change is that the Prepaid Supplier is copied on bills

# CLEAN ENERGY PURCHASE CONTRACT

between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

PENINSULA CLEAN ENERGY

Dated as of [_____], 2024

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CLEAN ENERGY PURCHASE CONTRACT

This Clean Energy Purchase Contract (this "Agreement") is made and entered into as of [_____], 2024 (the "Execution Date"), by and between California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) ("Issuer") and Peninsula Clean Energy, a California joint powers authority ("Purchaser").

W I T N E S S E T H:

WHEREAS, Issuer has planned and developed a project to acquire long-term supplies of Product from Aron Energy Prepay [__] LLC, a Delaware limited liability company ("Prepay LLC") and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., pursuant to a Master Power Supply Agreement, dated as of [_____], 2024 (the "Master Power Supply Agreement"), to meet a portion of the Product supply requirements of Purchaser through a discounted clean energy purchase product (the "Clean Energy Project");

WHEREAS, Purchaser desires to enter into an agreement with Issuer for the purchase of Product acquired by the Issuer under the Clean Energy Project;

WHEREAS, Issuer will finance its payment for Product under, and the other costs of, the Clean Energy Project by issuing Bonds;

WHEREAS, Purchaser is a joint powers authority and a 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 for the transmission, distribution, sale, and delivery of Product to retail electric consumers within its service area;

WHEREAS, Purchaser is agreeable to purchasing a portion of its Product requirements from Issuer under the terms and conditions set forth in this Agreement and Issuer is agreeable to selling to Purchaser such supplies of Product under the terms and conditions set forth in this Agreement;

WHEREAS, concurrently herewith, Purchaser has assigned to J. Aron (as defined below) certain Assigned Rights and Obligations (as defined below), including the right to receive Assigned Product (as defined below), which Assigned Product will be resold to Prepay LLC under the Electricity Sale and Service Agreement, then resold to Issuer under the Master Power Supply Agreement and then resold to Purchaser hereunder; and

WHEREAS, as a condition precedent to the effectiveness of the Parties' obligations under this Agreement, Issuer shall have entered into the Master Power Supply Agreement and shall have issued the Bonds.

NOW, THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Issuer and Purchaser (the "Parties" hereto; each is a "Party") agree as follows:

## ARTICLE I.

## DEFINITIONS

Section 1.1 Defined Terms. The following terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

"Administrative Fee" means the amount per MWh specified as such in Exhibit H.

"Affiliate" means, with respect to either Party, any entity which is a direct or indirect parent or subsidiary of such Party or which directly or indirectly (i) owns or controls such Party, (ii) is owned or controlled by such Party, or (iii) is under common ownership or control with such Party. For purposes of this definition, "control" of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or Persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

"Agreement" has the meaning specified in the preamble and shall include exhibits, recitals and attachments referenced herein and attached hereto.

"Alternate Delivery Point" has the meaning specified in Section 5.1(a).

"Annual Refund" means the annual refund, if any, to be provided to the Purchaser and calculated pursuant to the procedures specified in Section 3.4.

"APC Contract Price" means (i) the fixed prices specified in Exhibit A-2 as of the date hereof with respect to the Initial Assigned Rights and Obligations and (ii) the Day-Ahead Average Price with respect to any Assignment Period outside of the Initial Assignment Periods.

"APC Party" has the meaning specified in Exhibit F.

"Applicable Project" has the meaning specified in Exhibit F.

"Assignable Power Contract" has the meaning specified in Section 6.1.

"Assigned Delivery Point" means, with respect to any Assigned Energy, the Assigned Delivery Point as set forth in the applicable Assignment Schedule for such Assigned Energy.

"Assigned Energy" means any Energy, including Energy associated with PCC1 Product and Long-Term PCC1 Product, to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

"Assigned PAYGO Product" means, for any Month with respect to an Assigned PPA, the amount, if any, by which the total quantity of Assigned Product delivered under such Assigned PPA in such Month exceeds the Assigned Prepay Quantity for such Assigned PPA for such Month.

"Assigned PPA" means any power purchase agreement that is assigned pursuant to an Assignment Agreement in accordance with the terms of this Agreement.

"Assigned Prepay Quantity" has the meaning specified in Exhibit F.

"Assigned Prepay Value" means, for any Month and each Assignment Schedule, the Assigned Prepay Quantity for such Month multiplied by the applicable APC Contract Price.

"Assigned Product" means, as applicable, PCC1 Product, Long-Term PCC1 Product, Assigned Energy, Assigned RECs and any other Product included on an Assignment Schedule, subject to the limitations for such other Product set forth in Exhibit F.

"Assigned Quantity" means, with respect to each Assigned PPA and each Month during the Assignment Period therefor, the quantity of Assigned Energy delivered pursuant to such Assigned PPA consistent with the terms of the applicable Assigned Rights and Obligations in connection with the Assigned Product during such Month.

"Assigned RECs" means any RECs associated with PCC1 Product or Long-Term PCC1 Product to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

"Assigned Rights and Obligations" has the meaning specified in Section 6.1.

"Assignment Agreement" means, for any Assigned Rights and Obligations, an agreement among Purchaser, J. Aron and the APC Party, approved by Issuer, in the form attached hereto as Annex II to Exhibit F (with such changes thereto as may be mutually agreed upon by Purchaser, J. Aron, the APC Party, and Issuer, each in its sole discretion).

"Assignment Period" for any Assigned Rights and Obligations has the meaning specified in the applicable Assignment Agreement.

"Assignment Schedule" has the meaning specified in Exhibit F.

"Automatic Non-Default Termination Event" has the meaning specified in **Error! Reference source not found.**.

"Available Discount Percentage" has the meaning specified in the Re-Pricing Agreement. For the avoidance of doubt, the "Available Discount Percentage" under the Re-Pricing

Agreement includes the Monthly Discount Percentage, as well as additional discounting expected to be made available through the Annual Refund.

"Balancing Authority" has the meaning specified in the CAISO Tariff.

"Base Delivery Point" has the meaning specified in Section 5.1(a).

"Base Product" means Firm (LD) Energy delivered to the Base Delivery Point.

"Base Quantity" means, with respect to each Delivery Hour during the Delivery Period, the Base Unadjusted Quantity for such Delivery Hour less the Base Quantity Reduction for such Delivery Hour, each as set forth on Exhibit A-1, as Exhibit A-1 may be revised pursuant to Article VI.

"Base Quantity Reduction" means, with respect to each Delivery Hour during the Delivery Period, the "Base Quantity Reduction" of Base Product (in MWh) set forth for such Delivery Hour on Exhibit A-1, as Exhibit A-1 may be revised pursuant to Article VI.

"Base Unadjusted Quantity" means, with respect to each Delivery Hour during the Delivery Period, the "Base Unadjusted Quantity" (in MWh) set forth for such Delivery Hour on Exhibit A-1.

"Bond Closing Date" means the date on which Bonds are first issued pursuant to the Trust Indenture.

"Bonds" means the bonds issued pursuant to the Trust Indenture.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks generally in either New York, New York or the State of California are authorized or required by Law to close, or (iv) any day excluded from "Business Day" as therein defined, pursuant to the Trust Indenture.

"CAISO" means California Independent System Operator or its successor.

"CAISO Tariff" means CAISO's FERC-approved tariff, as modified, amended or supplemented from time to time

"Calculation Agent" has the meaning specified in the Re-Pricing Agreement.

"California Long-Term Contracting Requirements" means the long-term contracting requirement set forth in the Clean Energy and Pollution Reduction Act of 2015 (SB 350), California Public Utilities Code Section 399.13(b), and CPUC Decision 17-06-026 and CPUC Decision 18-05-026, as may be modified by subsequent decision of the California Public Utilities Commission or by other Law.

"CEC" means California's State Energy Resources Conservation and Development Commission, also known as the California Energy Commission, and any successor agency thereto.

"Claiming Party" has the meaning specified in Section 11.1.

"Claims" means all claims or actions, threatened or filed, that directly or indirectly relate to the indemnities provided herein, and the resulting losses, damages, expenses, attorneys' fees, experts' fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

"Clean Energy Project" has the meaning specified in the recitals.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commercially Reasonable" or "Commercially Reasonable Efforts" means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

"Commodity Reference Price" means either (i) the Day-Ahead Market Price, or (ii) the Real-Time Market Price, as applicable.

"Contract Price" means (i) with respect to the Base Product and any Delivery Hour, (A) the Day-Ahead Market Price for such Delivery Hour at the Base Delivery Point less (B) the product of the Fixed Price for Base Quantities multiplied by the Monthly Discount Percentage, (ii) with respect to Assigned Prepay Quantities during the Initial Assignment Periods, (A) the applicable APC Contract Price(s) multiplied by (B) the result of 100% less the Monthly Discount Percentage, (iii) with respect to Assigned Prepay Quantities outside of the Initial Assignment Periods, (A) the APC Contract Price less (B) the product of the Fixed Price for Assigned Prepay Quantities outside of the Initial Assignment Periods multiplied by the Monthly Discount Percentage, and (iv) with respect to Assigned PAYGO Product, the APC Contract Price(s).

"Day" means each period of 24 consecutive Hours commencing at the Hour ending at 01:00 (LPT) through the Hour ending at 24:00 (LPT).

"Day-Ahead Average Price" means, for any Assigned Products after the Initial Assignment Periods, (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month. As used in this definition, "Pricing Interval" means the unit of time for which CAISO establishes a separate price.

"Day-Ahead Market Price" has the meaning specified on Exhibit A-1 for the Primary Delivery Point.

"Default Rate" means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the

"Money Rates" section as the "Prime Rate" for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

"Delivery Hour" has the meaning specified in Exhibit A-1.

"Delivery Period" has the meaning specified in Exhibit H.

"Delivery Point" means the Base Delivery Point or an Assigned Delivery Point, as applicable.

"Disqualified Sale Proceeds" has the meaning specified in Section 7.6.

"Disqualified Sale Units" has the meaning specified in Section 7.6.

"Electricity Sale and Service Agreement" has the meaning specified in the Master Power Supply Agreement.

"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 three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours.

"EPS" means California's Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

"EPS Compliant Energy" means Energy that Purchaser can contract for and purchase in compliance with EPS requirements that are applicable to Purchaser.

"EPS Energy Period" means any Assignment Period or J. Aron EPS Energy Period.

"Execution Date" has the meaning specified in the preamble.

"Federal Tax Certificate" means the executed Federal Tax Certificate delivered by Purchaser in the form attached as Exhibit D.

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

"Firm (LD)" means, with respect to a Party's obligation to sell and deliver or purchase and receive, that such Party's liability for the failure to meet such obligation shall only be excused to the extent that, and for the period during which, such performance is prevented by Force Majeure, and that in the absence of Force Majeure, the Party to which performance of such

obligation is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article IV.

"Fixed Price" means $[____]/MWh with respect to Base Quantities and $[____]/MWh with respect to Assigned Prepay Quantities outside of the Initial Assignment Periods, which are the fixed prices under the Buyer Swap (as defined in the Master Power Supply Agreement).

"Force Majeure" means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the date this Agreement was executed, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided; provided that, for the avoidance of doubt, the declaration of "Force Majeure" by an APC Party under a PPA (as defined in an Assignment Agreement) shall constitute Force Majeure hereunder. Force Majeure shall include, provided the criteria in the first sentence are met, riot, insurrection, war, labor dispute, natural disaster, vandalism, terrorism, sabotage. Force Majeure shall not be based on (i) the loss of Purchaser's markets; (ii) Purchaser's inability economically to use or resell the Product purchased hereunder; (iii) the delay, loss or failure of Issuer's supply; or (iv) Issuer's ability to sell the Product at a higher price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (x) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the applicable Delivery Point and (y) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred. Force Majeure invoked by Prepay LLC under the Master Power Supply Agreement shall constitute Force Majeure in respect of Issuer hereunder to the extent the conditions set forth above have been satisfied with respect to Prepay LLC. Notwithstanding the foregoing or anything to the contrary herein, to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Issuer hereunder until the earlier of (I) the commencement of an "Assignment Period" under a replacement Assignment Agreement, (II) the commencement of a J. Aron EPS Energy Period or (III) the end of the first Month following the Month in which such early termination occurs.

"Government Agency" means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

"Governmental Approval" means any authorization, consent, approval, license, ruling, permit, exemption, variance, order, judgment, registration, filing, giving of notice to, decree, declaration of or regulation by any Government Agency relating to the valid execution, delivery or performance of this Agreement or the consummation of any of the transactions contemplated hereby.

"Hour" means the 60-minute period commencing at 00:00 (LPT) on first Day of the Delivery Period and ending at 01:00 (LPT) on the first Day of the Delivery Period, and each 60-minute interval thereafter.

"Initial Assigned Rights and Obligations" means the Assigned Rights and Obligations set forth in Exhibit A-2 hereto as of the date hereof.

"Initial Assignment Periods" means the Assignment Periods for the Initial Assigned Rights and Obligations specified in Exhibit A-2 hereto as of the date hereof.

"Initial Reset Period" has the meaning specified in Exhibit H.

"Interest Rate Period" has the meaning specified in the Trust Indenture.

"Issuer" has the meaning specified in the preamble.

"Issuer Default" has the meaning specified in Section 17.1.

"ISTs" has the meaning specified in Section 5.1(a).

"J. Aron" means J. Aron & Company LLC, a New York limited liability company, and its permitted successors and assigns under an Assignment Agreement.

"J. Aron EPS Energy Period" has the meaning specified in Section 6.1(c).

"J. Aron Fixed Payment" has the meaning specified in the PPA Custodial Agreement.

"J. Aron Prepay Payment" has the meaning specified in the PPA Custodial Agreement.

"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 December 19, 2008, as amended from time to time, under which Purchaser is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

"Law" means any statute, law, rule or regulation or any written judicial or administrative decision, ruling or interpretation with respect thereto or thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time during the term of this Agreement.

"Long-Term PCC1 Product" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

"LPT" means the local prevailing time then in effect in the State of California.

"Mandatory Purchase Date" has the meaning specified in the Trust Indenture.

"Master Power Supply Agreement" has the meaning specified in the recitals.

"Minimum Discount Percentage" has the meaning specified in Exhibit H.

"Month" means a period beginning on the first Day of a calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

"Monthly Discount Percentage" has the meaning specified in Exhibit H.

"Municipal Utility" means any Person that (i) is a "governmental person" as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns either or both a gas distribution utility or an electric distribution utility (or provides natural gas or electricity at wholesale to, or that is sold to entities that provide natural gas or electricity at wholesale to, governmental Persons that own such utilities), and (iii) agrees in writing to use the gas or electricity purchased by it (or cause such gas or electricity to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

"MWh" means megawatt-hour.

"Non-Priority Products" means any Products that are not Priority Products.

"Party" has the meaning specified in the preamble.

"PCC1 Product" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to J. Aron or any successor thereto pursuant to any Assigned Rights and Obligations.

"Person" means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

"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.

"Potential Remarketing Event" has the meaning specified in Section 3.5(b).

"PPA Custodial Agreement" means that certain Consolidated, Amended and Restated PPA Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, Issuer, J. Aron and the PPA Custodian.

"PPA Custodian" means [____].

"Prepay LLC" has the meaning stated in the recitals.

"Primary Delivery Point" has the meaning specified in Section 5.1(a).

"Priority Products" means the Base Quantity and Assigned Products to be purchased by Purchaser under this Agreement, together with Products that (i) Purchaser is obligated to take under a long-term agreement, which Products either have been purchased by Purchaser or a joint action agency pursuant to a long-term prepaid power purchase agreement using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from income for federal income tax purposes, or (ii) with respect to Energy, Energy that is generated using capacity that was constructed using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from income for federal income tax purposes (provided that, for the avoidance of doubt, Priority Products shall not include Energy that is generated using capacity that was wholly or partially financed through the monetization of renewable tax credits, whether such monetization is accomplished through a tax equity investment or otherwise, or that is generated from federally owned and operated hydroelectric facilities, including through the United States Army Corps of Engineers and the United States Bureau of Reclamation, and marketed by the Bonneville Power Administration or the Western Area Power Administration).

"Product" means Energy and, to the extent included on an Assignment Schedule, associated RECs or other products related to the foregoing; *provided* that the inclusion of any Product on an Assignment Schedule is subject to the limitation set forth in Exhibit F.

"Purchaser" has the meaning specified in the preamble.

"Purchaser Default" has the meaning specified in Section 17.2.

"Qualifying Use Requirements" means, with respect to any Product delivered under this Agreement, such Product is used (i) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any "private business use" within the meaning of Section 141 of the Code, and (iii) in a manner that is consistent with the Federal Tax Certificate attached as Exhibit D.

"Re-Pricing Agreement" means the Re-Pricing Agreement, dated as of the Bond Closing Date (as defined in the Master Power Supply Agreement), by and between Prepay LLC and Issuer.

"Real-Time Market Price" has the meaning specified on Exhibit A-1 for each Delivery Point.

"Remarketing Election Deadline" means, for any Reset Period, the last date and time by which Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. LPT on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first delivery Month of a Reset Period.

"Remarketing Election Notice" has the meaning specified in Section 3.5(b).

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

"Replacement Assigned Rights and Obligations" means any Assigned Rights and Obligations other than the Initial Assigned Rights and Obligations.

"Replacement Price" means, with respect to any Shortfall Quantity of Base Quantities, the price at which Purchaser, acting in a Commercially Reasonable manner, purchases at the applicable Delivery Point Replacement Product for such Shortfall Quantity, plus (i) costs reasonably incurred by Purchaser in purchasing Replacement Product, and (ii) additional transmission charges, if any, reasonably incurred by Purchaser to the applicable Delivery Point, or at Purchaser's option, the market price at the Delivery Point for such Product not delivered as determined by Purchaser in a Commercially Reasonable manner. The Replacement Price for any Shortfall Quantity shall not include any administrative or other internal costs incurred by Purchaser and shall be limited to a price that is Commercially Reasonable with respect to the timing and manner of purchase. In no event shall the Replacement Price include any penalties, ratcheted demand or similar charges, nor shall Purchaser be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Issuer's liability.

"Replacement Product" means any Energy purchased by Purchaser to replace any Shortfall Quantity at the Delivery Point where such Shortfall Quantity occurred; provided that such Energy is purchased for delivery in the Delivery Hour to which such Shortfall Quantity relates.

"Reset Period" means each "Reset Period" under the Re-Pricing Agreement.

"Reset Period Notice" has the meaning specified in Section 3.5(a).

"RPS Law" means the California Renewable Energy Resources Act, including the California Renewables Portfolio Standard Program, Article 16 of Chapter 2.3, Division 1 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

"Schedule", "Scheduled" or "Scheduling" means the actions of Issuer, Purchaser and/or their designated representatives, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of Product to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

"Shortfall Quantity" has the meaning specified in Section 4.1(a).

"Transmission Provider" means any entity or entities transmitting or transporting the Product on behalf of Issuer or Purchaser to or from the Delivery Point.

"Trustee" means [____], and its successors as trustee under the Trust Indenture.

"Trust Indenture" means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Issuer and the Trustee, and (ii) any trust indenture entered into in connection with the commencement of any Interest Rate Period after the initial Interest Rate Period between Issuer and the Trustee containing substantially the same terms as the indenture described in clause (i) and which is intended to replace the indenture described in clause (i) as of the commencement of such Interest Rate Period.

"Utility Revenues" means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of Purchaser's electric system, including, without limiting the generality of the foregoing, (1) all income, rents, rates, fees, charges, or other moneys derived by the Purchaser from the sale, furnishing and supplying of the electric capacity or energy or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Purchaser's electric system, (2) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys to the extent that the use of such earnings and income is limited to Purchaser's electric system by or pursuant to law, (3) deferred revenues and moneys maintained in the Purchaser's operating reserve fund and (4) such other income, charges, revenue or moneys maintained in reserves as the Purchaser may specify in a written order of the Purchaser filed with the Issuer, but excluding (A) in all cases customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the Purchaser; and (B) such other income, charges, revenue or moneys as the Purchaser may specify in a written order of the Purchaser filed with the Issuer, provided that such written order of the Purchaser confirms that, following the filing of such written order of the Purchaser, (i) the requirements of Section 14.7 shall be satisfied; and (ii) the income, charges, revenue or moneys specified in such written order of the Purchaser shall be accounted for separately from the "Utility Revenues" as defined herein

"Voided Remarketing Election Notice" has the meaning specified in Section 3.5(b).

"Western EIM" has the meaning ascribed to "Energy Imbalance Market (EIM)" under the CAISO Tariff.

"WREGIS" means the Western Renewable Energy Generation Information System or its successor.

Section 1.2 Definitions; Interpretation. References to "Articles," "Sections," "Schedules" and "Exhibits" shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest scope of such general statement, term or matter.

Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

## ARTICLE II.

## DELIVERY PERIOD; NATURE OF CLEAN ENERGY PROJECT; CONDITION PRECEDENT

Section 2.1 Delivery Period. Subject to Section 2.3, delivery of Product by Issuer to Purchaser shall commence at the beginning of the Delivery Period and, except for any Reset Period for which a Remarketing Election Notice is in effect as provided in Section 3.5(b), shall continue throughout the Delivery Period.

Section 2.2 Nature of Clean Energy Project. Purchaser acknowledges and agrees that Issuer will meet its obligations to provide Product to Purchaser under this Agreement exclusively through its purchase of Product from Prepay LLC pursuant to the Master Power Supply Agreement and that Issuer is financing its purchase of such supplies through the issuance of the Bonds.

Section 2.3 Condition Precedent. Notwithstanding anything to the contrary herein, commencement of deliveries and the rights and obligations of Issuer and Purchaser hereunder are subject to the condition precedent that Issuer shall have entered into the Master Power Supply Agreement and shall have issued the Bonds.

Section 2.4 Pledge of this Agreement. Purchaser acknowledges and agrees that Issuer will pledge its right, title and interest under this Agreement and the revenues to be received under this Agreement to secure Issuer's obligations under the Trust Indenture.

## ARTICLE III.

## SALE AND PURCHASE; PRICING

Section 3.1 Sale and Purchase of Product. Issuer shall sell and deliver or cause to be delivered to Purchaser, and Purchaser shall purchase and receive from Issuer, the applicable Product in the quantities and at the times and subject to the terms and conditions set forth in this Agreement. The quantities of Product to be sold and purchased and delivered and received pursuant to the terms and conditions set forth in this Agreement shall be equal to (a) the Base Quantity, if any, for each Delivery Hour and (b) the Assigned Quantity delivered to J. Aron in each Month of the Delivery Period pursuant to the Assignment Agreements.

Section 3.2 Payments.

(a) For each Month for which an EPS Energy Period is in effect at the start of such Month:

(i) Purchaser shall pay Issuer the Contract Price multiplied by the Assigned Prepay Quantities actually delivered for such Month, provided that Issuer shall owe a payment to Purchaser to the extent that the Contract Price for Assigned Prepay Quantities is negative; and

(ii) Pursuant to the terms of the PPA Custodial Agreement, Purchaser shall owe a separate CPA Gross Payment for each Assigned PPA consistent with the terms of the PPA Custodial Agreement, and, upon satisfying its obligations under the PPA Custodial Agreement in respect of such amount (after taking into consideration any PPA Seller Payment Obligation (as such term is defined in the PPA Custodial Agreement) credited to CPA in respect thereof), any portion of such amount attributable to Assigned PAYGO Product shall be deemed to be paid by Purchaser to the applicable APC Party on behalf of J. Aron and shall satisfy the obligations of the respective parties under each of the Electricity Sale and Service Agreement, the Master Power Supply Agreement, this Agreement and the applicable Assignment Agreement for such Assigned PAYGO Product.

(b) To the extent that Base Quantities are delivered hereunder in any Month, Purchaser shall pay Issuer the Contract Price multiplied by the Base Quantities actually delivered.

(c) The Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

Section 3.3 Limited Obligation to Take Base Quantities. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be required to purchase and receive any Base Quantities hereunder, and Issuer, with respect to any Base Quantities that otherwise would be delivered hereunder, shall cause Prepay LLC to remarket such Base Quantities pursuant to the provisions of Exhibit C to the Master Power Supply Agreement.

Section 3.4 Annual Refund. In addition to any Monthly Discount Percentage applied to Energy Scheduled hereunder, Issuer shall credit such Annual Refund to Purchaser as may be available for distribution by Issuer pursuant to Section 5.12 of the Trust Indenture, subject to the provisions of this Section 3.4. Such Annual Refund, if any, shall be credited to the next amount due from Purchaser following the release of funds for such purpose to Issuer under the terms of the Trust Indenture. In determining the amount of such Annual Refund, if any, to be credited to Purchaser, Issuer may reserve such funds (i) as may be required under the terms of the Trust Indenture or (ii) with the prior written consent of Purchaser (a) to fund or maintain the Minimum Discount Percentage for any future Reset Period, (b) to fund or maintain any rate stabilization or working capital reserve, (c) to reserve or account for unfunded liabilities and expenses or (d) for other costs of the Clean Energy Project.

Section 3.5 Reset Period Remarketing.

(a) Reset Period Notice. For each Reset Period, Issuer shall provide to Purchaser, at least ten (10) days prior to the Remarketing Election Deadline, written notice (a "Reset Period Notice") setting forth (i) the duration of such Reset Period, (ii) the estimated Available Discount Percentage for such Reset Period, and (iii) the applicable Remarketing Election Deadline. Issuer may thereafter update such notice at any time prior to the Remarketing Termination Deadline, provided that Issuer may extend the Remarketing Termination Deadline only to the extent consented to in writing by J. Aron.

(b) Remarketing Election. If the Reset Period Notice (or any update thereto) for any Reset Period indicates that the estimated Available Discount Percentage specified in such notice is not at least equal to the Minimum Discount Percentage for such Reset Period, then: (i) a "Potential Remarketing Event" shall be deemed to exist, and (ii) Purchaser may, not later than the Remarketing Election Deadline, issue a written notice in the form attached hereto as Exhibit C (a "Remarketing Election Notice") to Issuer, Prepay LLC and the Trustee electing the Assignment Agreements to be terminated and all Base Quantities with respect to such Reset Period to be remarketed; provided, however, if the actual Available Discount Percentage, as finally determined under the Re-Pricing Agreement, is equal to or greater than the Minimum Discount Percentage, then Issuer may, in its sole discretion, elect by written notice (a "Voided Remarketing Election Notice") to Purchaser to treat such Remarketing Election Notice as void. If Purchaser issues a valid Remarketing Election Notice (other than a Voided Remarketing Election Notice) in accordance with this Section 3.5(b) for any Reset Period, then Purchaser shall have no rights or obligations to receive any Product hereunder during such Reset Period or to receive any Annual Refund attributable to such Reset Period.

(c) Final Determination of Available Discount Percentage. The Parties acknowledge and agree that the final Available Discount Percentage for any Reset Period following the Initial Reset Period will be determined on the Re-Pricing Date (as defined in the Re-Pricing Agreement) for such Reset Period, and that such Available Discount Percentage may differ from the estimate or estimates of such Available Discount Percentage last provided to Purchaser prior to the Remarketing Election Deadline for such Reset Period; provided that the Available Discount Percentage for any Reset Period will not be less than the lower of (i) the last estimated Available Discount Percentage set forth in the Reset Period Notice for such Reset Period (or any update thereof) sent to Purchaser by Issuer and (ii) the Minimum Discount Percentage for Reset Period.

(d) Obligations Following a Remarketing Election. Notwithstanding the issuance of any Remarketing Election Notice for a Reset Period, Purchaser shall not make any new commitment to purchase Priority Products during such Reset Period to the extent any such commitment could reasonably be expected to cause, during any portion of the Delivery Period after such Reset Period, Purchaser's aggregate obligations to purchase Priority Products (including its obligation to purchase Priority Products hereunder) to exceed Purchaser's expected aggregate requirements for Products that will be used (i) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii) and (ii) in a manner that will not result in any "private business use" within the meaning of Section 141 of the Code. Unless Purchaser issues a new Remarketing Election Notice (other than a Voided Remarketing Election Notice) for any subsequent Reset Period in accordance

with this Section 3.5, Purchaser and J. Aron will cooperate in good faith and exercise Commercially Reasonable Efforts to locate EPS Compliant Energy for redelivery hereunder in any such Reset Period.

## ARTICLE IV.

## FAILURE TO SCHEDULE PRODUCT

Section 4.1 Issuer's Failure to Schedule Base Quantity (Not Due to Force Majeure).

(a) Shortfall Quantity. If, for any Delivery Hour during the Delivery Period, Issuer breaches its obligation to Schedule or deliver all or any portion of the Base Quantity, after giving effect to reductions for Assigned Energy at any Delivery Point pursuant to the terms of this Agreement, then the portion of the Base Quantity that Issuer failed to Schedule or deliver shall be a "Shortfall Quantity".

(b) Issuer Cover Damage Payments. To the extent Purchaser actually purchases Replacement Product with respect to any Shortfall Quantity, then Issuer shall pay to Purchaser the result determined by the following formula:

P = Q x (RP - CP + AF)

Where:

P = The amount payable by Issuer under this Section 4.1(b);

Q = The quantity of Replacement Product purchased;

RP = The Replacement Price;

CP = The Contract Price that would have applied to such Product; and

AF = The Administrative Fee.

(c) Purchaser Obligation to Mitigate. Purchaser shall exercise Commercially Reasonable Efforts to mitigate Issuer's damages paid by Issuer hereunder.

Section 4.2 Purchaser's Failure to Schedule or Take Base Quantities (Not Due to Force Majeure). If, for any Delivery Hour during the Delivery Period, Purchaser breaches its obligation to Schedule or take all or any portion of the Base Quantity at any Delivery Point pursuant to the terms of this Agreement, then Purchaser shall remain obligated to pay Issuer the Contract Price for such Base Quantity. Issuer shall credit to Purchaser's account any net revenues Issuer may receive from Prepay LLC under the Master Power Supply Agreement in connection with the ultimate sale of any such Product by Prepay LLC to Municipal Utilities or, if necessary, other purchasers, up to the Contract Price.

Section 4.3 Failure to Deliver or Take Due to Force Majeure. If with respect to all or any portion of Base Quantities or Assigned Prepay Quantities:

(a) Purchaser fails to take or fails to deliver all or any portion of the such quantities at any Delivery Point pursuant to the terms of this Agreement; and

(b) such failure is due to Force Majeure claimed by either Party,

then the Parties shall have no payment obligations with respect to such quantities hereunder.

Section 4.4 Assigned Product. Notwithstanding anything herein to the contrary, neither Purchaser nor Issuer shall have any liability or other obligation to one another for any failure to Schedule, take, or deliver Assigned Product.

Section 4.5 Sole Remedies. Except with respect to the termination of this Agreement pursuant to Article XVII, the remedies set forth in this Article IV shall be each Party's sole and exclusive remedies for any failure by the other Party to Schedule, deliver or take Product, as applicable, pursuant to this Agreement.

## ARTICLE V.

## DELIVERY POINTS; SCHEDULING

Section 5.1 Delivery Points.

(a) Base Delivery Points. All Base Product delivered under this Agreement shall be Scheduled for delivery and receipt at (i) the Delivery Point set forth in Exhibit A-1 (the "Primary Delivery Point") or (ii) any other point (an "Alternate Delivery Point") that has been mutually agreed by Issuer, Purchaser and Prepay LLC (the Primary Delivery Point or, to the extent specified, any Alternate Delivery Point being the "Base Delivery Point"). Delivery of Energy to Purchaser at the Primary Delivery Point shall be facilitated through submission of Inter-SC Trades, as defined in the CAISO Tariff ("ISTs"). Purchaser shall designate a scheduling coordinator in the CAISO market for this purpose as specified in Exhibit G.

(b) Alternate Base Market Prices. The Day-Ahead Market Price and Real-Time Market Price for each Alternate Delivery Point, as applicable, shall be the price mutually agreed and identified by the Parties, or if no such price is identified for such Alternate Delivery Point, the Day-Ahead Market Price and Real-Time Market Price, as applicable, specified on Exhibit A-1 for the Primary Delivery Point from which quantities are being shifted to such Alternate Delivery Point.

(c) Assigned Energy Delivery Points. Assigned Energy delivered under this Agreement shall be Scheduled for delivery and receipt at the applicable Assigned Delivery Point specified in the applicable Assignment Schedule. All other Assigned Product shall be delivered consistent with the terms of the applicable Assignment Agreement

Section 5.2 Transmission and Scheduling. Issuer shall Schedule or arrange for Scheduling services with CAISO in accordance with the CAISO Tariff, to deliver the Base Product to the Base Delivery Point. Purchaser shall Schedule or arrange for Scheduling services with CAISO in accordance with CAISO Tariff, to receive the Base Product at the Base Delivery Point. If Prepay LLC Schedules or arranges for Scheduling services, to deliver Base Product to the Base Delivery Point, then Issuer's obligations under this Section shall be relieved pro tanto. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Schedule.

Section 5.3 Title and Risk of Loss. Title to and risk of loss of the Product delivered under this Agreement shall pass from Issuer to Purchaser at the applicable Delivery Point. The transfer of title and risk of loss for all Assigned Product shall be in accordance with the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with WREGIS. Subject to Section 18.1, each Party shall indemnify, defend and hold harmless the other Party from and against any Claims made by a third party arising from or out of any event, circumstance, act or incident related to the Product delivered hereunder first occurring or existing during the period when control and title to Base Product or Assigned Product is vested in the indemnifying Party as provided in this Section; provided that, notwithstanding the foregoing, (a) Issuer shall have no obligations to indemnify, defend or hold harmless Purchaser for any such Claims relating to replacement costs, cover damages or similar liabilities that are payable to any Person because of Purchaser's failure to deliver any Product to such Person and (b) no obligation to indemnify, defend or hold harmless shall supplant or control the provisions of this Agreement relating to Force Majeure. Notwithstanding anything to the contrary herein, no Party shall have any obligations to indemnify, defend or hold harmless the other Party in respect of any Claims relating to any Assigned Product.

Section 5.4 PCC1 Product and Long-Term PCC1 Product. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any Assigned Product is PCC1 Product or Long-Term PCC1 Product, the following provisions apply:

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009]**.

(b) Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision

08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC REC-1, Non-modifiable. D.11-01-025]**.

(c) Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. **[STC REC-2, Non-modifiable. D.11-01-025].** With respect to Sections 5.4(a) through (c), "Seller" means "Issuer", Buyer means "Purchaser", and any other capitalized terms not otherwise defined therein shall have the meaning specified in the Assigned PPA.

(d) Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced, and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]**

(e) Issuer Representations and Warranties.

Issuer represents and warrants:

(i) Issuer has the right to sell the Assigned Product from the Applicable Project;

(ii) Issuer has not sold the Assigned Product or any REC or other attributes of the Assigned Product to be transferred to Purchaser to any other person or entity;

(iii) The Energy component of the Assigned Product produced by the Applicable Project and purchased by Issuer for resale to Purchaser hereunder is not being sold by Issuer back to the Applicable Project or APC Party;

(iv) Assigned Product to be purchased and sold pursuant to this Agreement has not been committed to another party;

(v) The Assigned Product is free and clear of all liens or other encumbrances;

(vi) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for Long-Term PCC1 Product in compliance with the California Long-Term Contracting Requirements, if applicable;

(vii) The Assigned Product supplied to Purchaser under this Agreement that is Long-Term PCC1 Product will be sourced solely from Applicable Projects that have an Assignment Period of ten years or more in length, or otherwise in compliance with the California Long Term Contracting Requirements; and

(viii) Issuer will cooperate and work with Purchaser, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product's classification as a Portfolio Content Category 1 Product as set forth in California Public Utilities Code Section 399.16(b)(1) or, if applicable, or compliance with the California Long-Term Contracting Requirements.

Issuer further represents and warrants to Purchaser that, to the extent that the Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below during the Assignment Period and throughout the generation period:

(i) The original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1);

(ii) This Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;

(iii) The electricity transferred by this Agreement is transferred to Purchaser in real time; and

(iv) If the Applicable Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

(f) Subsequent Changes in Law. In the event that the qualifications or requirements of the RPS program, PCC1 Product or the California Long-Term Contracting Requirements change, Issuer shall take commercially reasonable actions to meet the amended qualifications or requirements of the RPS Law, PCC1 Product or the California Long-Term Contracting Requirements but will not be required to incur any unreimbursed costs to comply with the RPS Law, PCC1 or the California Long- Term Contracting Requirements, collectively.

(g) Limitations. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree as follows:

(i) Issuer has relied exclusively upon the representations and warranties of each respective APC Party set forth in the Assigned PPAs in

making the representations and warranties set forth in this Section 5.4 and has not performed any independent investigation with respect thereto;

(ii) J. Aron has agreed pursuant to the Electricity Sale and Service Agreement to terminate the applicable Assignment Period in the event that any representation or warranty in this Section 5.4 proves to be incorrect in any respect; and

(iii) Purchaser agrees that its sole recourse for any breach of the provisions of this Section 5.4 shall be the termination of the applicable Assignment Period and Purchaser shall have no other recourse against Issuer or remedies under this Agreement.

Section 5.5 Communications Protocol. With respect to the Scheduling and delivery of Base Quantities, Issuer and Purchaser shall comply with the communications protocol set forth in Exhibit G. Scheduling and transmission of Assigned Energy shall be in accordance with the applicable Assignment Agreement pursuant to which the Project Participant shall act as scheduling agent for each of J. Aron, Prepay LLC and Issuer.

Section 5.6 Deliveries within CAISO or another Balancing Authority. The Parties acknowledge that Energy delivered by Issuer at a Delivery Point within CAISO or another Balancing Authority (including a Balancing Authority operating within the Western EIM) will be delivered in accordance with the CAISO Tariff and rules of the Balancing Authority as applicable. Scheduling such Energy in accordance with the requirements of the applicable Product into the applicable Balancing Authority shall constitute delivery of such Product to Purchaser hereunder, provided that any associated Renewable Energy Credits and other Assigned Product are also delivered to Purchaser.

Section 5.7 Assigned Products. Notwithstanding anything to the contrary herein, except as provided in Section 6.3, Issuer shall have no liability under this Article V with respect to any Assigned Products.

## ARTICLE VI.

## ASSIGNMENT OF POWER PURCHASE AGREEMENTS

Section 6.1 Assignments Generally.

(a) Initial Assigned Rights and Obligations. Prior to the commencement of the Delivery Period, Purchaser agrees to exercise Commercially Reasonable Efforts to assign the Initial Assigned Rights and Obligations to J. Aron.

(b) Assignments of Replacement Assigned Rights and Obligations. Commencing (i) one year prior to the expiration of any EPS Energy Period or (ii) otherwise immediately upon the early termination or anticipated early termination of a EPS Energy Period or a failure to assign any portion of the Initial Assigned

Rights and Obligations, Purchaser shall exercise Commercially Reasonable Efforts and cooperate with J. Aron in good faith to assign a portion of Purchaser's rights and obligations (the "Assigned Rights and Obligations") under one or more power purchase agreements (each such agreement, an "Assignable Power Contract") pursuant to which Purchaser is purchasing EPS Compliant Energy, RECs and other products that may be assigned pursuant to Exhibit F. The Parties recognize that, in the case of such an assignment, J. Aron will be obligated to sell and deliver Assigned Product it receives under all Assigned Rights and Obligations to Prepay LLC under the terms of the Electricity Sale and Service Agreement, and Prepay LLC will be obligated to deliver such Product to Issuer under the terms of the Master Power Supply Agreement. To be effective hereunder, any assignment of Replacement Assigned Rights and Obligations must be proposed, agreed and consented to in accordance with Exhibit F and the Master Power Supply Agreement.

(c) J. Aron Procurement of EPS Compliant Energy. Under certain circumstances specified in Section 6.1(c) of the Electricity Sale and Service Agreement, J. Aron is obligated to exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for ultimate redelivery to Purchaser hereunder, and, in such case, Purchaser shall cooperate in good faith with J. Aron in connection therewith, provided that:

(i) J. Aron's procurement of any such EPS Compliant Energy for ultimate redelivery hereunder shall be subject to Purchaser's prior written consent, with such consent not to be unreasonably withheld, provided, for the avoidance of doubt, that it shall be reasonable for Purchaser to withhold its consent based on the requirements of the EPS or other regulatory requirements;

(ii) Issuer and Purchaser shall act in good faith and in a Commercially Reasonable manner to negotiate appropriate amendments to this Agreement to facilitate the delivery of such EPS Compliant Energy, including with respect to the Delivery Point, consequences of failing to deliver or receive and scheduling matters;

(iii) the period of delivery for any such EPS Compliant Energy (any such period, a "J. Aron EPS Energy Period") shall not exceed the length, as applicable, of (A) the then-current Reset Period if such EPS Compliant Energy is obtained for delivery for the remainder of a Reset Period and (B) the length of the next succeeding Reset Period if such EPS Compliant Energy is obtained for delivery commencing in such succeeding Reset Period; and

(iv) during a J. Aron EPS Energy Period, if requested by J. Aron, Purchaser shall continue to exercise Commercially Reasonable Efforts and

cooperate with J. Aron in good faith to assign Assigned Rights and Obligations to J. Aron under an Assignable Power Contract.

(d) Amendments. Purchaser and Issuer agree to seek the written consent of J. Aron prior to any amendment to this Article VI or Exhibit F hereto.

Section 6.2 Failure to Obtain EPS Compliant Energy. To the extent an EPS Energy Period terminates or expires and Purchaser and J. Aron have been unable to obtain EPS Compliant Energy for delivery hereunder pursuant to the provisions of Section 6.1, then, until EPS Compliant Energy is obtained for delivery hereunder, Prepay LLC shall remarket Purchaser's Base Quantities pursuant to the provisions of Exhibit C to the Master Power Supply Agreement, subject to the following:

(a) Purchaser's and J. Aron's obligations set forth in Section 6.1 shall continue to apply; and

(b) Purchaser shall not make any new commitment to purchase Priority Products during such a remarketing.

Section 6.3 Adjustments to Base Quantities. The Base Quantity Reductions set forth on Exhibit A-1 hereto have been calculated as described in Exhibit F hereto. Effective upon the first day of the second Month following the early termination of an EPS Energy Period for any reason, Issuer shall revise Exhibits A-1 and A-2 to (a) update the Base Quantity Reductions as provided in Exhibit F to the extent a subsequent EPS Energy Period will commence on such date or (b) reverse such Base Quantity Reductions associated with the EPS Energy Period that terminated for all remaining Hours in the Delivery Period to the extent a replacement EPS Energy Period will not commence on such date. In the case of any other commencement of a subsequent EPS Energy Period, Issuer shall revise (i) the Base Quantity Reductions in Exhibit A-1 as provided by Exhibit F hereto and (ii) Exhibit A-2 to reflect the details for such EPS Energy Period.

Section 6.4 J. Aron Non-Payment to APC Party. To the extent that (a) J. Aron fails to pay when due any J. Aron Prepay Payment and (b) Purchaser makes a payment for such amounts to the applicable APC Party, Purchaser shall provide notice thereof to Issuer upon Purchaser's payment to the applicable APC Party and Issuer shall make a payment to Purchaser in the amount of such non-payment.

## ARTICLE VII.

## USE OF PRODUCT

Section 7.1 Tax Exempt Status of the Bonds. Purchaser acknowledges that the Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Purchaser agrees that it will (a) provide such information with respect to its community choice aggregation program as may be requested by Issuer in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as Issuer may provide from time to time in order to maintain the tax-exempt status of

the Bonds. Purchaser further agrees that it will not at any time take any action, or fail to take any action, that, if taken or omitted, respectively, would adversely affect the tax-exempt status of the Bonds.

Section 7.2 Priority Products. Purchaser agrees to purchase and receive the Products to be delivered under this Agreement (a) in priority over and in preference to all other Products available to Purchaser that are not Priority Products; and (b) on at least a pari passu and non-discriminatory basis with other Priority Products.

Section 7.3 Assistance with Sales to Third Parties. If (a) (i) a quantity of Assigned Product less than the Assigned Prepay Quantity is delivered hereunder in any Month during an Assignment Period for any reason other than Force Majeure or (ii) an Assigned PPA FM Remarketing Event has occurred and is in effect (as defined in Exhibit F to the Master Power Supply Agreement), (b) Issuer is required under Section 3.3 to cause Base Quantities that otherwise would be delivered hereunder to be remarketed or (c) notwithstanding Purchaser's compliance with Section 7.1, Purchaser does not require all or any portion of the Assigned Prepay Quantity to meet its requirements for Energy that it is obligated to purchase under this Agreement as a result of (i) insufficient demand by Purchaser's retail customers or (ii) a change in Law, Purchaser may, with reasonable notice issued in the form of a remarketing notice in accordance with Exhibit G, request (and, in the case of clauses (a) and (b), shall be deemed to request) that Prepay LLC, as permitted by the Master Power Supply Agreement, sell such portion of such Base Quantities or Assigned Product (I) to another Municipal Utility, or (II) if necessary, to another purchaser. Any remarketing notice issued under clause (c)(ii) above shall constitute a Structural Remarketing Notice (as defined in the Master Power Supply Agreement) and shall be subject to the requirements set forth in the Master Power Supply Agreement. If Prepay LLC makes such a sale under Exhibit C to the Master Power Supply Agreement, Issuer shall credit against the amount owed by Purchaser to Issuer hereunder the amount received by Issuer from Prepay LLC for such sales less all reasonable costs and expenses directly incurred by Issuer, including but not limited to remarketing administrative charges paid by it to Prepay LLC under the Master Power Supply Agreement, but in no event shall the amount of such credit be more than the Contract Price for the Energy so sold.

Section 7.4 Qualifying Use. Without limiting Purchaser's other obligations under this Article VII, Purchaser agrees that, subject to Section 7.5, it will use all of the Product purchased under this Agreement in compliance with the Qualifying Use Requirements. Purchaser agrees that it will provide such additional information, records and certificates as Issuer may reasonably request to confirm Purchaser's compliance with this Section 7.4.

Section 7.5 Remediation.

(a) The Parties acknowledge that Purchaser may at times inadvertently remarket Products received hereunder in a manner that does not comply with Qualifying Use Requirements due to daily and hourly fluctuations in Purchaser's Product needs. To the extent Purchaser does so, Purchaser shall (a) exercise Commercially Reasonable Efforts to use any Disqualified Sale Proceeds of such remarketing to purchase Products (other than Priority Products) that Purchaser then

uses in compliance with the Qualifying Use Requirements and (b) reserve funds in an amount equal to any Disqualified Sale Proceeds until such Disqualified Sale Proceeds are remediated or transferred to the Trustee pursuant to Section 7.6(b) below.

(b) To the extent that all or any portion of Assigned Quantities or Base Quantities are remarketed under Section 3.3 or under Section 7.3, as applicable, and any such remarketing results in a Ledger Entry (as defined in the Master Power Supply Agreement), Purchaser agrees that it shall (i) exercise Commercially Reasonable Efforts to use an amount equivalent to the remarketing proceeds associated with such any such Ledger Entry to purchase Non-Priority Products and use such Non-Priority Products in compliance with the Qualifying Use Requirements in order to remediate such Ledger Entries; and (ii) apply its purchases of Non-Priority Products to remediate any such proceeds under the Master Power Supply Agreement prior to remediating such proceeds under any other contract that provides for the purchase of Priority Products. To track compliance with Purchaser's obligations under this Section 7.5(b), Purchaser shall deliver a remediation certificate to Issuer and Prepay LLC by the tenth day of the Month subsequent to any relevant Non-Priority Products purchases (which may include purchases of Energy from CAISO to the extent such Energy is used in compliance with the Qualifying Use Requirements); provided that the Parties acknowledge and agree that any purchases of Assigned PAYGO Products (commencing with purchases of Assigned PAYGO Products in the Month in which any such Ledger Entry occurs) shall be applied to remediate any such Ledger Entries and no remediation certificate shall be required with respect to purchases of Assigned PAYGO Products. For Ledger Entries remediated under this Section 7.5(b) that have not otherwise been remediated by Prepay LLC pursuant to the remarketing provisions of the Master Power Supply Agreement, Issuer shall pay Purchaser any portion of the Monthly Discount Percentage associated with such Ledger Entries that is available under the Trust Indenture on or before the last Business Day of the Month in which Purchaser provides a certificate under this Section 7.5(b) evidencing such remediation.

Section 7.6 Remediation; Ledger Entries; Redemption.

(a) Remediation. To track compliance with the requirements of Section 7.5(a), Purchaser will provide a quarterly report to Issuer (delivered not later than the 15th day of each April, July, October and January until the end of the Delivery Period) showing the following: the total quantity of proceeds from sales of Products received hereunder that (i) were sold by Purchaser to any Person in a transaction that does not comply with the Qualifying Use Requirements and (ii) have not been remediated by Purchaser by applying such proceeds to purchase Products that are used in compliance with the Qualifying Use Requirements (the quantities of Product producing such proceeds, "Disqualified Sale Units" and such proceeds received, "Disqualified Sale Proceeds").

(b) Ledger Entries. Issuer shall report such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units to Prepay LLC for addition to the remarketing ledgers maintained by Prepay LLC under the Master Power Supply Agreement, with the ledger entries to be dated as of the end of the first month of the relevant quarter.

(c) Transfers to Trustee. Purchaser shall transfer (to the extent such unremediated Disqualified Sales Proceeds and associated Disqualified Sale Units remain reflected on the remarketing ledger described under Section 7.6(b) at the time such transfer is required by this Section 7.6(c)) any such unremediated Disqualified Sale Proceeds and any other required funds (i.e., all additional funds necessary for redemption of the Bonds referred to in this Section 7.6(c)) to the Trustee at least 95 days prior to the second anniversary of the date on which such unremediated Disqualified Sale Proceeds and the associated Disqualified Sale Units were first reflected on the remarketing ledgers in accordance with Section 7.6(b), with such funds to be deposited in the Debt Service Account (as defined in the Trust Indenture) and applied to the redemption of Bonds as directed by Issuer and approved by Special Tax Counsel (as defined in the Trust Indenture) as preserving the tax-exempt status of the Bonds.

## ARTICLE VIII.

## REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

Section 8.1 Representations and Warranties of Issuer. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party as of the Execution Date as follows:

(a) in the case of Issuer as the representing Party, Issuer is a joint powers authority, duly organized and validly existing under the Laws of the State of California,

(b) in the case of Purchaser as the representing Party, Purchaser is a public agency of the State of California, duly organized and validly existing under the Laws of the State of California;

(c) it has all requisite power and authority, corporate or otherwise, to own its material properties, carry on its material business as now being conducted, enter into, deliver and to perform its obligations under this Agreement and to carry out the terms and conditions hereof and the transactions contemplated hereby;

(d) there is no litigation, action, suit, proceeding with service of process accomplished with respect to such Party or investigation pending or, to the best of such Party's knowledge, threatened, in each case before or by any Government Agency and, in each case, which could reasonably be anticipated to materially and adversely affect such Party's ability to perform its obligations under this Agreement or that questions the validity, binding effect or enforceability hereof, any action taken or to be taken by such Party pursuant hereto, or any of the transactions contemplated hereby;

(e) the execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary action on the part of such Party and its governing body and do not require any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party;

(f) this Agreement has been duly executed and delivered on behalf of such Party by an appropriate officer or authorized Person of such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity;

(g) the execution, delivery and performance of this Agreement by such Party shall not violate any provision of any Law, order, writ, judgment, decree or other legal or regulatory determination applicable to it;

(h) the execution, delivery and performance by such Party of this Agreement, and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its financial obligations under this Agreement, shall not result in any violation of any term of any material contract or agreement applicable to it, or any of its charter or bylaws or of any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, Law, ordinance, rule or regulation applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties or obligations are bound or affected, or of any determination or award of any arbitrator applicable to it, and shall not conflict with, or cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets, except with respect to Issuer, the lien of the Trust Indenture;

(i) to the best of the knowledge and belief of such Party, no Governmental Approval is required in connection with the valid authorization, execution, delivery and performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those Governmental Approvals that have been obtained; and

(j) it enters this Agreement as a bona-fide, arms-length transaction involving the mutual exchange of consideration and, once executed by both Parties, considers this Agreement a legally enforceable contract.

Section 8.2 Warranty of Title. Issuer warrants that it will deliver to Purchaser (a) all Base Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person arising prior to the Delivery Point, and (b) all Assigned Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person that are imposed on such Assigned Product solely as a result of Issuer's or Prepay LLC's actions.

Section 8.3 Disclaimer of Warranties. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY ISSUER IN THIS Article VIII, ISSUER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 8.4 Continuing Disclosure. Purchaser agrees to provide to Issuer: (a) such financial and operating information as may be requested by Issuer, including Purchaser's most recent audited financial statements, for use in Issuer's offering documents for the Bonds; and (b) annual updates to such information and statements to enable Issuer to comply with its undertakings to enable the underwriters of the offerings of the Bonds to comply with the continuing disclosure provisions of Rule 15(c)2-12 of the United States Securities and Exchange Commission. Failure by Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle Issuer or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

## ARTICLE IX.

## TAXES

As between Issuer and Purchaser, Issuer shall (i) be responsible for and pay or cause to be paid all ad valorem, excise, severance, production and other taxes assessed with respect to Product (other than any Assigned Product) delivered pursuant to this Agreement arising prior to the applicable Delivery Point and (ii) indemnify Purchaser and its Affiliates for any such taxes paid by Purchaser or its Affiliates. As between Issuer and Purchaser, Purchaser shall (i) be responsible for all taxes with respect to Product received pursuant to this Agreement assessed at or from the applicable Delivery Point, and (ii) indemnify Issuer and its Affiliates for any such taxes paid by Issuer or its Affiliates. Nothing shall obligate or cause a Party to pay or be liable for any tax for which it is exempt under Law.

## ARTICLE X.

## JURISDICTION; WAIVER OF JURY TRIAL

Section 10.1 Consent to Jurisdiction. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST EITHER PARTY ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT EXCLUSIVELY IN (A) THE COURTS OF THE STATE OF CALIFORNIA LOCATED IN THE CITY OF LOS ANGELES, (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF CALIFORNIA SITTING IN THE COUNTY OF LOS ANGELES. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH Article XVI; AND AGREES THAT SERVICE AS PROVIDED ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

Section 10.2 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY

TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING UNDER THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS Section 10.2 AND EXECUTED BY EACH OF THE PARTIES), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY A COURT.

## ARTICLE XI.

## FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party's non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Section 11.2 Settlement of Labor Disputes. Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance, and the failure of a Party to settle such strikes, lockouts or other industrial disturbances shall not prevent the existence of Force Majeure or of reasonable dispatch to remedy the same.

## ARTICLE XII.

## GOVERNMENTAL RULES AND REGULATIONS

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction over this Agreement or the transactions to be undertaken hereunder, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with such Laws; provided, however, that nothing herein shall be construed to restrict or limit either Party's right to object to or contest any such Law, or its application to this Agreement or the transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance by either Party of this Agreement or any provision hereunder.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter exercise Commercially Reasonable Efforts to defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would subject either Party to any greater or different regulation or jurisdiction that materially affects the rights or obligations of the Parties under this Agreement.

## ARTICLE XIII.

## ASSIGNMENT

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; *provided*, however, that, subject to Section 18.14, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party; *provided* furthermore that, for the avoidance of doubt, any applicable Assignment Agreement shall terminate concurrent with the assignment of this Agreement. Prior to assigning this Agreement, Purchaser shall deliver to Issuer written confirmation from each Rating Agency (as defined in the Trust Indenture) then rating the Bonds, *provided* that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by such Rating Agency to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations

## ARTICLE XIV.

## PAYMENTS

Section 14.1 Monthly Statements.

(a) Purchaser's Statements. No later than the 5th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period, Purchaser shall deliver to Issuer a statement (a "Purchaser's Statement") listing (i) in respect of the prior Month, if Base Quantities were required to be delivered in such Month and there is a Shortfall Quantity for such Month, the Replacement Price applicable to such Shortfall Quantity, and (ii) any other amounts due to Purchaser in connection with this Agreement with respect to prior Months.

(b) Billing Statements.

(i) No later than the 20th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period (the "Billing Date"), Issuer shall deliver a statement (a "Billing Statement") to Purchaser indicating (i) the total amount due to Issuer for Product delivered in the prior Month, (ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Months, and (iii) the net amount due to Issuer or Purchaser; provided that Prepay LLC's delivery of a Billing Statement to Issuer and Purchaser pursuant to and as defined in the Master Power Supply Agreement shall be deemed to satisfy Issuer's obligation to deliver a Billing Statement hereunder; provided furthermore that invoicing for all Assigned PAYGO Products shall occur under the PPA Custodial Agreement.

(ii) If a Monthly Statement (as defined in the PPA Custodial Agreement) for an Assigned PPA has not been delivered by the 15th day of the Month following deliveries, Issuer shall provisionally prepare or cause to be prepared a Billing Statement for this Agreement that assumes all of the Assigned Prepay Quantities were delivered under the applicable Assigned PPA for such Month. In such case, to the extent that a Monthly Statement subsequently delivered under the PPA Custodial Agreement reflects that less than the Assigned Prepay Quantities were actually delivered under any such Assigned PPA, then (A) the previously delivered Billing Statement shall be deemed to be updated in accordance with such Monthly Statement, (B) Prepay LLC shall be deemed under the remarketing provisions of the Master Power Supply Agreement to remarket and purchase such undelivered portion of the Assigned Prepay Quantities for its own account resulting in a Ledger Entry (as defined in the Master Power Supply Agreement) and (C) Issuer shall owe a resettlement payment to Purchaser in an amount equal to the product of (x) the applicable APC Contract Price multiplied by (y) the portion of the Assigned Prepay Quantities not delivered in such Month. The Parties acknowledge and agree that J. Aron shall have a separate resettlement

payment obligation with respect to the amounts described in the clause (C) of the preceding sentence under the Electricity Sale and Service Agreement, and J. Aron's payment of the J. Aron Resettlement Payment as defined in and pursuant to the PPA Custodial Agreement shall satisfy the corresponding obligations of the respective parties under each of the Electricity Sale and Service Agreement, the Master Power Supply Agreement and this Agreement.

(c) Supporting Documentation. Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing statements and information described in this Section 14.1 as such requesting Party may reasonably request.

Section 14.2 Payments.

(a) Payments Due. If the Billing Statement indicates an amount due from Purchaser, then Purchaser shall remit such amount to Issuer by wire transfer (pursuant to the Trustee's instructions), in immediately available funds, on or before the 23rd day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the preceding Business Day. If the Billing Statement indicates an amount due from Issuer, then Issuer shall remit such amount to Purchaser by wire transfer (pursuant to Purchaser's instructions), in immediately available funds, on or before the 28th day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the following Business Day. Notwithstanding the foregoing, payments due from Purchaser for Assigned PAYGO Product shall be satisfied by Purchaser's compliance with Section 3.2(a)(ii) in respect of such Assigned PAYGO Product.

(b) No Duty to Estimate. If Purchaser fails to issue a Purchaser's Statement with respect to any Month, Issuer shall not be required to estimate any amounts due to Purchaser for such Month, provided that Purchaser may include any such amount on subsequent Purchaser's Statements issued within the next sixty (60) days. The sixty (60)-day deadline in this subsection (b) replaces the two (2) year deadline in Section 14.5 with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

Section 14.3 Payment of Disputed Amounts. If Purchaser disputes any amounts included in a Billing Statement, Purchaser shall (except in the case of manifest error) nonetheless pay any amount required by the Billing Statement in accordance with Section 14.2 without regard to any right of set-off, counterclaim, recoupment or other defenses to payment that Purchaser may have; *provided, however*, that Purchaser shall have the right, after payment, to dispute any amounts included in a Billing Statement or otherwise used to calculate payments due under this Agreement pursuant to Section 14.5. If Issuer disputes any amounts included in the Purchaser's Statement, Issuer may withhold payment to the extent of the disputed amount; *provided*, however, that interest shall be due at the Default Rate for any withheld amount later found to have been properly due.

Section 14.4 Late Payment. If Purchaser fails to remit within one Business Day the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

(a) Right to Audit. A Party shall have the right, at its own expense, upon reasonable notice to the other Party and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party to the extent reasonably necessary, but only to such extent, to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement.

(b) Deadline for Objections. Each Purchaser's Statement and each Billing Statement shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such Purchaser's Statement or Billing Statement is objected to in writing, with adequate explanation and/or documentation, within two (2) years after the applicable Month of Product delivery.

(c) Payment of Adjustments. All retroactive adjustments shall be paid in full by the Party owing payment within 30 days of notice and substantiation of such inaccuracy. If the Parties are unable to agree upon any retroactive adjustments requested by either Party within the time period specified in Section 14.5(b), then either Party may pursue any remedies available with respect to such adjustments at law or in equity. Retroactive adjustments for payments made based on an incorrect Purchaser's Statement or Billing Statement shall bear interest at the Default Rate from the date such payment was made.

Section 14.6 Netting; No Set-Off. The Parties shall net all amounts due and owing, including any past due amounts (which, for the avoidance of doubt, shall include any accrued interest), arising under this Agreement such that the Party owing the greater amount shall make a single payment of the net amount to the other Party in accordance with this Article XIV. Notwithstanding the foregoing, no Party shall be entitled to net any amounts that are in dispute and payment for all amounts set forth in a Billing Statement provided to Purchaser shall be made without set-off or counterclaim of any kind.

Section 14.7 Rate Covenant. Purchaser agrees to make payments it is required to make under this Agreement from Utility Revenues, and only from such Utility Revenues, and as a charge against such Utility Revenues, as an operating expense of its electric system and a cost of purchased Product; provided, however, that Purchaser, in its discretion, may apply any legally available moneys to the payment of amounts due under this Agreement. Purchaser hereby covenants and agrees that it will establish, maintain, and set rates and charges for its electric system so as to provide Utility Revenues sufficient, together with all available electric system revenues, to enable Purchaser to pay to Issuer all amounts payable under this Agreement and to pay all other amounts payable from the revenues of Purchaser's electric system, and to maintain any reserves as required by the Purchaser's reserve policy. Purchaser further covenants and agrees that it shall not furnish or supply electric services free of charge to any person, firm, corporation association, or other entity, public or private, except any such service free of charge that Purchaser is supplying on the date hereof or such free service as required by order of the CPUC or the State of California, and that it shall promptly enforce the payment of any and all accounts owing to Purchaser for the

sale of electricity or the provision of transmission, distribution or other services to its customers. Purchaser further covenants and agrees that in any future bond issue, certificate of participation issue, interest rate swap agreement, commodity swap agreement or any other financing or financial transaction undertaken by, or on behalf of, Purchaser in connection with its electric system, Purchaser shall not pledge or encumber the Utility Revenues through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under this Agreement.

## ARTICLE XV.

## [RESERVED]

## ARTICLE XVI.

## NOTICES

Any notice, demand, statement, or request required or authorized by this Agreement to be given by one Party to the other Party (or to any third party) shall be in writing and shall either be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, either Party may at any time notify the other that any notice, demand, statement, or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

## ARTICLE XVII.

## DEFAULT; REMEDIES; TERMINATION

Section 17.1 Issuer Default. Each of the following events shall constitute a "Issuer Default" under this Agreement:

(a) any representation or warranty made by Issuer in this Agreement shall prove to have been incorrect in any material respect when made; or

(b) Issuer shall have failed to perform, observe, or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following receipt by Issuer of written notice thereof.

Section 17.2 Purchaser Default. Each of the following events shall constitute a "Purchaser Default" under this Agreement:

(a) Purchaser fails to pay when due any amounts owed to Issuer pursuant to this Agreement and such failure continues for three Days following receipt by Purchaser of written notice thereof;

(b) Purchaser (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within 30 days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(c) any representation or warranty made by Purchaser in this Agreement proves to have been incorrect in any material respect when made, and such default is not remedied within thirty (30) days after receipt by Purchaser of written notice thereof;

(d) Purchaser shall have failed to perform, observe or comply with any material covenant, agreement or term contained in this Agreement, and such failure continues for more than 30 days following the earlier of receipt by Purchaser of notice thereof; or

(e) Purchaser shall have failed to establish, maintain, or collect rates or charges adequate to provide Utility Revenues sufficient to enable Purchaser to pay all amounts due to Issuer under this Agreement in accordance with Section 14.7 (Rate Covenant), and such failure continues for more than 30 days following the earlier of receipt by Purchaser of notice thereof.

Section 17.3 Remedies Upon Default.

(a) Termination. If at any time a Issuer Default or a Purchaser Default has occurred and is continuing, then the non-defaulting Party may do any or all of the following (i) by notice to the defaulting Party specifying the relevant Issuer Default or Purchaser Default, as applicable, terminate this Agreement effective as of a day not earlier than the day such notice is deemed given under Article XVI and/or (ii) declare all amounts due to the non-defaulting Party under this Agreement or any part thereof immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of intent to demand, protest or other formalities of any kind, all of which are hereby expressly waived by the defaulting Party; *provided, however*, this Agreement shall automatically terminate and all amounts due to the non-defaulting Party hereunder shall immediately become due and payable as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition giving rise to a Purchaser Default specified in Section 17.2(b)(iv) or, to the extent analogous thereto, Section 17.2(b)(viii). In addition, during the existence of an Issuer Default or a Purchaser Default, as applicable, the non-defaulting Party may exercise all other rights and remedies available to it at Law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of this Agreement.

(b) Additional Remedies. In addition to the remedies set forth in Section 17.3(a) (and without limiting any other provisions of this Agreement), during the existence of any Purchaser Default, Issuer may suspend its performance hereunder and discontinue the supply of all or any portion of the Product otherwise to be delivered to Purchaser by it under this Agreement. If Issuer exercises its right to suspend performance under this Section 17.3(b), Purchaser shall remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement. Deliveries of Product may only be reinstated, at a time to be determined by Issuer, upon (i) payment in full by Purchaser of all amounts then due and payable under this Agreement and (ii) unless otherwise agreed by Issuer, payment in advance by Purchaser at the beginning of each Month of amounts estimated by Issuer to be due to Issuer for the future delivery of Product under this Agreement for such Month. Issuer may continue to require payment in advance from Purchaser after the reinstatement of Issuer's supply services under this Agreement for such period of time as Issuer in its sole discretion may determine is appropriate. In addition, and without limiting any other provisions of or remedies available under this Agreement, if Purchaser fails to accept from Issuer any Product tendered for delivery under this Agreement, Issuer shall have the right to sell such Product to third parties on any terms that Issuer, in its sole discretion, determines are appropriate.

(c) Effect of Early Termination. As of the effectiveness of any termination date in accordance with clause (i) of Section 17.3(a), (i) the Delivery Period shall end, (ii) the obligation of Issuer to make any further sales and deliveries of Product to Purchaser under this Agreement shall terminate, and (iii) the obligation of Purchaser to purchase and receive deliveries of Product from Issuer under this Agreement will terminate. Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII. Without prejudice to any payment obligation in respect of periods prior to termination, no payments will be due from either Party in respect of periods occurring after the effective termination date of this Agreement.

Section 17.4 Termination of Master Power Supply Agreement. Purchaser acknowledges and agrees that (i) in the event the Master Power Supply Agreement terminates prior to the end of the primary term of this Agreement, this Agreement shall terminate on the effective date of early termination of the Master Power Supply Agreement (which date shall be the last date upon which deliveries are required thereunder, subject to all winding up arrangements), (ii) Issuer's obligation to deliver Product under this Agreement shall terminate upon the termination of deliveries of Product to Issuer under the Master Power Supply Agreement and (iii) Purchaser shall exercise its right to terminate any Assignment Agreements in effect. Issuer shall provide notice to Purchaser of any early termination date of the Master Power Supply Agreement. The Parties recognize and agree that, in the event that the Master Power Supply Agreement terminates because of a Failed Remarketing (as defined in the Trust Indenture) of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Product under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, no Monthly Discount Percentage or Annual Refunds shall be associated with such deliveries and the Contract Price shall be adjusted accordingly.

Section 17.5 Limitation on Damages. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN PRODUCT PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF

OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN.

## ARTICLE XVIII.
## MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. Contemporaneously with this Agreement (unless otherwise specified),

(a) each Party shall deliver to the other Party evidence reasonably satisfactory to it of (i) such Party's authority to execute, deliver and perform its obligations under this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement on behalf of such Party;

(b) on the Bond Closing Date, Purchaser shall deliver to Issuer a fully executed Federal Tax Certificate in substantially the form attached hereto as Exhibit D;

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion or opinions of counsel to Purchaser covering the matters set forth in the form attached hereto as Exhibit E; and

(d) on the Bond Closing Date, Purchaser shall deliver to Issuer a Closing Certificate in substantially the form set forth hereto as Exhibit I.

Section 18.3 Entirety; Amendments. This Agreement, including the exhibits and attachments hereto, constitutes the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no amendment, modification, supplement, or change hereto shall be enforceable unless reduced to writing and executed by both Parties.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAW.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party against whom such waiver is claimed. No waiver of any breach or breaches shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits and attachments referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationship of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Each Party represents and covenants to and agrees with the other Party that it is not entitled to and shall not assert the defense of sovereign immunity with respect to its obligations or any Claims under this Agreement.

Section 18.11 Rates and Indices. If the source of any publication used to determine the index or other price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, an alternative index or other price will be used based on the

determinations made by Issuer and Prepay LLC under Section 18.11 of the Master Power Supply Agreement. Issuer shall provide Purchaser the opportunity to provide its recommendations and other input to Issuer for Issuer's use in the process for selecting such alternative index or other price under Section 18.11 of the Master Power Supply Agreement.

Section 18.12 Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer payable solely from Trust Estate (as such term is defined in the Trust Indenture) as and to the extent provided in the Trust Indenture, including with respect to Operating Expenses (as such term is defined in the Trust Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Trust Indenture) and other assets pledged under the Trust Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Trust Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Trust Indenture.

Section 18.13 Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

Section 18.14 Third Party Beneficiaries; Rights of Trustee. Purchaser acknowledges and agrees that (a) Issuer will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Purchaser under this Agreement to secure Issuer's obligations under the Trust Indenture, (b) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Issuer's rights and Purchaser's obligations under this Agreement, (c) J. Aron shall be a third-party beneficiary of this Agreement with the right to enforce the provisions of Article VI and Exhibit F of this Agreement, (d) the Trustee or any receiver appointed under the Trust Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (e) in the event of any Purchaser Default under Section 17.2(a), (i) Prepay LLC may, to the extent provided for in, and in accordance with, the Receivables Purchase Exhibit to the Master Power Supply Agreement, take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and Prepay LLC or any third party transferee who purchases and takes assignment of such receivables from Prepay LLC shall thereafter have all rights of collection with respect to such receivables (provided that, if at any time an insurance provider agrees to insure Purchaser's payment obligations hereunder, then such insurance provider shall have the same rights under this Section 18.14 as Prepay LLC), and (ii) if such receivables are not so assigned, the Swap Counterparty or Swap Counterparties (as defined in the Trust Indenture) shall have the right to pursue collection of such receivables to the extent any non-payment by Issuer to any Swap Counterparty was caused by Purchaser's payment default. Pursuant to the terms of the Trust Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and, as directed under the Trust

Indenture, to take any other actions that Issuer is required or permitted to take under this Agreement. Purchaser may rely on notices or other actions taken by Issuer or the Trustee and Purchaser has the right to exclusively rely on any notices delivered by the Trustee, regardless of any conflicting notices that it may receive from Issuer.

Section 18.15 No Recourse to Members of Purchaser. Purchaser 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. Purchaser shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Issuer shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Purchaser's constituent members, or the employees, directors, officers, consultants or advisors or Purchaser or its constituent members, in connection with this Agreement.

Section 18.16 Waiver of Defenses. Each Party waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to it with regard to its obligations pursuant to the terms of this Agreement.

Section 18.17 Rate Changes.

(a) Standard of Review. Absent the agreement of the Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in Section 18.17(b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008).

(b) Waiver. In addition, and notwithstanding Section 18.17(a), to the fullest extent permitted by applicable Law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Section 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable Law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable Law or market conditions that may occur. In the event it were to be determined that applicable Law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this Section 18.17(b) shall not apply, *provided* that, consistent with Section 18.17(a), neither Party shall seek any such changes except solely under the "public interest" application of the "just and reasonable" standard of review and otherwise as set forth in Section 18.17(a).

IN WITNESS WHEREOF, the Parties have caused this Clean Energy Purchase Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

***[Separate Signature Page(s) Attached]***

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By:_____
Name:_____
Title:_____

PENINSULA CLEAN ENERGY

By:_____
Name:_____
Title:_____

**EXHIBIT A-1**
**BASE QUANTITIES; BASE DELIVERY POINTS; COMMODITY REFERENCE PRICES**

[To be attached.]

**EXHIBIT A-2**
**ASSIGNED RIGHTS AND OBLIGATIONS**

[To be attached.]

**EXHIBIT B**

**NOTICES**

**IF TO ISSUER:** California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: notices@cccfa.org and invoices@cccfa.org

**IF TO PURCHASER:** Peninsula Clean Energy
[____]
[____]
[____]

**EXHIBIT C**

**REMARKETING ELECTION NOTICE**

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: notices@cccfa.org and invoices@cccfa.org

Aron Energy Prepay [__] LLC
c/o J. Aron & Company LLC
200 West Street
New York, NY 10282

[Trustee]
[____]
[____]
[____]

To the Addressees:

The undersigned, duly authorized representative of Peninsula Clean Energy (the "Purchaser"), is providing this notice (the "Remarketing Election Notice") pursuant to the Clean Energy Purchase Contract, dated as of [_____], 2024 (the "Clean Energy Purchase Contract"), between California Community Choice Financing Authority and Purchaser. Capitalized terms used herein shall have the meanings set forth in the Clean Energy Purchase Contract.

Pursuant to Section 3.5(b) of the Clean Energy Purchase Contract, the Purchaser has elected to have its Base Quantity, for each Hour of the Reset Period commencing _____ and extending to and including _____, remarketed beginning as of the commencement of such Reset Period. The resumption of deliveries of Base Quantities in any future Reset Period shall be in accordance with Section 3.5(d) of the Clean Energy Purchase Contract.

Given this [___] day of [_____], 20[__].

PENINSULA CLEAN ENERGY

By: _____
Printed Name:
Title:

## EXHIBIT D

## FORM OF FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the Clean Energy Purchase Contract dated as of [_____], 2024 (the "Clean Energy Purchase Contract"), by and between the California Community Choice Financing Authority ("Issuer") and Peninsula Clean Energy, a California joint powers authority ("Purchaser"). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Clean Energy Purchase Contract, in the Tax Certificate and Agreement, or in the Trust Indenture.

WHEREAS Purchaser acknowledges that Issuer is issuing the Bonds to fund the prepayment price under the Master Power Supply Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Purchaser's use of Energy acquired pursuant to the Clean Energy Purchase Contract and certain funds and accounts of Purchaser will affect the Bonds' qualification for such tax exemption.

NOW, THEREFORE, POWER PURCHASER HEREBY CERTIFIES AS FOLLOWS:

Purchaser is a joint powers authority and a community choice aggregator created and existing pursuant to the provisions of California law, organized under the laws of the State of California. As a community choice aggregator, the Purchaser is a load-serving entity providing electricity to customers within the boundaries of cities and/or counties that have elected to participate in Purchaser's community choice aggregation program. For purposes of this Certificate, the term "service area" of the Purchaser means the boundaries of the cities and/or counties that have elected to participate in the Purchaser's community choice aggregation program, as well as any other area recognized as the service area of the Purchaser under state or federal law.

Purchaser will resell all of the Energy acquired pursuant to the Clean Energy Purchase Contract to its retail Energy customers within its service area, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs.

From January 2019 to [____], the monthly average amount of Energy purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser is at least [____] MWh. Over the term of the Clean Energy Purchase Contract, the Purchaser expects the monthly average amount of Energy purchased (other than for resale) by customers of the Purchaser who are located within the service area of the Purchaser to be at least [____] MWh. The maximum monthly amount of Energy in any month being acquired pursuant to the Clean Energy Purchase Contract is [____] MWh.

The Purchaser has existing rights to acquire other energy (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) over the term of the Clean Energy Purchase Contract. Over the term of the Clean Energy Purchase Contract, the sum of (a) the amount of Energy being acquired pursuant to the Clean Energy Purchase Contract in any month, and (b) the amount of Energy that Purchaser otherwise has a right to acquire (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) for such month does not exceed (i) [____]% of the monthly amount of Energy expected to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser in any month in calendar year [____], and (ii) does not exceed [____]% of the monthly amount of Energy expected to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser in any month in later calendar years.

The Purchaser has assigned certain rights and obligations under power purchase agreements to J. Aron that, in addition to rights to Energy, include rights to capacity based on battery storage (the "Storage") that will be charged from Energy produced at the same facilities and acquired pursuant to that same power purchase agreements. The Purchaser certifies that it will exercise its rights pursuant to such power purchase agreements to ensure that such Storage will only be charged from Energy produced at such facilities and acquired pursuant to such power purchase agreements.

In the event of the expiration or termination of an EPS Energy Period, Purchaser agrees to comply with its obligations in the Clean Energy Purchase Contract, including but not limited to its obligations to (a) exercise Commercially Reasonable Efforts to assign a portion of Purchaser's rights and obligations under a power purchase agreement under which Purchaser is purchasing EPS Compliant Energy to J. Aron pursuant to an Assignment Agreement and (b) cooperate in good faith with Issuer and J. Aron with respect to any proposed assignments.

Purchaser expects to pay for Energy acquired pursuant to the Clean Energy Purchase Contract solely from funds derived from its power distribution operations. Purchaser expects to use current net revenues of its to pay for current Energy acquisitions. Neither the Purchaser nor any person who is a related party to the Purchaser will hold any funds or accounts in which monies are invested and which are reasonably expected to be used to pay for Energy acquired more than one year after such monies are set aside. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Purchaser or any persons who are related Persons to Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

_____, 2024

By: _____

[Name]

[Title]

**EXHIBIT E**

**OPINION OF COUNSEL**

California Community Choice Financing Authority
San Rafael, CA

Aron Energy Prepay [__] LLC
New York, NY

Goldman Sachs & Co. LLC
New York, NY

[Trustee]
[City, State]

[Commodity Swap Counterparty]
[____]

Re: Power Supply Contract between Peninsula Clean Energy and California Community Choice Financing Authority dated as of [_____], 2024

Ladies and Gentlemen:

We are Counsel to Peninsula Clean Energy ("Purchaser"). Purchaser is a Purchaser in the Energy Project undertaken by California Community Choice Financing Authority ("Issuer"). We are furnishing this opinion to you in connection with the Power Supply Contract between Issuer and Purchaser dated as of [_____], 2024 (the "Supply Contract").

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Contract.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of California (the "State") including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Purchaser was created and by which it is governed;

(b) Resolution No. [__], duly adopted by Purchaser on [_____] (the "Resolution") and certified as true and correct by certificate and seal, authorizing Purchaser to execute and deliver the Supply Contract;

(c) A copy of the Supply Contract executed by Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Purchaser and Purchaser's CCA System (as defined in the Supply Contract).

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Purchaser is a joint powers authority of the State, duly organized and validly existing as a community choice aggregator under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.

2. The execution, delivery, and performance by Purchaser of the Supply Contract have been duly authorized by the governing body of Purchaser and do not and will not require, subsequent to the execution of the Supply Contract by Purchaser, any consent or approval of the governing body or any officers of Purchaser.

3. The Supply Contract is the legal, valid, and binding obligation of Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Purchaser, is required with respect to the execution, delivery and performance by Purchaser of the Supply Contract or Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Contract and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) to our knowledge will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

6. Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement, resolution, indenture, bond,

note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Purchaser under the Supply Contract shall constitute operating expenses of Purchaser's CCA System payable solely from the revenues and other available funds of Purchaser's CCA System as a cost of purchased electricity. The application of the revenues and other available funds of Purchaser's CCA System to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Contract nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Contract and may not be relied upon other than in connection with the transactions contemplated by the Supply Contract, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

## EXHIBIT F

## ASSIGNMENT OF ASSIGNABLE POWER CONTRACTS

**1. General Requirements.** Assigned Rights and Obligations under an Assignable Power Contract may only be assigned under this Exhibit F if the following requirements are satisfied or waived by J. Aron and Issuer:

1.1. The seller under such Assignable Power Contract (the "APC Party") either (i) has a long-term senior unsecured credit rating that is "Baa3" or higher from Moody's Investor's Service, Inc. (or any successor to its credit rating service operation), "BBB-" or higher from Standard & Poor's Global Ratings (or any successor to its credit rating service operation) or "BBB-" or higher from Fitch Ratings, Inc. (or any successor to its credit rating service operation), (ii) provides credit support that is reasonably satisfactory to J. Aron or (iii) otherwise provides evidence of its creditworthiness that is reasonably satisfactory to J. Aron (which, for the avoidance of doubt, may include credit support provided by such APC Party to Purchaser).

1.2. The APC Party satisfies J. Aron's internal requirements as they relate to "know your customer" rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies.

1.3. The APC Party is organized in the United States and in a jurisdiction that does not present adverse tax consequences to J. Aron or Issuer in connection with such proposed assignment.

1.4. J. Aron, Purchaser, and Issuer have agreed on and executed an Assignment Schedule for such assignment.

1.5. J. Aron, Purchaser, Issuer, and the applicable APC Party have agreed on and executed an Assignment Agreement for such assignment.

1.6. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:

1.6.1. J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate the Assigned Prepay Value in each Month during the proposed Assignment Period.

1.6.2. The Applicable Project (as defined below) has generated the Assigned Prepay Value (as defined below) in each Month since commencing commercial operation.

**2. Proposed Assignment.** Purchaser may propose an assignment of Assigned Rights and Obligations under Article VI of the Clean Energy Purchase Contract by delivering the following items to Issuer and to J. Aron:

2.1. A written notice of the proposed assignment signed by Purchaser.

2.2. A true and complete copy of the Assignable Power Contract under which such Assigned Rights and Obligations would arise.

2.3. Evidence reasonably satisfactory to Issuer and J. Aron that all authorizations, consents, approvals, licenses, rulings, permits, exemptions, variances, orders, judgments, decrees, declarations of or regulations by any Government Agency necessary in connection with the transactions contemplated by the Assignable Power Contract and the assignment of the Assignable Power Contract to J. Aron have been obtained and are in full force and effect. Such evidence may be provided by a closing certificate with appropriate back-up materials.

2.4. Such additional information as Issuer and J. Aron may reasonably request regarding the Assignable Power Contract and the APC Party.

2.5. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:

2.5.1. A description and information of the applicable project to which the Assignable Power Contract applies (the "Applicable Project"), including but not limited to information on the location, interconnection(s), and operating and compliance history of Applicable Project.

2.5.2. Either (i) a report from a nationally recognized consultant in the energy industry that is reasonably acceptable to Issuer and J. Aron showing the "P99" forecasted generation ("P99 Generation") and "P50" forecasted generation ("P50 Generation") of the Applicable Project for the entire Assignment Period, as the terms P99 and P50 are commonly used in the renewable energy industry or (ii) monthly historical generation and meteorological data of the Applicable Project dating back to the commercial operation date.

Following Issuer's and J. Aron's receipt of such information, Purchaser and Issuer will and J. Aron has agreed in the Electricity Sale and Service Agreement to (i) negotiate in good faith with one another and exercise Commercially Reasonable Efforts to agree upon an Assignment Schedule, with the initial draft of such Assignment Schedule to be developed by J. Aron, and (ii) negotiate in good faith with one another and the APC Party regarding an Assignment Agreement, in each case related to the proposed assignment. If such Assignment Schedule and Assignment Agreement are agreed to by the representative parties thereto, the applicable parties will execute such Assignment Agreement and Assignment Schedule to be effective upon the assignment of the Assigned Rights and Obligations from Purchaser to J. Aron pursuant to the Assignment Agreement. J. Aron will act in good faith in considering proposed assignments that meet the criteria set forth in this Exhibit F, in accordance with the provisions set forth in the Electricity Sale and Service Agreement. For the avoidance of doubt, Purchaser acknowledges that J. Aron will not be required to execute any Assignment Agreement or Assignment Schedule, or otherwise accept any Assigned Rights and Obligations unless the APC Party (i) satisfies J. Aron's internal requirements as they relate to "know your customer" rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies, (ii) is organized in the United States, and (iii) satisfies all other requirements in Section 1 of this Exhibit F.

**3. Assignment Schedule.** In connection with each assignment, an "Assignment Schedule" will be prepared in the form attached hereto as Annex I (with such changes as agreed by the Parties in their sole discretion), must be executed by Purchaser, Issuer and J. Aron, and must include each of the following:

3.1. The term of such Assigned Rights and Obligations (an "Assignment Period") shall have the meaning specified in each applicable Assignment Agreement and shall (i) end not later than (a) the end of the delivery period under the Assignable Power Contract and (b) the end of the Delivery Period under this Agreement, (ii) not commence any earlier than sixty (60) days after Purchaser's original notice under Section 2.1 above, and (iii) have a primary term that is not less than 18 Months in duration (provided, for the avoidance of doubt, the primary term references the term of the applicable Assignment Period and not the term of the Assignable Power Contract).

3.2. If the Assignable Power Contract is unit-contingent or for an as-generated product, then a description of the Applicable Project.

3.3. The "Assigned Prepay Quantity" means, for each Month of an Assignment Period and each Assignment Agreement, a quantity of Energy agreed upon by J. Aron, Issuer and Purchaser, which Assigned Prepay Quantity, if the Assignable Power Contract is unit contingent or for an as-generated Product, shall not exceed an amount that J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate in each Month during the Assignment Period; provided that the Assigned Prepay Quantity for each Month may not exceed the limit expressed in the proviso to Section 3.4 below. For the avoidance of doubt, the Assigned Rights and Obligations will include all of Purchaser's rights to receive Energy under the Assignable Power Contract even if such rights to receive Energy may exceed the Assigned Prepay Quantity.

3.4. The reduction in Base Quantity for each Delivery Hour during an Assignment Period after giving effect to an Assignment Agreement (each, a "Base Quantity Reduction") shall be calculated in accordance with this Section 3.4. For the Initial Assignment Periods, the Base Quantity Reductions have been calculated as follows: the Base Quantity Reduction for each Delivery Hour of the Initial Assignment Periods equal (i) the Assigned Prepay Quantity for each such Delivery Hour (which will be determined by dividing the Assigned Prepay Quantity for the applicable Month by the number of Delivery Hours in such Month), multiplied by (ii) the result of (A) the APC Contract Price applicable for such Hour, divided by (B) the ***[NOTE: To list the result of the following formula as determined at pricing: Front End Fixed Price for Base Quantities + (Active Swap Fee – Standby Swap Fee).]***. For any Assignment Period other than the Initial Assignment Periods, the Base Quantity Reduction for each Delivery Hour of the relevant Assignment Period shall equal (i) the Assigned Prepay Quantity for each such Delivery Hour (which will be determined by dividing the Assigned Prepay Quantity for the applicable Month by the number of Delivery Hours in such Month), multiplied by (ii) the result of (A) Fixed Price for Assigned Prepay Quantities outside of the Initial Assignment Periods divided by (B) the Fixed Price for Base Quantities*;* provided that if the Base Quantity Reduction for any Delivery Hour would result in a Base Quantity of less than zero, then the Assigned Prepay Quantity for such Delivery Hour will be reduced to the closest whole MWh such that the Base Quantity is not reduced below zero.

3.5. Except for the Assignment Agreements for the Initial Assignment Periods, the APC Contract Price under the relevant Assignment Agreement shall be the Day-Ahead Average Price, unless Issuer, Purchaser and J. Aron agree to appropriate changes to the relevant documents to accommodate a different price.

3.6. The Assigned Delivery Point for all Assigned Energy.

3.7. The Assigned Product included in the Assigned Rights and Obligations, which Assigned Product may not include any Product other than (a) Energy, (b) associated RECs, and (c) other product included within the sale of Energy and not separately delivered from Energy, provided that the APC Contract Price must be inclusive of any amounts due in respect of all Assigned Product, provided furthermore that Assigned Product may not in any case include capacity.

## ASSIGNMENT SCHEDULE

**Assigned Product:** [____]

**Assigned Delivery Point:** [____]

**Assigned Prepay Quantity:** As set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to the Limited Assignment Agreement during the Assignment Period as provided in Appendix 1 and (ii) the Assigned Prepay Quantity is defined for the convenience of PPA Buyer and J. Aron and shall have no impact on the obligations of the Parties under the Limited Assignment Agreement.

**APC Contract Price:** $[____]

**Assignment Period:** [____]

## FORM OF LIMITED ASSIGNMENT AGREEMENT

**NOTE:** Purchaser may include the form included in this Annex II as an exhibit to any PPA executed by Purchaser and include the following or similar language in the PPA: "[Seller] agrees that [Buyer] may assign a portion of its rights and obligations under this Agreement to J. Aron & Company LLC ("J. Aron") at any time upon not less than [___] days' notice by delivering a written request for such assignment, which request must include a proposed assignment agreement in the form attached hereto as [Exhibit ___], with the blanks in such form completed in [Buyer's] sole discretion. Provided that [Buyer] delivers a proposed assignment agreement complying with the previous sentence, [Seller] agrees to (i) comply with J. Aron's reasonable requests for know-your-customer and similar account opening information and documentation with respect to [Seller], including but not limited to information related to forecasted generation, credit rating, and compliance with anti-money laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (ii) promptly execute such assignment agreement and implement such assignment as contemplated thereby, subject only to the countersignature of J. Aron and Company, LLC and [Buyer]."

## LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this "**Assignment Agreement**" or "**Agreement**") is entered into as of [____], by and among [____], a [____] ("**PPA Seller**"), Peninsula Clean Energy, a California joint powers authority ("**PPA Buyer**"), and J. Aron & Company LLC, a New York limited liability company ("**J. Aron**"), and relates to that certain power purchase agreement (the "**PPA**") between PPA Buyer and PPA Seller as described on Appendix 1. Unless the context otherwise specifies or requires, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA.

In consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and J. Aron (the "**Parties**" hereto; each is a "**Party**") agree as follows:

**1. Limited Assignment and Delegation.**

(a) PPA Buyer hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the products described on Appendix 1 (the "**Assigned Products**") during the Assignment Period (as defined in Appendix 1), as such rights may be limited or further described in the "Further Information" section on Appendix 1 (the "**Assigned Product Rights**"). All Assigned Products shall be delivered pursuant to the terms and conditions of this Agreement during the Assignment Period as provided in Appendix 1. All other rights of PPA Buyer under the PPA are expressly reserved for PPA Buyer.

(b) PPA Buyer hereby delegates to J. Aron the obligation to pay for all Assigned Products that are actually delivered to J. Aron pursuant to the Assigned Product Rights during the Assignment Period (the "**Delivered Product Payment Obligation**" and together with the Assigned Product Rights, collectively the "**Assigned Rights and Obligations**"); provided that (i) all other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer and PPA Buyer shall be solely responsible for any amounts due to PPA Seller that are not directly related to Assigned Products; and (ii) the Parties acknowledge and agree that PPA Seller will only be obligated to deliver a single consolidated invoice during the Assignment Period (with a copy to J. Aron

consistent with Section 10 hereof). To the extent J. Aron fails to pay the Delivered Product Payment Obligation by the due date for payment set forth in the PPA, notwithstanding anything in this Agreement to the contrary, PPA Buyer agrees that it shall have the option to make such payment and that it will be an Event of Default pursuant to Section [__] if PPA Buyer does not make such payment within five (5) Business Days of receiving Notice of such non-payment from PPA Seller, in which case PPA Buyer will exercise its reimbursement claim pursuant to Section 6.5 of the Clean Energy Purchase Contract, dated as of [____], by and between PPA Buyer and California Community Choice Financing Authority (the "Clean Energy Purchase Contract").

(c) J. Aron hereby accepts and PPA Seller hereby consents and agrees to the assignment, transfer, conveyance and delegation described in clauses (a) and (b) above.

(d) All scheduling of Assigned Products and other communications related to the PPA shall take place pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from PPA Seller to J. Aron upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer will provide copies to J. Aron of any Notice of a Force Majeure Event or Event of Default or default, breach or other occurrence that, if not cured within the applicable grace period, could result in an Event of Default contemporaneously upon delivery thereof to PPA Seller and promptly after receipt thereof from PPA Seller; (iii) PPA Seller will provide copies to J. Aron of annual forecasts of Energy and monthly forecasts of available capacity and Energy provided pursuant to Section [__] of the PPA; (iv) PPA Seller will provide copies to J. Aron of all invoices and supporting data provided to PPA Buyer pursuant to Section [__], provided that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice, including pursuant to Section [__], will be resolved solely between PPA Buyer and PPA Seller and therefore PPA Seller will not be obligated to deliver copies of any communications relating thereto to J. Aron; and (v) PPA Buyer and PPA Seller, as applicable, will provide copies to J. Aron of any other information reasonably requested by J. Aron relating to Assigned Products.

(e) PPA Seller acknowledges that (i) J. Aron intends to immediately transfer title to any Assigned Products received from PPA Seller through one or more intermediaries such that all Assigned Products will be re-delivered to PPA Buyer; and (ii) in the event that PPA Buyer fails to pay the relevant intermediary entity for any such Assigned Products, the receivables owed by PPA Buyer for such Assigned Products ("PPA Buyer Receivables") may be transferred to J. Aron. To the extent any such PPA Buyer Receivables are transferred to J. Aron, J. Aron may transfer such PPA Buyer Receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation. Thereafter, PPA Seller shall be entitled to pursue collection on such PPA Buyer Receivables directly against PPA Buyer.

(f) On or before the commencement of the Assignment Period, The Goldman Sachs Group ("Guarantor"), Inc. will issue, in favor of PPA Seller, a guaranty of J. Aron's payment obligations under this Assignment Agreement substantially in the form of Appendix 3 attached hereto ("Guaranty").

(g) Notwithstanding any other provision of this Agreement, PPA Buyer shall be entitled to retain for its own account all CAISO revenues associated with delivery of the Assigned Product to CAISO, including where PPA Buyer is acting as Scheduling Coordinator for the Facility (as defined in the PPA) and through scheduling of ISTs. Nothing in this

Agreement modifies or amends any rights or obligations of PPA Buyer and PPA Seller under the PPA with respect to CAISO revenues and costs. As used in this clause (g), the following terms have the meanings specified below.

"**CAISO**" means California Independent System Operator or its successor.

"**CAISO Tariff**" means CAISO's Federal Energy Regulatory Commission approved tariff, as modified, amended or supplemented from time to time.

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

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

(h) The Assigned Prepay Quantity set forth in Appendix 2 relates to obligations by and between J. Aron and PPA Buyer and has no impact on PPA Seller's rights and obligations under the PPA.

**2. Assignment Early Termination.**

(a) The Assignment Period may be terminated early upon the occurrence of any of the following:

(1) delivery of a written notice of termination specifying a termination date by either J. Aron or PPA Buyer to each of the other Parties;

(2) delivery of a written notice of termination specifying a termination date by PPA Seller to each of J. Aron and PPA Buyer following J. Aron's failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such payment is not made by J. Aron within five (5) business days following receipt by J. Aron and PPA Buyer of written notice;

(3) delivery of a written notice by PPA Seller if any of the events described in the definition of Bankrupt in the PPA occurs with respect to J. Aron; or

(4) delivery of a written notice by J. Aron if any of the events described in in the definition of Bankrupt in the PPA occurs with respect to PPA Seller.

(b) The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 2(a), which date shall not be earlier than the end of the last day of the calendar month in which such notice is delivered if termination is pursuant to clause 2(a)(1) or 2(a)(2) above. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the early termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period

(c) The Assignment Period will automatically terminate upon the expiration or early termination of the PPA. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the expiration of or early termination of the PPA, provided that

(i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.

(d) The Assignment Period will automatically terminate upon delivery by Guarantor of a notice of termination of the Guaranty. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.

**3. Representations and Warranties.** The PPA Seller and the PPA Buyer represent and warrant to J. Aron that (a) the PPA is in full force and effect; (b) no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder; and (c) all of its obligations under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

**4. Notices.** Any notice, demand, or request required or authorized by this Assignment Agreement to be given by one Party to another Party shall be delivered in accordance with Article [__] of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify J. Aron of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to J. Aron shall be provided to the following address, as such address may be updated by J. Aron from time to time by notice to the other Parties:

J. Aron & Company LLC
200 West Street
New York, New York 10282-2198
Email: gs-prepay-notices@gs.com

**5. Miscellaneous.** Section [__] (Buyer's Representations and Warranties), Article [__] (Confidential Information), Sections [__] (Severability), [__] (Counterparts), [__] (Amendments), [__] (No Agency, Partnership, Joint Venture or Lease), [__] (Mobile-Sierra), [__] (Electronic Delivery), Section [__] (Binding Effect) and [__] (No Recourse to Members of Buyer) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

**6. U.S. Resolution Stay Provisions.**

(a) As between J. Aron and PPA Buyer, J. Aron and PPA Buyer hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol ("ISDA U.S. Stay Protocol"), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and for the purposes of such incorporation, (i) J. Aron shall be deemed to be a Regulated Entity, (ii) PPA Buyer shall be deemed to be an Adhering Party, and (iii) this Agreement shall be deemed a Protocol Covered Agreement. In the event of any inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(b) As between J. Aron and PPA Seller:

(i) In the event that J. Aron becomes subject to a proceeding under (A) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (B) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a "U.S. Special Resolution Regime") the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(ii) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable ("Default Right")) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(iii) Limitation on Exercise of Certain Default Rights Related to an Affiliate's Entry into Insolvency Proceedings. Notwithstanding anything to the contrary in this Agreement, J. Aron and PPA Seller expressly acknowledge and agree that:

(1) PPA Seller shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an "Insolvency Proceeding"), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(2) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in PPA Seller being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to PPA Seller.

(iv) U.S. Protocol. If PPA Seller adheres to the ISDA U.S. Protocol, the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Section 6(b).

(v) For purposes of this Section 6(b):

(1) "**Affiliate**" is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); and

(2) "**Credit Enhancement**" means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

**7. Governing Law, Jurisdiction, Waiver of Jury Trial.**

(a) **Governing Law.** This Assignment Agreement and the rights and duties of the parties under this Assignment Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of California, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws.

(b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Southern District of California sitting in the city and county of Los Angeles.

(c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this assignment agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement effective as of the date first set forth above.

[PPA SELLER]

By: _____

Name: _____

Title: _____

PENINSULA CLEAN ENERGY

By:_____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By:_____

Name:
Title:

Execution and delivery of the foregoing Assignment Agreement is hereby approved.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By:_____

Name:
Title:

## Appendix 1

## Assigned Rights and Obligations

**PPA:** "**PPA**" means that certain Power Purchase and Sale Agreement dated [____], by and between Peninsula Clean Energy and [____], as amended from time to time.

"**Assignment Period**" means the period beginning on [_____] and extending until [_____], provided that in no event shall the Assignment Period extend past the earlier of (i) the termination of the Assignment Period pursuant to Section 2 of the Assignment Agreement and (ii) the end of the Delivery Term under the PPA; provided that applicable provisions of this Agreement shall continue in effect after termination of the Assignment Period to the extent necessary to enforce or complete, duties, obligations or responsibilities of the Parties arising prior to the termination.

**Assigned Product:** "**Assigned Products**" include [____].

**Further Information:** PPA Seller shall continue to transfer the WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Facility Energy under the PPA pursuant to Section [__] of the PPA, provided that the transferee of such WREGIS Certificates may be changed from time to time in accordance with the written instructions of both J. Aron and Peninsula Clean Energy upon twenty (20) Business Days' notice, which change shall be effective as of the first day of the next calendar month, unless otherwise agreed. All Assigned Product delivered by PPA Seller to J. Aron shall be a sale made at wholesale, with J. Aron reselling all such Assigned Product.

## Appendix 2

## Assigned Prepay Quantity

[NOTE: To be set forth in a monthly volume schedule.]

## Appendix 3

## Form of GSG Guaranty

[Date]

NAME
ADDRESS

Attention:

Ladies and Gentlemen:

For value received, The Goldman Sachs Group, Inc. (the "Guarantor"), a corporation duly organized under the laws of the State of Delaware, hereby unconditionally guarantees the prompt and complete payment when due, whether by acceleration or otherwise, of all obligations and liabilities, whether now in existence or hereafter arising, of J. Aron & Company LLC, a subsidiary of the Guarantor and a limited liability company duly organized under the laws of the State of New York (the "Company"), to **COUNTERPARTY NAME** (the "Counterparty") arising out of or under the Limited Assignment Agreement among the Company, the Counterparty and Peninsula Clean Energy dated as of [____]. This Guaranty is one of payment and not of collection.

The Guarantor hereby waives notice of acceptance of this Guaranty and notice of any obligation or liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or non-payment of any such obligation or liability, suit or the taking of other action by Counterparty against, and any other notice to, the Company, the Guarantor or others.

Counterparty may at any time and from time to time without notice to or consent of the Guarantor and without impairing or releasing the obligations of the Guarantor hereunder: (1) agree with the Company to make any change in the terms of any obligation or liability of the Company to Counterparty, (2) take or fail to take any action of any kind in respect of any security for any obligation or liability of the Company to Counterparty, (3) exercise or refrain from exercising any rights against the Company or others, or (4) compromise or subordinate any obligation or liability of the Company to Counterparty including any security therefor. Any other suretyship defenses are hereby waived by the Guarantor.

This Guaranty shall continue in full force and effect until the opening of business on the fifth business day after Counterparty receives written notice of termination from the Guarantor. It is understood and agreed, however, that notwithstanding any such termination this Guaranty shall continue in full force and effect with respect to the obligations and liabilities set forth above which shall have been incurred prior to such termination.

The Guarantor may not assign its rights nor delegate its obligations under this Guaranty, in whole or in part, without prior written consent of the Counterparty, and any purported

assignment or delegation absent such consent is void, except for (i) an assignment and delegation of all of the Guarantor's rights and obligations hereunder in whatever form the Guarantor determines may be appropriate to a partnership, corporation, trust or other organization in whatever form that succeeds to all or substantially all of the Guarantor's assets and business and that assumes such obligations by contract, operation of law or otherwise, and (ii) the Guarantor may transfer this Guaranty or any interest or obligation of the Guarantor in or under this Guaranty, or any property securing this Guaranty, to another entity as transferee as part of the resolution, restructuring or reorganization of the Guarantor upon or following the Guarantor becoming subject to a receivership, insolvency, liquidation, resolution or similar proceeding. Upon any such delegation and assumption or transfer of obligations, the Guarantor shall be relieved of and fully discharged from all obligations hereunder, whether such obligations arose before or after such delegation and assumption or transfer.

**THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW. GUARANTOR AGREES TO THE EXCLUSIVE JURISDICTION OF COURTS LOCATED IN THE STATE OF NEW YORK, UNITED STATES OF AMERICA, OVER ANY DISPUTES ARISING UNDER OR RELATING TO THIS GUARANTY.**

In the event the Guarantor becomes subject to a proceeding under the Federal Deposit Insurance Act or Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together, the "U.S. Special Resolution Regimes"), the transfer of this Guaranty, and any interest and obligation in or under, and any property securing, this Guaranty, from the Guarantor will be effective to the same extent as the transfer would be effective under such U.S. Special Resolution Regime if this Guaranty, and any interest and obligation in or under this Guaranty, were governed by the laws of the United States or a state of the United States. In the event the Company or the Guarantor, or any of their affiliates, becomes subject to a U.S. Special Resolution Regime, default rights against the Company or the Guarantor with respect to this Guaranty are permitted to be exercised to no greater extent than such default rights could be exercised under such U.S. Special Resolution Regime if this Guaranty was governed by the laws of the United States or a state of the United States.

Very truly yours,

THE GOLDMAN SACHS GROUP, INC.

By: _____
Authorized Officer

## EXHIBIT G

## COMMUNICATIONS PROTOCOL FOR BASE QUANTITIES

This Exhibit G ("Communications Protocol") addresses the Scheduling of Base Quantities to be delivered and received at the Base Delivery Point. It is intended to be attached to both the Master Power Supply Agreement and the Clean Energy Purchase Contract, each as defined below.

### 1. ADDITIONAL DEFINED TERMS

In addition to the terms defined in Article I of this Agreement, the following terms used in this Communications Protocol shall have the following meanings:

1.1. "Agreement" means (i) when this Communications Protocol is attached to the Master Power Supply Agreement, the Master Power Supply Agreement and (ii) when this Communications Protocol is attached to the Clean Energy Purchase Contract, the Clean Energy Purchase Contract.

1.2. "Clean Energy Purchase Contract" means that certain Clean Energy Purchase Contract dated as of [_____], 2024 by and between Issuer and Project Participant.

1.3. "Delivery Scheduling Entity" means Prepay LLC or a Person designated by Prepay LLC, as set forth in Attachment 4 hereto or in a subsequent written notice to Issuer and the Project Participant.

1.4. "Issuer" means California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended).

1.5. "Master Power Supply Agreement" means that certain Master Power Supply Agreement dated as of [_____], 2024 by and between Prepay LLC and Issuer that is specified as relating to the Clean Energy Purchase Contract with Project Participant.

1.6. "Operational Nomination" has the meaning specified in Section 4.1.1.

1.7. "Prepay LLC" means Aron Energy Prepay [__] LLC, a Delaware limited liability company.

1.8. "Project Participant" means Peninsula Clean Energy, a California joint powers authority.

1.9. "Receipt Scheduling Entity" for any Delivery Point means the Project Participant, unless the Clean Energy Purchase Contract has been suspended or terminated, in which case the Receipt Scheduling Entity will be Issuer or a Person designated by Issuer for such Delivery Point in accordance with this Communications Protocol.

1.10. "Relevant Contract" means the Master Power Supply Agreement and the Clean Energy Purchase Contract.

1.11. "Relevant Party" means Issuer, Prepay LLC or the Project Participant.

1.12. "Relevant Third Party" means any Person that is (i) a Transmission Provider that will or is intended to transport Product to be delivered or received under the Agreement, (ii) an independent system operator or control area that coordinates the Scheduling of Product at the Base Delivery Point, (iii) Scheduling receipt of Product by Issuer or for the account of Issuer to the extent such Product has been delivered to Issuer or for the account of Issuer under the Master Power Supply Agreement, and (iv) delivering Product to Issuer or for the account of Issuer to the extent such Product is intended to be re-delivered ultimately to the Project Participant or for the account of the Project Participant under the Clean Energy Purchase Contract.

1.13. "Scheduling Entities" means the Receipt Scheduling Entity and the Delivery Scheduling Entity.

## 2. AGREEMENTS OF RELEVANT PARTIES

Each Relevant Party that is a party to Relevant Contract to which this Communications Protocol is attached acknowledges that this Communications Protocol sets forth certain obligations that may be delegated to other Relevant Parties that are not parties to such Relevant Contracts. In connection therewith:

2.1 ***Reliance on Scheduling Entity.*** Each Relevant Party shall be entitled to rely exclusively on any communications or directions given by a Delivery Scheduling Entity or Receipt Scheduling Entity, in each case to the extent such communications are permitted hereunder.

2.2 ***Performance of Communications Protocol.*** Each Relevant Party to a Relevant Contract shall cause its counterparty to each other Relevant Contract to comply with the provisions of this Communications Protocol as the provisions apply to such counterparty to the extent required to perform the obligations of the Relevant Party under the Relevant Contract.

2.3 ***Third Party Beneficiaries.*** To the extent this Communications Protocol purports to give any Relevant Party (a "Beneficiary") rights vis-à-vis any other Relevant Party (a "Burdened Party") with whom such Beneficiary does not have privity under a Relevant Contract, such Beneficiary shall be deemed to be a third party beneficiary of each Relevant Contract to which the Burdened Party is a party to the extent necessary or convenient to enforce the obligations of the Burdened Party under this Communications Protocol.

2.4 ***Amendment of Relevant Contracts.*** No Relevant Party shall amend, waive or otherwise modify any provision of any Relevant Contract to which it is a party without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such amendment, waiver or modification as it relates to this Communications Protocol.

2.5 ***Amendment of Communications Protocol.*** No Relevant Party shall amend any provision of this Communications Protocol in a Relevant Contract without the consent of each other Relevant Party.

2.6 ***Waiver of Communications Protocol.*** No Relevant Party shall waive any provision of this Communications Protocol in a Relevant Contract without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such waiver.

## 3 DESIGNATION AND REPLACEMENT OF SCHEDULING ENTITIES

3.1 ***Designation of Delivery Scheduling Entity.*** Prepay LLC may designate a new Delivery Scheduling Entity upon thirty (30) days written notice to Issuer substantially in the form of Attachment 4. Any Scheduling Entity designated in accordance with this Section 3.1 shall commence service at the beginning of a Month, unless mutually agreed in writing between Prepay LLC and Issuer.

3.2 ***Assumption by Receipt Scheduling Entity.*** If any Delivery Scheduling Entity (other than Prepay LLC) persistently fails to perform its obligations as contemplated under this Communications Protocol, the Receipt Scheduling Entity may, by notice to Prepay LLC, require that Prepay LLC deal directly with the Receipt Scheduling Entity until a new Delivery Scheduling Entity is designated in accordance with this Section 3.1.

3.3 ***Scheduling Coordinator.*** Project Participant shall designate a scheduling coordinator for the purposes of accepting Base Product delivery at the Base Delivery Point through the scheduling of ISTs.

## 4 INFORMATION EXCHANGE AND COMMUNICATION BETWEEN ISSUER AND PREPAY LLC

4.1 ***Communication of Operational Nomination Details***.

4.1.1 Not later than three Days prior to each Day during which Base Product is required to be delivered under the Agreement, the Receipt Scheduling Entity for such Delivery Point may deliver an operational nomination in writing (the "Operational Nomination") indicating any inability of a Project Participant to receive all of its Base Quantities during such Day, which Operational Nomination shall be without prejudice to any party's rights

under the Relevant Contracts for failure to receive Base Quantities. If no changes to Base Quantities are so submitted, the Operational Nomination shall be deemed to nominate the full Base Quantities required to be delivered on a Day.

4.1.2 Not later than three Days prior to each Day during which Base Product is required to be delivered under the Agreement, the Delivery Scheduling Entity for such Delivery Point may revise the Operational Nomination to indicate any inability of Prepay LLC to deliver all Base Quantities during such Day, which revised Operational Nomination shall be without prejudice to any party's rights under the Relevant Contracts for failure to deliver Base Quantities.

4.2 ***Event-specific Communications***.

4.2.1 Remarketing Notices issued by Issuer under the Master Power Supply Agreement shall be substantially in the form of Attachment 2 hereto. Any such notices to remarket must be delivered directly to Prepay LLC and the Delivery Scheduling Entity.

4.2.2 Each Scheduling Entity shall notify Prepay LLC, Issuer and the Project Participant as soon as practicable in the event of: (i) any deficiencies in Scheduling related to such Scheduling Entity; (ii) any deficiencies in Scheduling related to the other such Scheduling Entity; and (iii) any issues with Relevant Third Parties that that would reasonably be expected to create issues related to Product Scheduling under the Relevant Contract.

## 5 ACCESS AND INFORMATION

5.1 ***Verification of Product Scheduled.*** In addition to the delivery of and access to the records and data required pursuant to the Agreement, each Relevant Party agrees to provide relevant records from itself and other Relevant Third Parties necessary to document and verify Product Scheduled within and after the Month as needed to facilitate the Relevant Contracts.

5.2 ***View Rights.*** To the extent requested by a Delivery Scheduling Entity or Prepay LLC, the Receipt Scheduling Entities will use Commercially Reasonable Efforts to cooperate with the Delivery Scheduling Entity and Prepay LLC to ensure that Delivery Scheduling Entity and Prepay LLC has sufficient agency view rights from each such Scheduling Entity to allow Prepay LLC to view Base Product Scheduling at the Base Delivery Point.

## 6 NOTICES

Any notice, demand, request or other communication required or authorized by this Communications Protocol to be given by one Relevant Party to another Relevant Party shall be in writing, except as otherwise expressly provided herein. It shall either be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), courier, or personally delivered (including overnight delivery service) to the representative of the other Relevant Party designated in Attachment 1 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic transmittal receipt or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Relevant Party shall have the right, upon written notice to the other Relevant Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address.

## 7 NO IMPACT ON CONTRACTUAL OBLIGATIONS

Except as expressly set forth herein or in an applicable Relevant Contract, nothing in this Communications Protocol nor any Relevant Party's actions or inactions hereunder shall have any impact on any Relevant Party's rights or obligations under the Relevant Contracts.

## 8 ATTACHMENTS

Attachment 1 - Key Personnel

Attachment 2 - Remarketing Notice Form

Attachment 3 - Designation of Alternate Base Delivery Points Form

Attachment 4 - Designation of Scheduling Entities Form

## Attachment 1

## Key Personnel

**Prepay LLC Marketing Personnel**:

Kenan Arkan
Sales and Trading
Telephone: (212) 357-2542
gs-prepay-notices@gs.com

Prepay LLC Scheduling Personnel:

Scheduling Team
Email: ficc-jaron-natgasops@ny.email.gs.com
Direct Phone: (212) 902-8148
Fax: 212.493.9847

Carly Norlander
ICE Chat: cnorlander1
Email: ficc-jaron-natgasops@ny.email.gs.com
Direct Phone: (403) 233-9299
Fax: (212) 493-9847

Other Prepay LLC Personnel:

Telephone: (212) 855-0880
ficc-struct-sett@gs.com

Andres E. Aguila
Telephone: (212) 855-6008
Fax: (212) 291-2124
andres.aguila@gs.com

**Issuer Personnel**:
notices@cccfa.org and invoices@cccfa.org

**Project Participant Personnel**:
prepays@cleanpoweralliance.org

## Attachment 2

## Remarketing Notice Form

Date: [_____]

To: Prepay LLC Scheduling

From: Project Participant Scheduling

This notice is being delivered pursuant to that certain Master Power Supply Agreement (the "Master Power Supply Agreement") dated as of [_____], 2024 by and between Aron Energy Prepay [__] LLC ("Prepay LLC") and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) ("Issuer") and relates to the Clean Energy Purchase Contract (the "Clean Energy Purchase Contract") dated as of [_____], 2024 by and between Issuer and Peninsula Clean Energy ("Project Participant"). Capitalized terms not defined herein are defined in the Master Power Supply Agreement.

Check the box to indicate type of Remarketing Notice (*The numbers of the Primary ("P") and Alternate ("A") Delivery Points below correspond to those same Primary Delivery Points and Alternate Delivery Points set forth in Exhibit A-1 of the Agreement, or as may be designated by the Parties from time to time*):

☐ Monthly Remarketing Notice:

Month(s) for which remarketing is requested: _____, 20__ through _____, 20__.

Pursuant to Section 3(b) of Exhibit C of the Clean Energy Purchase Contract, Project Participant requests that Prepay LLC remarket in such Month(s) the following Base Quantities of Product required to be delivered at the following Delivery Points:

| **Delivery Point (P/A, #)** | **MWh/ Hour for each Hour in the Month** |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |

☐ Daily Remarketing Notice:

Hours for which remarketing is requested: _____, 20__ through _____, 20__.

Pursuant to Section 3(c) of Exhibit C of the Clean Energy Purchase Contract, Project Participant requests that Prepay LLC remarket for such Hours the following Base Quantities of Product required to be delivered at the following Delivery Point:

| Delivery Point (P/A, #) | MWh/Hour |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |

Submitted by Project Participant:
PENINSULA CLEAN ENERGY

By:_____
Name:
Title:

**Attachment 3**

**Designation of Alternate Base Delivery Points Form**

This designation is delivered pursuant to that certain Master Power Supply Agreement (the "Master Power Supply Agreement") dated as of [_____], 2024 by and between Aron Energy Prepay [__] LLC ("Prepay LLC") and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) ("Issuer") and the Clean Energy Purchase Contract (the "Clean Energy Purchase Contract") dated as of [_____], 2024 by and between Issuer and Peninsula Clean Energy ("Project Participant"). Capitalized terms not defined herein are defined in the Master Power Supply Agreement and the Clean Energy Purchase Contract. [Project Participant and/or Issuer] hereby proposes the following Alternate Delivery Points for deliveries of Energy that would otherwise be made at the specified Primary Delivery Point:

| ALTERNATE DELIVERY POINT | PRIMARY DELIVERY POINT AFFECTED | COMMODITY REFERENCE PRICE PRICING POINT | ADDITIONAL RESTRICTIONS |
|---|---|---|---|
| 1 | | | [e.g. |
| 2 | | | Vol. Limit:____ |
| 3 | | | Time Limit:]___ |
| (etc.) | | | |
| | | | |

Unless otherwise agreed among Prepay LLC, Issuer and Project Participant, an Alternate Delivery Point shall utilize the same Commodity Reference Price as the Primary Delivery Point it replaces or otherwise affects. Project Participant is not required to agree or accept this designation (or any change to the Commodity Reference Price) if it is being submitted by Issuer pursuant to the Master Power Supply Agreement only.

| AGREED AND ACCEPTED BY PREPAY LLC: | (if required) AGREED TO AND ACCEPTED BY PROJECT PARTICIPANT: | (if required) AGREED TO AND ACCEPTED BY ISSUER: |
|---|---|---|
| By:<br>Name:<br>Title: | By:<br>Name:<br>Title: | By:<br>Name:<br>Title: |

**Attachment 4**

**Designation of Scheduling Entities Form**

This designation is being delivered pursuant to that certain Master Power Supply Agreement (the "Master Power Supply Agreement") dated as of [_____], 2024 by and between J. Aron Energy Prepay [__] LLC ("Prepay LLC") and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) ("Issuer") and relates to the Clean Energy Purchase Contract (the "Clean Energy Purchase Contract") dated as of [_____], 2024 by and between Issuer and Peninsula Clean Energy ("Project Participant"). Capitalized terms not defined herein are defined in the Master Power Supply Agreement and Clean Energy Purchase Contract.

[If delivered by Project Participant:

**Receipt Scheduling Entity:**

Delivery Point: _____

Effective Date(s) of Service of Receipt Scheduling Entity (full Months only):
_____, _____ to _____, _____, if applicable

Notice Information for Receipt Scheduling Entity:

Name: _____
Attention: _____
Address: _____
_____
Telephone: _____
Fax: _____]

[If delivered by Prepay LLC:

**Delivery Scheduling Entity:**

Delivery Point: _____

Effective Date(s) of Service of Delivery Scheduling Entity (full Months only):

_____, _____ to _____, _____, if applicable

Notice Information for Delivery Scheduling Entity:

Name: _____
Attention: _____
Address: _____
_____
Telephone: _____
Fax: _____]
Submitted by:

[Project Participant or Prepay LLC]

By: _____
Name: _____
Title: _____

**EXHIBIT H**

**PRICING AND OTHER TERMS**

| | |
|---|---|
| Administrative Fee: | $0.50 perMWh |
| Delivery Period: | The period beginning on and including [____] and ending at the end of the Day before [____]; provided that the Delivery Period shall end immediately upon termination of deliveries of Product under the Master Power Supply Agreement pursuant to Article XVII thereof or early termination of the Clean Energy Purchase Contract pursuant to Article XVII hereof. |
| Initial Reset Period: | The period beginning at the beginning of the Day on [____] and ending at the end of the last Day of the Month preceding the last Month of the Initial Interest Rate Period (as defined in the Trust Indenture). |
| Minimum Discount Percentage: | An Available Discount Percentage as determined under the Re-Pricing Agreement of [___]%. |
| Monthly Discount Percentage: | For each Month of the Initial Reset Period, [____]%, and for each Month of any other Reset Period, the percentage determined by the Calculation Agent as defined in and pursuant to the Re-Pricing Agreement, exclusive of any Annual Refund. |

**EXHIBIT I**
**FORM OF CLOSING CERTIFICATE**

**CLOSING CERTIFICATE OF PURCHASER**

_____, 2024

Re: California Community Choice Financing Authority
[Clean Energy Project Revenue Bonds]

The undersigned _____ of Peninsula Clean Energy (*"Purchaser"*) hereby certifies as follows in connection with the Power Supply Contract dated as of _____, 2024 (the *"Agreement"*) between the Purchaser and California Community Choice Financing Authority (*"Issuer*") and the issuance and sale by Issuer of the above-referenced bonds (the *"Bonds"*) (capitalized terms used and not defined herein shall have the meanings given to them in the Agreement):

1. Purchaser is a joint powers authority, duly organized and validly existing and in good standing under the laws of the State of California (the *"State"*), and has the corporate power and authority to enter into and perform its obligations under the Agreement.

2. By all necessary official action on its part, Purchaser has duly authorized and approved the execution and delivery of, and the performance by Purchaser of the obligations on its part contained in, the Agreement, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Agreement constitutes the legal, valid and binding obligation of Purchaser.

4. The authorization, execution and delivery of the Agreement and compliance with the provisions on Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default under (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject, or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

5 Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets are subject, and no event has occurred and is continuing which constitutes, or with the passage of time or the giving of notice, or both, would constitute, a default or event of default by Purchaser under any of the foregoing.

6. Payments to be made by Purchaser under the Agreement shall constitute operating expenses of Purchaser's power supply system payable solely from the revenues and other available funds of Purchaser's power supply system as a cost of purchased electricity.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against Purchaser in any court or administrative body which would (a) contest the right of the officials of Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of Purchaser, (c) contest the validity, due authorization and execution of the Agreement, or (d) attempt to limit, enjoin or otherwise restrict or prevent Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of Purchaser contained in the Agreement were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to Purchaser contained in the Preliminary Official Statement dated [____], 2024 and the Official Statement dated [_____], 2024 with respect to the Bonds, including Appendix A thereto (together, the *"Official Statement"*), fairly and accurately describe and summarize the financial and operating position of Purchaser for the periods shown therein, and such statements and information did not as of the respective dates of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. To Purchaser's knowledge, no event affecting Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and

information with respect to Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

PENINSULA CLEAN ENERGY

By_____

Name:

Title:

**FORM OF ASSIGNMENT SCHEDULE**

**Assigned Product:** [____]

**Assigned Delivery Point:** [____]

**Assigned Prepay Quantity:** As set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to the Limited Assignment Agreement during the Assignment Period as provided in Appendix 1 and (ii) the Assigned Prepay Quantity is defined for the convenience of PPA Buyer and J. Aron and shall have no impact on the obligations of the Parties under the Limited Assignment Agreement.

**APC Contract Price:** $[____]/MWh

**Assignment Period:** [____]

**FORM OF LIMITED ASSIGNMENT AGREEMENT**

This Limited Assignment Agreement (this "**Assignment Agreement**" or "**Agreement**") is entered into as of [____], by and among [____], a [____] ("**PPA Seller**"), Peninsula Clean Energy, a California joint powers authority ("**PPA Buyer**"), and J. Aron & Company LLC, a New York limited liability company ("**J. Aron**"), and relates to that certain power purchase agreement (the "**PPA**") between PPA Buyer and PPA Seller as described on Appendix 1. Unless the context otherwise specifies or requires, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA.

In consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and J. Aron (the "**Parties**" hereto; each is a "**Party**") agree as follows:

**1. Limited Assignment and Delegation.**

(a) PPA Buyer hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the products described on Appendix 1 (the "**Assigned Products**") during the Assignment Period (as defined in Appendix 1), as such rights may be limited or further described in the "Further Information" section on Appendix 1 (the "**Assigned Product Rights**"). All Assigned Products shall be delivered pursuant to the terms and conditions of this Agreement during the Assignment Period as provided in Appendix 1. All other rights of PPA Buyer under the PPA are expressly reserved for PPA Buyer.

(b) PPA Buyer hereby delegates to J. Aron the obligation to pay the APC Contract Price for all Assigned Products that are actually delivered to J. Aron pursuant to the Assigned Product Rights during the Assignment Period (the "**Delivered Product Payment Obligation**" and together with the Assigned Product Rights, collectively the "**Assigned Rights and Obligations**"); provided that (i) all other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer and PPA Buyer shall be solely responsible for any amounts due to PPA Seller that are not directly related to Assigned Products; and (ii) the Parties acknowledge and agree that PPA Seller will only be obligated to deliver a single consolidated invoice during the Assignment Period (with a copy to J. Aron consistent with Section 10 hereof). To the extent J. Aron fails to pay the Delivered Product Payment Obligation by the due date for payment set forth in the PPA, notwithstanding anything in this Agreement to the contrary, PPA Buyer agrees that it will remain responsible for such payment within five (5) Business Days (as defined in the PPA) of receiving notice of such non-payment from PPA Seller.

(c) J. Aron hereby accepts and PPA Seller hereby consents and agrees to the assignment, transfer, conveyance and delegation described in clauses (a) and (b) above.

(d) All scheduling of Assigned Products and other communications related to the PPA shall take place pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from PPA Seller to J. Aron upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer will provide copies to J. Aron of any Notice of a Force Majeure Event or Event of Default or default, breach or other occurrence that, if not cured within the applicable grace period, could result in an Event of Default contemporaneously upon delivery thereof to PPA Seller and promptly after receipt thereof from PPA Seller; (iii) PPA Seller will provide copies to J. Aron of annual forecasts of Energy and monthly forecasts of available capacity and Energy provided pursuant to Section [__] of the PPA; (iv) PPA Seller will provide copies to J. Aron of

all invoices and supporting data provided to PPA Buyer pursuant to Section [__], provided that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice, including pursuant to Section [__], will be resolved solely between PPA Buyer and PPA Seller and therefore PPA Seller will not be obligated to deliver copies of any communications relating thereto to J. Aron; and (v) PPA Buyer and PPA Seller, as applicable, will provide copies to J. Aron of any other information reasonably requested by J. Aron relating to Assigned Products.

(e) PPA Seller acknowledges that (i) J. Aron intends to immediately transfer title to any Assigned Products received from PPA Seller through one or more intermediaries such that all Assigned Products will be re-delivered to PPA Buyer; and (ii) in the event that PPA Buyer fails to pay the relevant intermediary entity for any such Assigned Products, the receivables owed by PPA Buyer for such Assigned Products ("PPA Buyer Receivables") may be transferred to J. Aron. To the extent any such PPA Buyer Receivables are transferred to J. Aron, J. Aron may transfer such PPA Buyer Receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation. Thereafter, PPA Seller shall be entitled to pursue collection on such PPA Buyer Receivables directly against PPA Buyer.

(f) On or before the commencement of the Assignment Period, The Goldman Sachs Group ("Guarantor"), Inc. will issue, in favor of PPA Seller, a guaranty of J. Aron's payment obligations under this Assignment Agreement substantially in the form of Appendix 3 attached hereto ("Guaranty").

(g) Notwithstanding any other provision of this Agreement, PPA Buyer shall be entitled to retain for its own account all CAISO revenues associated with delivery of the Assigned Product to CAISO, including where PPA Buyer is acting as Scheduling Coordinator for the Facility (as defined in the PPA) and through scheduling of ISTs. Nothing in this Agreement modifies or amends any rights or obligations of PPA Buyer and PPA Seller under the PPA with respect to CAISO revenues and costs. As used in this clause (g), the following terms have the meanings specified below.

"**CAISO**" means California Independent System Operator or its successor.

"**CAISO Tariff**" means CAISO's Federal Energy Regulatory Commission approved tariff, as modified, amended or supplemented from time to time.

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

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

(h) The Assigned Prepay Quantity set forth in Appendix 2 relates to obligations by and between J. Aron and PPA Buyer and has no impact on PPA Seller's rights and obligations under the PPA.

**2. Assignment Early Termination.**

(a) The Assignment Period may be terminated early upon the occurrence of any of the following:

(1) delivery of a written notice of termination specifying a termination date by either J. Aron or PPA Buyer to each of the other Parties;

(2) delivery of a written notice of termination specifying a termination date by PPA Seller to each of J. Aron and PPA Buyer following J. Aron's failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such payment is not made by J. Aron within five (5) business days following receipt by J. Aron and PPA Buyer of written notice;

(3) delivery of a written notice by PPA Seller if any of the events described in the definition of Bankrupt in the PPA occurs with respect to J. Aron; or

(4) delivery of a written notice by J. Aron if any of the events described in in the definition of Bankrupt in the PPA occurs with respect to PPA Seller.

(b) The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 2(a), which date shall not be earlier than the end of the last day of the calendar month in which such notice is delivered if termination is pursuant to clause 2(a)(1) or 2(a)(2) above. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the early termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period

(c) The Assignment Period will automatically terminate upon the expiration or early termination of the PPA. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the expiration of or early termination of the PPA, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.

(d) The Assignment Period will automatically terminate upon delivery by Guarantor of a notice of termination of the Guaranty. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.

**3. Representations and Warranties.** The PPA Seller and the PPA Buyer represent and warrant to J. Aron that (a) the PPA is in full force and effect; (b) no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder; and (c) all of its obligations under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

**4. Notices.** Any notice, demand, or request required or authorized by this Assignment Agreement to be given by one Party to another Party shall be delivered in accordance with Article [__] of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify J. Aron of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to J. Aron shall be provided to the following address, as such address may be updated by J. Aron from time to time by notice to the other Parties:

J. Aron & Company LLC
200 West Street
New York, New York 10282-2198
Email: gs-prepay-notices@gs.com

**5. Miscellaneous.** Section [__] (Buyer's Representations and Warranties), Article [__] (Confidential Information), Sections [__] (Severability), [__] (Counterparts), [__] (Amendments), [__] (No Agency, Partnership, Joint Venture or Lease), [__] (Mobile-Sierra), [__] (Electronic Delivery), Section [__] (Binding Effect) and [__] (No Recourse to Members of Buyer) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

**6. U.S. Resolution Stay Provisions.**

(a) As between J. Aron and PPA Buyer, J. Aron and PPA Buyer hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol ("ISDA U.S. Stay Protocol"), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Assignment Agreement, and for the purposes of such incorporation, (i) J. Aron shall be deemed to be a Regulated Entity, (ii) PPA Buyer shall be deemed to be an Adhering Party, and (iii) this Assignment Agreement shall be deemed a Protocol Covered Agreement. In the event of any inconsistencies between this Assignment Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(b) As between J. Aron and PPA Seller:

(i) In the event that J. Aron becomes subject to a proceeding under (A) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (B) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a "U.S. Special Resolution Regime") the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(ii) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable ("Default Right")) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(iii) Notwithstanding anything to the contrary in this Agreement, J. Aron and PPA Seller expressly acknowledge and agree that:

(1) PPA Seller shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an "Insolvency Proceeding"), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(2) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in PPA Seller being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to PPA Seller.

(iv) If PPA Seller adheres to the ISDA U.S. Protocol, the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Section 6(b).

(v) For purposes of this Section 6(b):

(1) "**Affiliate**" is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); and

(2) "**Credit Enhancement**" means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

**7. Governing Law, Jurisdiction, Waiver of Jury Trial.**

(a) **Governing Law.** This Assignment Agreement and the rights and duties of the parties under this Assignment Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of California, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws.

(b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Southern District of California sitting in the city and county of Los Angeles.

(c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this assignment agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement effective as of the date first set forth above.

[PPA SELLER]

By: _____

Name: _____

Title: _____

PENINSULA CLEAN ENERGY

By: _____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By: _____

Name:
Title:

Execution and delivery of the foregoing Assignment Agreement is hereby approved.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____

Name:
Title:

## Appendix 1

## Assigned Rights and Obligations

**PPA:** "**PPA**" means that certain Power Purchase and Sale Agreement dated [____], by and between Peninsula Clean Energy and [____], as amended from time to time.

"**Assignment Period**" means the period beginning on [_____] and extending until [_____], provided that in no event shall the Assignment Period extend past the earlier of (i) the termination of the Assignment Period pursuant to Section 2 of the Assignment Agreement and (ii) the end of the Delivery Term under the PPA; provided that applicable provisions of this Agreement shall continue in effect after termination of the Assignment Period to the extent necessary to enforce or complete, duties, obligations or responsibilities of the Parties arising prior to the termination.

**Assigned Product:** "**Assigned Products**" include [____].

**Custodial Account for Administration of Payments under Section 1(h):**

[____]
[____]
[____]

**Further Information:** PPA Seller shall continue to transfer the WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Facility Energy under the PPA pursuant to Section [__] of the PPA, provided that the transferee of such WREGIS Certificates may be changed from time to time in accordance with the written instructions of both J. Aron and Peninsula Clean Energy upon twenty (20) Business Days' notice, which change shall be effective as of the first day of the next calendar month, unless otherwise agreed. All Assigned Product delivered by PPA Seller to J. Aron shall be a sale made at wholesale, with J. Aron reselling all such Assigned Product.

## Appendix 2

## Assigned Prepay Quantity

[NOTE: To be set forth in a monthly volume schedule.]

## Appendix 3

## Form of GSG Guaranty

[Date]

NAME
ADDRESS

Attention:

Ladies and Gentlemen:

For value received, The Goldman Sachs Group, Inc. (the "Guarantor"), a corporation duly organized under the laws of the State of Delaware, hereby unconditionally guarantees the prompt and complete payment when due, whether by acceleration or otherwise, of all obligations and liabilities, whether now in existence or hereafter arising, of J. Aron & Company LLC, a subsidiary of the Guarantor and a limited liability company duly organized under the laws of the State of New York (the "Company"), to **COUNTERPARTY NAME** (the "Counterparty") arising out of or under the Limited Assignment Agreement among the Company, the Counterparty and Peninsula Clean Energy dated as of [____]. This Guaranty is one of payment and not of collection.

The Guarantor hereby waives notice of acceptance of this Guaranty and notice of any obligation or liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or non-payment of any such obligation or liability, suit or the taking of other action by Counterparty against, and any other notice to, the Company, the Guarantor or others.

Counterparty may at any time and from time to time without notice to or consent of the Guarantor and without impairing or releasing the obligations of the Guarantor hereunder: (1) agree with the Company to make any change in the terms of any obligation or liability of the Company to Counterparty, (2) take or fail to take any action of any kind in respect of any security for any obligation or liability of the Company to Counterparty, (3) exercise or refrain from exercising any rights against the Company or others, or (4) compromise or subordinate any obligation or liability of the Company to Counterparty including any security therefor. Any other suretyship defenses are hereby waived by the Guarantor.

This Guaranty shall continue in full force and effect until the opening of business on the fifth business day after Counterparty receives written notice of termination from the Guarantor. It is understood and agreed, however, that notwithstanding any such termination this Guaranty shall continue in full force and effect with respect to the obligations and liabilities set forth above which shall have been incurred prior to such termination.

The Guarantor may not assign its rights nor delegate its obligations under this Guaranty, in whole or in part, without prior written consent of the Counterparty, and any purported

assignment or delegation absent such consent is void, except for (i) an assignment and delegation of all of the Guarantor's rights and obligations hereunder in whatever form the Guarantor determines may be appropriate to a partnership, corporation, trust or other organization in whatever form that succeeds to all or substantially all of the Guarantor's assets and business and that assumes such obligations by contract, operation of law or otherwise, and (ii) the Guarantor may transfer this Guaranty or any interest or obligation of the Guarantor in or under this Guaranty, or any property securing this Guaranty, to another entity as transferee as part of the resolution, restructuring or reorganization of the Guarantor upon or following the Guarantor becoming subject to a receivership, insolvency, liquidation, resolution or similar proceeding. Upon any such delegation and assumption or transfer of obligations, the Guarantor shall be relieved of and fully discharged from all obligations hereunder, whether such obligations arose before or after such delegation and assumption or transfer.

**THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW. GUARANTOR AGREES TO THE EXCLUSIVE JURISDICTION OF COURTS LOCATED IN THE STATE OF NEW YORK, UNITED STATES OF AMERICA, OVER ANY DISPUTES ARISING UNDER OR RELATING TO THIS GUARANTY.**

In the event the Guarantor becomes subject to a proceeding under the Federal Deposit Insurance Act or Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together, the "U.S. Special Resolution Regimes"), the transfer of this Guaranty, and any interest and obligation in or under, and any property securing, this Guaranty, from the Guarantor will be effective to the same extent as the transfer would be effective under such U.S. Special Resolution Regime if this Guaranty, and any interest and obligation in or under this Guaranty, were governed by the laws of the United States or a state of the United States. In the event the Company or the Guarantor, or any of their affiliates, becomes subject to a U.S. Special Resolution Regime, default rights against the Company or the Guarantor with respect to this Guaranty are permitted to be exercised to no greater extent than such default rights could be exercised under such U.S. Special Resolution Regime if this Guaranty was governed by the laws of the United States or a state of the United States.

Very truly yours,

THE GOLDMAN SACHS GROUP, INC.

By: _____
Authorized Officer

**LETTER AGREEMENT**

[____], 2024

Peninsula Clean Energy
[____]
[____]

Re: Prepay Limited Assignment Agreements

Ladies and Gentlemen:

This Letter Agreement (this "Letter Agreement") confirms our mutual agreement with respect to the matters set forth below and relates to those certain Limited Assignment Agreements listed on Exhibit A (the "Assignment Agreements", which definitions shall include any new Assignment Agreements identified by J. Aron's delivery of an updated Exhibit A consistent with Section 2), with each of the PPA Sellers identified in Exhibit A (each, individually, a "PPA Seller" and collectively the "PPA Sellers", and which definitions shall include any new PPA Seller identified by J. Aron's delivery of an updated Exhibit A consistent with Section 2). Any capitalized term used in this Letter Agreement and not otherwise defined herein shall have the meaning assigned to such term in the Clean Energy Purchase Contract. In consideration of each party's execution of the Assignment Agreements, as well as the premises above and the mutual covenants and agreements set forth herein, J. Aron & Company LLC ("J. Aron") and Peninsula Clean Energy ("PCE" and together with J. Aron, collectively the "Parties") agree as follows:

1. **Assignment Early Termination**. Each of the Parties agrees that it shall only exercise its right to deliver a written notice of termination of an Assignment Period under an Assignment Agreement consistent with the following:

(a) Either Party may deliver a notice of termination in the event of (i) the suspension, expiration, or termination of performance of a PPA by either PCE or the applicable PPA Seller; or (ii) the termination or suspension of deliveries for any reason other than force majeure under (A) that certain Clean Energy Purchase Contract (the "Clean Energy Purchase Contract"), dated as of [____], 2024 by and between PCE and California Community Choice Financing Authority (including, for the avoidance of doubt, due to a "Remarketing Election" by PCE under the Clean Energy Purchase Contract) or (B) that certain Electricity Purchase, Sale and Service Agreement, dated as of [____], 2024 by and between J. Aron and Aron Energy Prepay [__] LLC (the "Electricity Sale and Service Agreement");

(b) PCE shall deliver a notice of termination contemporaneous with any assignment by PCE of its interest in the Clean Energy Purchase Contract, provided that J. Aron in any event shall be entitled to deliver a notice of termination to the extent PCE fails to do so in connection with the assignment of PCE's interest under the Clean Energy Purchase Contract;

(c) J. Aron may deliver a notice of termination if (i) PPA Seller delivers less than the Assigned Prepay Quantity for any five months in the aggregate during a twelve month period, (ii) any event or circumstance occurs that would give either PCE or a PPA Seller the right to terminate

or suspend performance under a PPA (regardless of whether PCE or the applicable PPA Seller exercises such right) or (iii) PCE requests remarketing of the Assigned Quantities under an Assigned PPA pursuant to the terms Section 7.3(c) of the Clean Energy Purchase Contract;

(d) either Party may deliver a notice of termination to the extent that the Parties have mutually agreed upon an assignment of Replacement Assigned Rights and Obligations (as defined in the Clean Energy Purchase Contract) that will replace the Assigned Rights and Obligations under the applicable Assignment Agreement immediately following the termination thereof; and

(e) either Party may deliver a notice of termination under the applicable Assignment Agreement to the extent that:

(i) any of the representations and warranties set forth in Sections 5.4 of the Electricity Sale and Service Agreement and the Clean Energy Purchase Contract, respectively, ceases to be true with respect to an Assigned PPA;

(ii) the Assigned Energy being delivered pursuant to an Assignment Agreement ceases to be EPS Compliant Energy; or

(iii) any Assigned Product that constituted PCC1 Product or Long-Term PCC1 Product while being delivered directly to PCE under an Assigned PPA ceases to qualify as PCC1 Product or Long-Term PCC1 Product when being redelivered through the Electricity Sale and Service Agreement, Master Power Supply Agreement and Clean Energy Purchase Contract.

For the avoidance of doubt, each of the Parties agrees that it shall not terminate an Assignment Agreement pursuant to the at will termination provision thereof except in the circumstances set forth immediately above. The at will termination provision referenced in the immediately preceding sentence (x) is set forth in Section 2(a)(1) of the form of Assignment Agreement attached to the Clean Energy Purchase Contract (y) shall refer to any such provision forth in an Assignment Agreement entered into by the Parties consistent with the terms of the Clean Energy Purchase Contract and the Electricity Sale and Service Agreement.

2. **Exhibit A**. Promptly following execution of the Assignment Agreements with respect to the Initial Assigned Rights and Obligations, J. Aron shall deliver an Exhibit A that lists such Assignment Agreements. J. Aron shall deliver an updated Exhibit A to this Agreement to reflect any changes to the information set forth therein in connection with the termination, expiration or replacement of an Assignment Agreement consistent with the terms of the Clean Energy Purchase Contract.

3. **Representations, Warranties and Covenants**.

(a) PCE agrees that it shall provide a true, complete, and correct copy to J. Aron of any PPA to be assigned pursuant to an Assignment Agreement.

(b) Each Party represents to the other:

(i) ***Status***. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

(ii) ***Powers***. It has the power to execute, deliver and perform its obligations under this Letter Agreement and any other documentation to which it is a party relating to this Letter Agreement, and it has taken all necessary action to authorize such execution, delivery and performance.

(iii) ***No Violation or Conflict***. Such execution, delivery and performance of this Letter Agreement and the consummation of the transactions contemplated hereby and thereby, including the incurrence by such Party of its obligations under this Letter Agreement, will not result in any violation of, or conflict with; (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any government agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

(iv) ***Consents***. All consents, approvals, orders or authorizations of; registrations, declarations, filings or giving of notice to; obtaining of any licenses or permits from; or taking of any other action with respect to, any Person or Government Agency, that are required to have been obtained or made by such Party with respect to this Letter Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(v) ***Obligations Binding***. Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(vi) ***Non-Reliance.*** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation

to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by the applicable parties, considers this Agreement to be legally enforceable contracts. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

(vii) ***Assessment and Understanding.*** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement and the Assignment Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

(viii) ***Status of Parties.*** Neither of Parties is acting as a fiduciary for or an adviser to the other in respect of this Agreement.

4. **Governing Law, Jurisdiction, Waiver of Jury Trial**

(a) **Governing Law.** This Letter Agreement and the rights and duties of the parties under this Letter Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; provided, however, that the authority of PCE to enter into and perform its obligations under this Letter Agreement shall be determined in accordance with the laws of the State of California.

(b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Southern District of California sitting in the city and county of Los Angeles.

(c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Letter Agreement.

***[Signature Pages to Follow]***

Very truly yours,

**J. ARON**

J. ARON & COMPANY LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth above:

**PCE**

PENINSULA CLEAN ENERGY

By: _____
Name: _____
Title: _____

**Exhibit A**

**Assignment Agreements**

[To come.]

C&C DRAFT:09.11.24

**MEMORANDUM OF UNDERSTANDING ("MOU")**

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**Date:** [_____], 2024

**To:** Garth Salisbury
Treasurer/Controller
California Community Choice Financing Authority
Gsalisbury@mcecleanenergy.org
(415) 464-6037

**From:** Peninsula Clean Energy

**Re:** California Community Choice Financing Authority Prepay Transaction on behalf of Peninsula Clean Energy

---

***Overview***

The California Community Choice Financing Agency ("CCCFA" or the "Issuer") seeks to procure a 30-year supply of energy from Aron Prepay [__] LLC through the issuance of Clean Energy Project Revenue Bonds (the "Bonds") issued by CCCFA. CCCFA will sell all the Prepaid Energy acquired from this transaction to Peninsula Clean Energy (the "Project Participant").

***Rating Agency Fees and Green Bond Opinion Fee***

Rating Agency Fees and expenses ("Rating Agency Fees") are paid from the proceeds of the Bonds. However, unlike most of the other fees associated with the issuance of the Bonds, payment of the Rating Agency Fees is not contingent upon the issuance of the Bonds.

In the event the Bonds are not issued, and there remains a Rating Agency Fee payable to Moody's Investors Service (the "Rating Agency" or "Moody's"), the Project Participant agrees that it will be liable for the costs and make direct payment to Moody's for such fees.

In the event a Green Bond Second Opinion is obtained, and the Bonds are not issued, the fee payable to the Green Bond Second Opinion provider (the "Green Bond Fees") shall be incurred by the Project Participant and in such event, to the extent the Green Bond Fees were already paid by CCCFA, the Project Participant agrees to reimburse CCCFA.

Sincerely,

PENINSULA CLEAN ENERGY

By: _____
Name:
Title:

**ACCEPTED AND AGREED**

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Garth Salisbury
Treasurer/Controller

Date: [_____], 2024

# CLEAN ENERGY PROJECT OPERATIONAL SERVICES AGREEMENT

This Clean Energy Project Operational Services Agreement (this "Agreement") is made and entered into as of [_____ __, 2024, by and between California Community Choice Financing Authority ("CCCFA") and Peninsula Clean Energy ("PCE") with respect to the Clean Energy Project (defined below). CCCFA and PCE may be referred to individually herein as a "Party" and collectively as the "Parties".

W I T N E S S E T H:

WHEREAS, PCE is a "community choice aggregator" under the Public Utilities Code of the State of California, as amended; and

WHEREAS, PCE and certain other community choice aggregators have created CCCFA as a joint exercise of powers authority under and pursuant to the Joint Exercise of Powers Act, constituted as Chapter 5 of Division 7 of Title 1 of the California Government Code, being Section 6500 and following, as amended, and a Joint Powers Agreement by and among the Members of CCCFA named therein, including PCE (as the same may be amended or supplemented from time to time in accordance with its terms, the "Joint Powers Agreement"); and

WHEREAS, CCCFA's purpose is to assist its Members, including PCE, by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations on behalf of one or more of the Members by, among other things, issuing or incurring bonds and entering into related contracts with Members; and

WHEREAS, CCCFA and PCE are entering into a Clean Energy Purchase Contract, dated [_____ __], 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "Clean Energy Purchase Contract"), pursuant to which CCCFA has agreed to supply Energy to PCE under the terms set forth therein; and

WHEREAS, in order to provide such Energy to PCE under the Clean Energy Purchase Contract, CCCFA is entering into a Master Power Supply Agreement, dated [_____ __], 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "Master Power Supply Agreement"), between CCCFA, as buyer, and Aron Energy Prepay [__] LLC, a Delaware limited liability company, as seller (the "Prepaid Seller"), under which it will make a prepayment to the Prepaid Seller for the purchase and delivery of such Energy; and

WHEREAS, the Issuer will finance the prepayment under the Master Power Supply Agreement and related costs by issuing its Clean Energy Project Revenue Bonds, Series 2024[_] (the "Bonds") pursuant to a Trust Indenture, dated as of [_____] 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "Indenture"), between CCCFA and U.S. Bank Trust Company, National Association, as trustee (together with any successor or replacement trustee under the Indenture, the "Trustee"); and

WHEREAS, the issuance of the Bonds by CCCFA and relating undertakings of CCCFA under the Indenture, the acquisition and sale of Energy and related undertakings of CCCFA under the Master Power Supply Agreement and the Clean Energy Purchase Contract, and the sale to PCE of such Energy and

related undertakings of PCE under the Clean Energy Purchase Contract are referred to herein as the "Clean Energy Project"; and

WHEREAS, the Parties are entering into this Agreement in order to provide for the administration of certain operational matters relating to the Clean Energy Project;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture, the Clean Energy Purchase Contract or the Master Power Supply Agreement, as applicable.

Section 2. Assignment Agreements. As contemplated by the Master Power Supply Agreement and the Clean Energy Purchase Contract, PCE will enter into the Initial Assignment Agreements and may from time to time enter into additional Assignment Agreements to provide for the assignment of Assigned Product for delivery to CCCFA under the Master Power Supply Agreement and to PCE under the Clean Energy Purchase Contract. With respect to any Assignment Agreement, the Parties acknowledge and agree as follows:

(a) as of the date of this Agreement, PCE has entered into the Initial Assignment Agreements specified in the Clean Energy Purchase Contract with respect to its entire Contract Quantity;

(b) subject to the terms of the applicable Assignment Letter Agreement, PCE may from time to time enter into additional Assignment Agreements with respect to all or a portion of its Contract Quantity; and

(c) PCE shall determine in its sole discretion when and if any Assignment Agreement is entered into (subject to J. Aron's consent as provided in the Clean Energy Purchase Contract) or terminated (subject to the terms of the Assignment Letter Agreement) and the underlying power purchase agreement and portion of its Contract Quantity to which such Assignment Agreement relates.

Section 3. Scheduling and Delivery of Assigned Energy. Assigned Energy and any other Assigned Product delivered to CCCFA under the Master Power Supply Agreement shall be Scheduled by PCE for delivery to CCCFA under the Master Power Supply Agreement and for delivery to PCE under the Clean Energy Purchase Contract, and CCCFA shall have no responsibility for (a) any Scheduling or other operational requirements necessary for the delivery of Assigned Energy to PCE's Assigned Delivery Point and the transfer of other Assigned Product to PCE, or (b) any accounting for under-deliveries or over-deliveries or other record-keeping requirements with respect to any Assigned Energy and other Assigned Product, all of which shall be the sole responsibility of PCE.

Section 4. Qualified Use; Remarketing of Base Energy. Any Base Quantities required to be delivered by the Prepaid Seller are required to be remarketed by the Prepaid Seller pursuant to the Master Power Supply Agreement except in the circumstances specified in Section 3.2 of the Master Power Supply Agreement. PCE shall be responsible for any notices or other communications required from CCCFA in connection with such remarketing, as well communications required for the Scheduling and delivery of Base Quantities under the communications protocol set forth in Exhibit G to the Master Power Supply

Agreement and any other operational requirements related to the delivery and remarketing of Base Quantities under the Master Power Supply Agreement. PCE will account for any Base Quantities and subsequently remarketed, including accounting for any remediation of any such remarketing sales as may be required pursuant to the Qualifying Use Requirements and the terms of the Clean Energy Purchase Contract. PCE agrees to provide to CCCFA any information reasonably requested by it in order to comply with any reporting or record-keeping requirements related to such delivery and remarketing of Base Quantities, including such information relating to compliance with the Qualifying Use Requirements, as may be required pursuant to the Master Power Supply Agreement or the Indenture.

Section 5. Directions, Consents and Waivers. CCCFA may be requested or required from time to time to provide certain directions, consents, or waivers under the terms of the Master Power Supply Agreement, the Indenture and the Re-pricing Agreement. Provided no event of default has occurred and is continuing with respect to PCE under the Clean Energy Purchase Contract, such direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions provided by PCE.

Section 6. Re-pricing Information. CCCFA shall provide, or cause Prepaid Seller to provide, to PCE such information as is required to be provided by Prepaid Seller to CCCFA in accordance the Re-pricing Agreement at such times as are required under the Re-pricing Agreement. Provided no event of default has occurred and is continuing with respect to PCE under the Clean Energy Purchase Contract, any direction, consent or waiver requested or required to be provided by CCCFA under the Re-pricing Agreement shall only be provided by CCCFA in accordance with written instructions provided by PCE.

Section 7. Administrative Fee; Reimbursement and Refund of Operating Expenses.

(a) Under the Bond Indenture, Operating Expenses relating to the Clean Energy Project are to be paid from Revenues deposited monthly into the Operating Fund, which amount shall be equal to $[_____] in the aggregate for each annual period ending on [_____] 1 of each year. If at any time the amount on deposit in the Operating Fund is not sufficient to pay all such Operating Expenses as the same become due, PCE agrees to pay to the Trustee for deposit into the Administrative Fee Fund such amounts as are necessary to pay such Operating Expenses (the "Administrative Fee") upon receipt of notice of the amount due from the Trustee or CCCFA.

(b) As soon as practicable following the end of each annual period referred to in paragraph (a), CCCFA agrees to reconcile the amounts received in respect of the Administrative Fee for such annual period with the Operating Expenses paid or accrued for such period. In the event that, following each such reconciliation, it is determined that the amounts received in respect of the Administrative Fee during the applicable annual period exceed Operating Expenses paid or accrued for such period, CCCFA will provide written notice thereof to PCE and include the amount of such excess in its Annual Refund to PCE under the Clean Energy Purchase Contract.

Section 8. Notices. Notices and other information to be provided by a Party to the other Party under this Agreement shall be provided in accordance with Article XVI of the Clean Energy Purchase Contract.

Section 9. Governing Law. This Agreement and the obligations of the Parties hereunder shall be governed by and determined in accordance with the laws of the State of California.

Section 10. Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

PENINSULA CLEAN ENERGY

By: _____
Name: _____
Title: _____

# APPENDIX A

# PENINSULA CLEAN ENERGY

## General

Peninsula Clean Energy ("*PCE*") is a joint powers authority organized and existing pursuant to the Joint Exercise of Powers Act (constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500), as amended or supplemented from time to time) (the "*Joint Powers Act*"), as a "community choice aggregator" ("*CCA*") as defined in Section 331.1 of the Public Utilities Code of the State of California, as amended (the "*Public Utilities Code*"). For a general description of CCAs in California, see the section "COMMUNITY CHOICE AGGREGATORS" in this Official Statement.

## Formation and Purpose of PCE

PCE is the official electricity provider for San Mateo County and for the City of Los Banos. Founded in 2016 with a mission to reduce greenhouse gas emissions, PCE serves a population of approximately 810,000 by providing more than 3,600 gigawatt hours of electricity annually that is 50 percent renewable, 100 percent clean, and at lower cost than Pacific Gas & Electric ("*PG&E*"). As a community led, not-for-profit agency, PCE makes significant investments in its communities to expand access to sustainable and affordable energy solutions.

PCE's purpose is to provide electric power at a competitive cost as well as to provide other benefits within San Mateo County, including reducing greenhouse gas emissions related to the use of power, procuring energy with a priority on the use and development of local renewable resources, stimulating local job creation through various programs and development, promoting personal and community ownership of renewable resources, and promoting long-term electric rate stability and energy reliability for residents and businesses.

## Service Area

PCE currently serves twenty-two jurisdictions located in San Mateo and Merced Counties. The jurisdictions include the City of Los Banos, in Merced County, which PCE began serving on April 1, 2022, and the unincorporated areas and the twenty cities and towns located in San Mateo County (Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood city, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside). PCE is responsible for the acquisition of electric power for its service area.




**Governance and Management**

*Board of Directors*. PCE is governed by a twenty-three member board of directors (the "*Board of Directors*"), with a board member from each of the twenty cities and towns of San Mateo County, two board members from the unincorporated areas of San Mateo County, and one board member representing the city of Los Banos. PCE's Board of Directors has the rights and powers to set rates for the services PCE furnishes, incur indebtedness, and issue bonds or other obligations. PCE's local government structure ensures public transparency. The Board of Directors meets monthly to discuss matters pertaining to the operation of PCE. All meetings are open to the public and comments are encouraged.

*Management*.

**Shawn Marshall**, **Chief Executive Officer**. As Chief Executive Officer of PCE, Shawn Marshall leads a team of 50 mission-driven professionals providing affordable, clean electricity to over 310,000 customers in San Mateo County and the City of Los Banos, CA. She also leads the agency's cutting-edge commitment to offering 100% renewable energy on an 24/7 hourly basis while reducing customers' energy rates, and to decarbonizing the State's transportation and

building sectors. Prior to becoming CEO, Shawn served as PCE's first Chief Operating Officer where she oversaw the Agency's daily operations, implementation of its strategic plan, and developed a plan for PCE's next-stage growth with annual net revenues exceeding $400,000,000.

Before joining PCE, Shawn was the Director of Market Development & External Affairs at Calpine Energy Solutions where she successfully expanded the company's west coast community choice aggregation business to the northeast. From 2010-2020, Shawn served as founder and executive director of LEAN Energy US, a national organization that provides support and expertise for states and communities wishing to pursue community choice aggregation and/or start organizations like PCE. During her tenure at LEAN Energy, Shawn led the start-up of ten of the California's largest CCA programs which now serve well over 10 million customers.

As an early pioneer in the California energy choice movement, Shawn served on the task force and was founding Vice Chair of Marin Clean Energy, the first CCA in California and the first in the US with a clean energy mission. She is a former Mayor and councilmember from the city of Mill Valley and held several management positions at Federal Reserve Bank of San Francisco after having lived and worked for nearly a decade in Washington, DC.

Shawn received her undergraduate degree from UC Davis and completed post graduate coursework at the Federal Reserve Board of Governors and most recently, UC Berkeley. She is the proud mother of twin sons and enjoys time spent in the great outdoors.

**Shalini Swaroop, Chief Operating Officer**. Shalini leads PCE's strategic planning efforts; provides executive leadership to its robust equity plan; and oversees customer programs, community marketing and outreach, regulatory and legislative affairs, and human resources.

Shalini is the former chief legal and policy officer at Marin Clean Energy and previously advocated on energy issues for low-income communities and communities of color with the Initiative for Energy Justice and the National Diversity Coalition. She advocated in over 100 cases impacting billions of dollars before California regulatory agencies and testified in the State Capitol building before a joint panel of the California Public Utilities Commission and California Energy Commission on the future of California's energy market. She also negotiated dozens of landmark California climate action bills, including AB 2145 (2014), SB 350 (2015), SB 100 (2018), and AB 843 (2021). In 2022, she secured $3 million in clean energy funding from Congress for North Bay residents. Shalini has been profiled in the LA Times for her leadership in the California community choice energy movement.

Shalini received her Juris Doctorate from Berkeley Law School, where she was elected student body president. She graduated *summa cum laude* from the University of Colorado at Boulder with degrees in women's studies, psychology, and a minor in peace and conflict studies. She completed the LEAD certificate from the Stanford Graduate School of Business in 2023.

Shalini was on the board of GRID Alternatives – Bay Area, held leadership positions on the boards of the ACLU of Northern California, the San Francisco Public Utilities Commission's Citizens' Advisory Committee, and the Conference of California Public Utility Counsel, and is on the boards of Youth Celebrate Diversity and JustPeace Labs.

**Nick Bijur, Chief Financial Officer**. Nick manages the annual operating budget and investment portfolio of PCE and its risk management function, and helps PCE balance decarbonization goals with the mandate of affordable clean energy at competitive rates. Prior to joining PCE, Nick was vice president of Corporate Financial Planning & Analysis at Bloom Energy. Before that, he led a variety of finance functions during his 15-year tenure at PG&E, including treasury, business finance, market & credit risk management, and strategic investments. Nick also worked at Williams-Sonoma as vice president and treasurer and was an investment banker at Morgan Stanley. Nick received his M.B.A. from the UCLA Anderson School of Management and a B.A. from Bucknell University.

## Customers

*General*. PCE provides energy to approximately 313,000 residential, commercial, and industrial accounts serving over 750,000 residents and businesses in its service area. The current mix of PCE's customer base is approximately 40% residential and 60% commercial and industrial based on load served.

*Customer Energy Choices*. PCE provides 100% clean energy (carbon-free, renewable or both), from sources such as wind and solar. PCE's goals include continuing to provide energy that is 100% clean and that will be 100% renewable by 2030. PCE offers two electricity services, ECOplus and ECO100.

ECOplus is PCE's default electricity service offering and is priced below PG&E's rates. All customers automatically start with ECOplus. ECOplus is at least 50% renewable and 100% clean. PCE also offers a 100% renewable Green-e® certified energy product, ECO100, at a slight premium over ECOplus. 100% of the power for ECO100 comes from Wind and Solar resources in California. Providing ECO100 as an option gives customers an easy way to support 100% renewable energy for their home or business. ECO100 has historically cost $0.01 per kWh more than our ECOplus product, the price for ECO100 will increase to 0.015 per kWh starting January 2025. The average PCE residential customer uses between 450-600 kWh of electricity monthly, so opting for ECO100 costs less than $10 per month for most customers.

*Customer Enrollment*. All new customers are automatically enrolled in ECOplus service, with the exception of customers in Portola Valley whose council selected EC100 as their default energy product. Once enrolled customers may choose to switch products at any time.

*Customer Election to Opt-out of Service*. There is no charge for opting out of PCE before or within the first year of service. After the first year of service, PCE will charge a one-time $5 (residential) or $25 (commercial) administrative fee. Customers who opt out before starting PCE service or within the first 60 days of PCE service may return to PCE service at any time. Customers who opt out after the first 60 days of service with PCE will be prohibited by PG&E from returning to PCE for one year.

*Cumulative Opt-Out Rate and Customer Retention*. Total customer participation rate across our entire service territory is just under 97%, meaning that PCE is providing electric service to the vast majority of residential and commercial customers throughout San Mateo County and the City of Los Banos. We have close to a 3% churn rate of customers monthly as residents start/stop energy services and move in/out of the service territory. All new accounts are automatically opted in to PCE service, even if the previous account holder decided to opt-out. Therefore, while we continue to experience some amount of opt-out activity weekly, many of those accounts do eventually turn over and why we have been able to maintain an overall very steady participation rate since first launching service in October 2016.

**Service Rates**

*General*. PCE electric generation rates are managed with the intention of providing cleaner electricity at competitive rates. Rates are determined by PCE's Board of Directors and are not regulated by the California Public Utilities Commission ("*CPUC*"). Any changes to rates will be adopted at duly noticed public meetings of the PCE Board of Directors. Pursuant to the terms of the Clean Energy Purchase Contract, PCE covenants that it will establish, maintain, and set rates and charges so as to provide revenues sufficient to enable it to pay any and all amounts payable from the revenues of its operations and to maintain any reserves as required by PCE's reserve policies. PCE further covenants and agrees that it will not pledge or encumber its revenues through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under the Clean Energy Purchase Contract.

*Determination of Rates for Energy*. A customer's total cost of electric service is determined by PCE's charges for energy and PG&E charges for transmission, distribution and other non-by-passable charges. Changes to PG&E or PCE rates will impact cost comparisons between PCE and PG&E. PG&E charges PCE customers a monthly Power Charge Indifference Adjustment ("*PCIA*"), which can vary annually based upon a number of market factors including benchmarks for regional energy costs, resource adequacy, the year in which the community joined PCE and other considerations, as well as a Franchise Fee Surcharge. PCE has already accounted for these additional charges in calculating rates. Financial assistance programs like CARE (California Alternative Rates for Energy), FERA (Federal Electric Rate Assistance) and Medical Baseline Allowance remain the same with PCE.

*Current and Historical Rate Information*. PCE rates are designed to cover the costs of energy, resource adequacy, and operating costs, fund customer programs, and meet PCE's reserve and liquidity goals.

A PCE customer's total cost of electric service includes both PCE's energy charges and PG&E's charges for transmission, distribution, and other non-bypassable charges. Additionally, PCE customers pay a Power Charge Indifference Adjustment (PCIA), which can vary annually based on several market factors, including regional energy cost benchmarks, resource adequacy, the year their community joined PCE, and other considerations. These charges, including the PCIA, determine the all-in cost of service for PCE customers.

Since its establishment in 2016, PCE has consistently offered customers a 5% discount off the PG&E rate, including the recent rate change on August 1st, 2024. However, if the Operating

Reserve is projected to fall below 180 days over the next 12 months, PCE will implement plans—such as increasing rates or reducing PCE's discount—to restore Operating Reserves to the target of 180 days within two fiscal years.

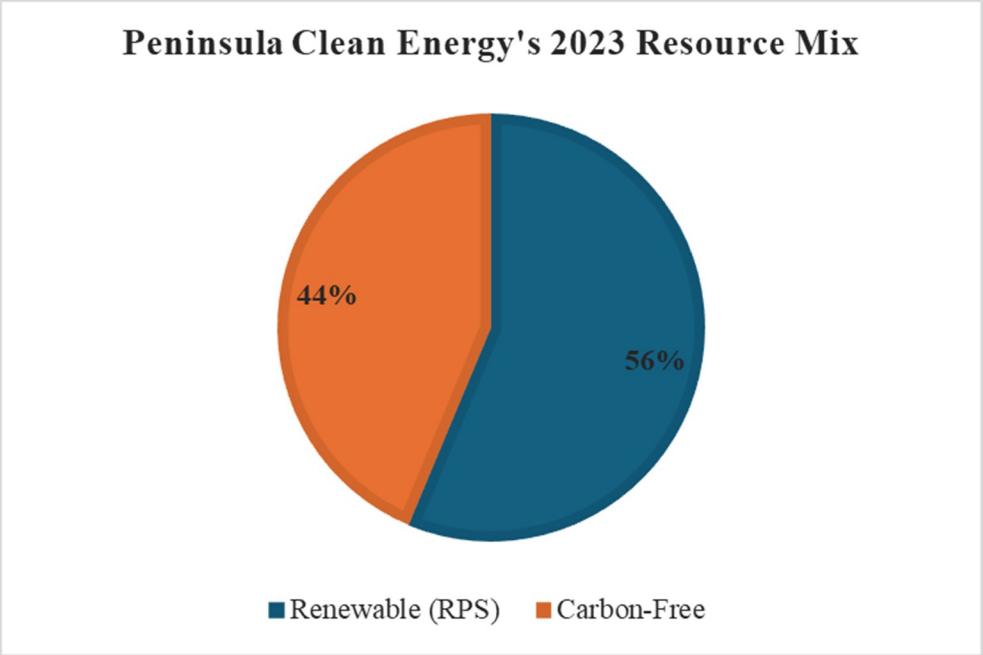
**California Renewable Portfolio Standards and Other Regulations**

*General*. Community choice aggregators such as PCE are "load-serving entities" ("*LSEs*") and as such are required to comply with California's Renewable Portfolio Standard, Resource Adequacy requirements and Power Source Disclosure requirements described below.

*Renewable Portfolio Standard*. California's Renewable Portfolio Standard ("*RPS*") requires LSEs to supply their retail sales with minimum quantities of eligible renewable energy. Senate Bill 100 directs all LSEs to procure 60% of their portfolios from RPS-eligible resources by 2030, and 100% of their retail sales from zero-carbon resources (or eligible renewable resources) by 2045. PCE has exceeded the annual RPS regulatory minimum requirements each year since its inception. In 2023, PCE met 56% of its total retail sales with eligible RPS resources, above the 2023 RPS percentage target of 41.25%. PCE has adopted a policy to achieve 100% of retail sales from renewable resources by 2030. To date PCE has 18 executed RPS contracts and 6 stand-alone storage contracts of ten years or more in term length and will continue to solicit and execute additional contracts to meet PCE's renewable goals.

*Resource Adequacy*. Resource Adequacy ("*RA*"), a California program jointly administered by the CPUC and the California Independent System Operator ("*CAISO*"), directs LSEs to secure forward capacity and offer it into the CAISO's Day-Ahead and Real-Time markets to ensure that there will be enough supply in the right locations and with sufficient ramping capability to meet load. The RA program is comprised of three products: System RA; Local RA; and Flexible RA. Local RA obligations have been assigned to a Central Procurement Entity as of 2023. In addition, per CPUC Decisions 19-11-016, 21-06-035, and 23-02-040, LSEs are required to procure "Incremental System Capacity," which is RA capacity from non-emitting, storage, and/or renewable resources that are in addition to the resources identified on a baseline list respective to each Decision. PCE has a strong track record of meeting its RA obligations and expects to meet its future RA obligations through its PPAs and ESAs and as well as bilateral transactions from qualifying generators to comply with the RA program.

*Power Source Disclosure*. California law requires LSEs to disclose the types of power resources used to supply retail sales. This mandate, known as the Power Source Disclosure program ("*PSD*"), is a consumer information program managed by the CEC on an annual basis. A key output of the PSD program is the Power Content Label ("*PCL*"). The PCL is an LSE-specific document that shows the breakdown of power resource types for each of the LSE's energy products used to serve retail load, as well as a breakdown of resource types for the overall California grid. The PCL is distributed to customers each year. The following chart shows the breakdown of PCE's resources by type in 2023.




**Energy Demand**

*Long-Term Load Forecast.* PCE's long-term load forecast is a 20-year projection of electricity consumption (MWh) by all PCE customers. Its forecast is built on the previous 5 years of historical data segmented by customer class, month, hour, and weekday/weekend. Load-per-meter and number of meters are forecasted separately. The load-per-meter forecast weather normalizes historical data at the level of segmentation specified above while accounting for year-on-year behavior changes. The meter forecast is a fixed 0.5% for residential and small commercial meters, and 0% for other classes. The forecasts of load-per-meter and number of meters are used to create the Gross Load Forecasts. Then load-modifying technologies are layered on to calculate the Net Load Forecasts. Currently this includes estimates of new EV adoption and BTM solar and solar + storage systems. The EV adoption forecast is based on both recent trends and modelling by industry experts. The BTM solar and solar + storage forecast is based on recent adoptions trends in the short term and industry forecasts in the long term.

The table below shows PCE's long-term retail and wholesale load forecast for 2025-2034.

| Year | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Wholesale Load (GWh) | 3,878 | 3,963 | 4,079 | 4,242 | 4,388 | 4,545 | 4,706 | 4,881 | 5,027 | 5,189 | 5,358 |
| Retail Load (GWh) | 3,642 | 3,721 | 3,830 | 3,983 | 4,120 | 4,268 | 4,419 | 4,583 | 4,721 | 4,873 | 5,031 |

**Sources of Energy**

*General.* In its procurement of energy supplies, PCE prioritizes securing sufficient, low-cost, clean sources of electricity that achieve PCE's priorities while ensuring reliability and

meeting regulatory mandates. PCE's procurement strategies focus on diversity among technologies, production profiles, project sizes and locations, counterparties, length of contract, and timing of market purchases.

*Energy Purchases*. In 2023, PCE procured approximately 3.4 million MWh of carbon free electricity for its customers. PCE anticipates that roughly 100% of its total 2024 retail sales will be sourced from renewables and carbon-free large hydroelectric projects. PCE's procurement strategy includes continuing to procure new RPS eligible renewable resources, via contracts with terms of 10 years or more. These new renewable contracts will be in addition to more than 1GW of renewables that PCE had already procured. The strategy also includes investments in wholesale storage capacity to help PCE with meeting regulatory compliance and mitigating market risks.

*Energy Load and Supply Risk Management*. PCE manages risks associated with its portfolio by aligning electricity purchase commitments with expected demand for electricity and by securing power supplies from a diversity of technologies, geographical locations, and suppliers. PCE maintains its portfolio coverage targets of up to 100% in the near term and leaves a portion open in the medium- to long-term, consistent with generally accepted industry practice. PCE monitors its positions on a regular basis to reduce exposure to CAISO day-ahead market prices. PCE uses fixed-price shaped and block energy contracts to hedge CAISO day-ahead market price exposure associated with its portfolio. These products are solicited on a quarterly basis through issuing RFPs (Request for Proposals).

*Procurement*. All contracting for energy and energy-related products for PCE, including but not limited to products related to electricity, capacity, energy efficiency, distributed energy resources, demand response, and storage shall be referred to as "Energy Procurement". In Energy Procurement, PCE will procure according to established guidelines.

PCE procures energy and Resource Adequacy consistent with its internal goals, Energy Risk Management Policy and regulatory requirements. To effectively plan and manage its portfolio, PCE differentiates contracts by their term length, technology, location, production profile, and project size. PCE uses a variety of methods, including competitive solicitations, standard contract offerings, and bilaterally negotiated agreements.

Further descriptions of PCE's policies and procedures addressing energy procurement and risk management can be found on PCE's website at https://www.peninsulacleanenergy.com/. The reference to this website address is presented herein for informational purposes only, and information on such website is not incorporated by reference to this Official Statement.

**Technology and Analytics**

PCE is committed to maintaining the highest standards of cybersecurity and data protection following industry standards and best practices to ensure safe and secure information. We adhere to a comprehensive set of IT policies on advanced encryption, access controls, vulnerability assessments, continuous monitoring, and employee training.

PCE goes through a triennial regulatory compliance and IT security audit administered by a third party. This includes a complete assessment of our IT infrastructure, network, and systems and our adherence to industry standards and regulatory requirements. Our successful audit outcomes demonstrate our commitment to maintaining a secure IT environment.

**Energy Storage**

PCE currently has approximately 342MW of wholesale (i.e., in front of the meter) storage capacity contracted over the course of the next fifteen to twenty years. Of the 342MW contracted storage capacity, 102MW are paired with renewables. PCE is in the process of negotiating and executing additional co-located and standalone storage contracts.

**Financial Information**

*Revenues from Energy Sales and Operating Expenses*. PCE's operating revenues are derived from the sale of electricity to commercial and residential customers through its territory. PCE reports its revenue net of uncollectible accounts. Rate increases in effect during 2023 account for the majority of the increase in revenue from the prior year. Additionally, the inclusion of Los Banos for the full year in 2023 resulted in an increase in revenue from 2022.

*Other Sources of Revenue*. PCE had nonoperating revenue increase from 2021 to 2022 as a result of grant income from the California Arrearage Payment Plan (CAPP) that was received in 2022. CAPP grant income declined from 2022 to 2023. Investment income decreased in 2022 as a result of a market value adjustment related to a reduction of market interest rtes. Market rate increases in 2023 contributed to increase investment returns. Management intends to hold investments to maturity.

*Financial Statements*. For financial information related to PCE, see the annual audited financial statements of PCE or the fiscal years ended June 30, 2023 and 2022 attached to this Official Statement as Appendix B.

*Financial Reserves*. PCE will maintain Financial Reserves in order to be able to: (a) meet PCE's strategic objectives; (b) secure favorable commercial terms with vendors, including power producers; (c) secure future stand-alone PCE credit rating, (d) provide a contingency to provide rate stability for PCE customers; and (e) provide a source of funds for unanticipated expenditures.

*Operating Reserve*. PCE will maintain an Operating Reserve equal to 180 days of total operating expenses (including power supply expenses and after adjusting for any discrete Board-approved capital-spending allocations or customer programs) held as unrestricted cash. Unrestricted cash is equal to total cash less cash held in accounts that are restricted from use (due to collateral or by covenant). If the Operating Reserve is projected to be below 180 days over the next 12 months, PCE will implement plans, such as increasing rates/lowering PCE's discount to PG&E rates, to return Operating Reserves to the target of 180 days within two fiscal years. Such plans will be provided in subsequent budget and rate discussions with the Board of Directors. Authority to spend from the reserves must align with Board approved budgets and must be approved by the Board.

*Risk Management*. PCE maintains risk management policies, procedures and systems that help mitigate credit, liquidity, market, operating, regulatory and other risks that arise from participation in the California energy market. Credit guidelines include a preference for transactions with investment-grade counterparties, evaluation of counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, PCE enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counterparties.

# CONSOLIDATED PPA CUSTODIAL AGREEMENT

This Consolidated PPA Custodial Agreement (this "Agreement") is made and entered into as of [____], 2024, by and among Peninsula Clean Energy, a California joint powers authority ("PCE"), J. Aron & Company LLC, a New York limited liability company ("J. Aron"), California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (defined below) (the "Issuer") and [____], (the "Custodian" and together with PCE, J. Aron and Issuer, the "Parties").

## RECITALS:

WHEREAS, in connection with the issuance of one or more series of bonds by Issuer, J. Aron, Issuer and PCE will enter into Assignment Agreements (the "Assignment Agreements", which definition shall include any new Assignment Agreement identified by J. Aron's delivery of an updated Exhibit A consistent with Section 3(b)) with the sellers under certain power purchase agreements (each, individually, a "PPA Seller" and collectively the "PPA Sellers", which definitions shall include any new PPA Seller identified by J. Aron's delivery of an updated Exhibit A consistent with Section 3(b)), pursuant to which PCE will partially assign its rights and obligations under its Power Supply Agreements ("Assigned PPAs") to J. Aron for redelivery under the Prepay Contract Chains; and

WHEREAS, the Parties propose to enter into this Agreement in order to administer payments to be received by the sellers under the Assigned PPAs (each, individually, a "PPA Seller" and collectively the "PPA Sellers", and which definitions shall include any new PPA Seller identified by J. Aron's delivery of an updated Exhibit A consistent with Section 3(b) of this Agreement) for each of the Prepay Contract Chains identified in Exhibit B as updated from time to time in accordance with Section 3(b) of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Section 1. Defined Terms; Interpretation.

(a) Any capitalized term used herein and not otherwise defined herein (including in the recitals) shall have the meaning assigned to such term in the Clean Energy Purchase Contracts. The following additional terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

"Affiliate" means, with respect to any person, any entity which is a direct or indirect parent or subsidiary of such person or which directly or indirectly (i) owns or controls such person, (ii) is owned or controlled by such person, or (iii) is under common ownership or control with such person. For purposes of this definition, "control" of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the

election of directors or persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

"Assigned Product Price" has the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

"Clean Energy Purchase Contracts" means each of the Clean Energy Purchase Contracts by and between PCE and Issuer as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

"Electricity Sale and Service Agreements" means each of the Electricity Purchase, Sale and Service Agreements by and between J. Aron and the buyer thereunder as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

"Issuer Negative Pricing Payment Amount" means the positive difference, if any, for any Month of an Assignment Period between (a) amounts due from Issuer to PCE under [Section 3.2(a)] of the Power Supply Contract with respect to negatively priced Assigned Products and (b) amounts due from PCE to Issuer under [Section 3.2(a)] of the Power Supply Contract with respect to positively priced Assigned Products.

"J. Aron Fixed Payment" means, in respect of each Assigned PPA and each Month in an Assignment Period thereunder, the amount set forth for such Assigned PPA and Month on Exhibit B hereto; provided that there shall be two J. Aron Fixed Payments for each Month of the Assignment Period with respect to any Assigned PPA that includes separate Assigned Prepay Quantities for Energy and storage Products. Notwithstanding the foregoing, there shall be no J. Aron Fixed Payment for an Assignment Agreement that provides for payment by J. Aron to the relevant PPA Seller of a floating price for Assigned Products delivered during the Assignment Period.

"J. Aron Prepay Payment" means, in respect of each Monthly PPA Invoice, an amount determined by PCE as the lesser of (a) (i) with respect to any Assigned PPA that has a J. Aron Fixed Payment, the J. Aron Fixed Payment for the relevant Month and Assigned PPA or (ii) with respect to any Assigned PPA that does not have a J. Aron Fixed Payment, the Assigned Prepay Quantity for the relevant Assigned PPA for the relevant Month multiplied by the Assigned Produce Price, and (b) the actual quantity of Assigned Product reflected in such Monthly PPA Invoice multiplied by the Assigned Product Price then in effect with respect to applicable Product in the relevant Assigned PPA; provided that the J. Aron Prepay Payment shall be reduced by the face amount of any Receivable (as defined in the Electricity Sale and Service Agreement) that is delivered by J. Aron to the Custodian pursuant to Section 4(f); provided further that (x) the J. Aron Prepay Payment will be determined without regard to any PPA Seller Payment Obligation and (y) there shall be two J. Aron Prepay Payments for each Month of the Assignment Period with respect to any Assigned PPA that includes separate Assigned Prepay Quantities for Energy and storage Products. Furthermore, the J. Aron Prepay Payment shall be determined pursuant to clause (b) for each Month of the relevant Assignment Period for an Assignment Agreement that provides for payment by J. Aron to the relevant PPA Seller of a floating price for Assigned Products delivered during the Assignment Period.

"J. Aron Resettlement Payment" means, in respect of any Monthly PPA Invoice that (a) is delivered after the delivery of the Billing Statement under the Clean Energy Purchase Contract for such Month and (b) reflects a quantity of Product less than the Assigned Prepay Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to the product of (x) the Assigned Prepay Quantity for such Month minus the Assigned Quantity actually delivered under the relevant Assigned PPA, multiplied by (y) the applicable APC Contract Price.

"Master Power Supply Agreements" means each of the Master Power Supply Agreements by and between Issuer and the seller thereunder, as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

"Monthly PPA Payment" means, in respect of any Monthly PPA Invoice, an amount determined by PCE as the total amount to be withdrawn from the Assigned PPA Payments Account by the Custodian and paid to the relevant PPA Seller in respect of such Monthly PPA Invoice, which shall equal the total net amount due to such PPA Seller in respect of such Monthly PPA Invoice and shall consist of the following components:

(a) The J. Aron Prepay Payment(s), which shall be deemed to be paid to the relevant PPA Seller on behalf of J. Aron in respect of Assigned Products; and

(b) the PCE Net Payment.

"PCE Gross Payment" means, in respect of any Monthly PPA Invoice, an amount determined by PCE as the positive result, if any, of (a) all amounts owed to the relevant PPA Seller in respect of such Monthly PPA Invoice (determined without respect to the PPA Seller Payment Obligation), less (b) the J. Aron Prepay Payment(s); provided, for clarity, that the PCE Gross Payment (i) shall be deemed to be paid to the relevant PPA Seller on behalf of J. Aron to the extent it relates to any Assigned PAYGO Product, and (ii) otherwise shall be deemed to be paid to the relevant PPA Seller on behalf of PCE.

"PCE Net Payment" means, in respect of any Monthly PPA Invoice, an amount determined by PCE as the positive result, if any, of (a) the PCE Gross Payment, less (b) the PPA Seller Payment Obligation.

"PPA Seller Payment Obligation" means, in respect of any Monthly PPA Invoice, an amount determined by PCE as the total amount owed by the relevant PPA Seller as reflected in such Monthly PPA Invoice, including any amounts that have been netted or set-off against amounts owed to such PPA Seller; provided, for clarity, that the PPA Seller Payment Obligation shall be deemed to be paid to PCE and credited against the PCE Gross Payment thereby resulting in the PCE Net Payment required to be made by PCE hereunder.

"PPA Shortfall Lookback Summary" means, in respect of any Monthly PPA Invoice, a list that sets forth the following:

(i) which Months, if any, the relevant PPA Seller delivered less than the Assigned Prepay Quantity in the preceding 12 Months (any such Month, a "Lookback Shortfall Month") under the applicable Assigned PPA and whether such under-deliveries were a result of Force Majeure (as defined in the relevant Assigned PPA);

(ii) the percentage of the Assigned Prepay Quantity actually delivered under the applicable Assigned PPA for each such Lookback Shortfall Month; and

(iii) an indication of whether an increased Remarketing Fee (as defined in the relevant Master Power Supply Agreement) is in effect consistent with the terms of Exhibits C and F of the relevant Master Power Supply Agreement.

"Prepay Contract Chain" means, with respect to each bond issuance by Issuer detailed in Exhibit B, the Electricity Sale and Service Agreement, Prepaid Agreement and Clean Energy Purchase Contract relating thereto. As used herein, Prepay Contract Chains shall be limited to contract chains entered into in connection with bond issuances by Issuer for a prepayment to an Affiliate of J. Aron pursuant to a Master Power Supply Agreement between Issuer and an Affiliate of J. Aron.

(b) Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

Section 2. Appointment of Custodian. PCE, J. Aron and Issuer hereby appoint [____] as Custodian under this Agreement, with such rights and obligations as are specifically set forth herein. The Custodian hereby accepts such appointment under the terms and conditions set forth herein.

Section 3. Payment Instructions to Custodian; Assigned PPA Exhibits.

(a) Monthly Statements. No later than five Business Days following receipt of an invoice from a PPA Seller in respect of any Month in an Assignment Period (a "Monthly PPA Invoice"), PCE shall deliver a statement (the "Monthly Statement") showing each of the following (based on the information provided by the relevant PPA Seller in the Monthly PPA Invoice) to each of the Parties hereto and the seller under the Master Power Supply Agreement for the Prepay Contract Chain to which such Assigned PPA is assigned:

(i) the J. Aron Prepay Payment(s);

(ii) the J. Aron Resettlement Payment;

(iii) the PCE Gross Payment;

(iv) the PPA Seller Payment Obligation;

(v) the PCE Net Payment;

(vi) the Monthly PPA Payment;

(vii) the "Monthly PPA Invoice Payment Date", which shall be the last Business Day on which payment on such Monthly PPA Invoice may be made before any incremental interest arises thereon or any default or breach arises under the relevant Assigned PPA;

(viii) the "Custodial Agreement Payment Date," which shall be one Business Day preceding the Monthly PPA Invoice Payment Date;

(ix) the PPA Shortfall Lookback Summary;

(x) the Issuer Negative Payment Amount, if any;

(xi) the quantity of Assigned PAYGO Products delivered under such Assigned PPA in such Month (including written instructions regarding the application of such Assigned PAYGO Products to remediate remarketing proceeds for one or more Prepay Contract Chains, provided that Assigned PAYGO Products shall be applied first to the remediation of remarketing proceeds for the Prepay Contract Chain to which such Assigned PPA is assigned consistent with [Section 7.5(b)] of the Clean Energy Purchase Contracts);

provided furthermore that PCE shall deliver an updated Monthly Statement within seven days following agreement by PCE and any PPA Seller to an adjustment to a Monthly PPA Invoice to the extent that such adjustment is agreed upon prior to the date that is 10 days prior to the Monthly PPA Invoice Date; provided furthermore that the Parties acknowledge and agree that any adjustments agreed upon with respect to a Monthly PPA Invoice after the date specified in the foregoing provision shall be resolved solely between PCE and the relevant PPA Seller as provided in the Assignment Agreements. The Parties agree to exercise commercially reasonable efforts to implement a test billing period for a period of at least two Months prior to the effectiveness of any Assignment Agreement after the Initial Assignment Agreement.

(b) Monthly Statement Verification. J. Aron shall notify PCE and each other Party promptly, but in no event more than three (3) Business Days, following PCE's delivery of a Monthly Statement if J. Aron believes any information included on such Monthly Statement is incorrect. Following receipt and verification of the information included in any such notice from J. Aron, PCE shall, to the extent appropriate and in consultation with J. Aron, issue a corrected Monthly Statement to all Parties. J. Aron and each other Party hereto acknowledges and agrees that (i) PCE is calculating the Monthly Statement only for convenience of the Parties, (ii) the purpose of this Agreement is solely to determine amounts to be paid by PCE and J. Aron under separate contracts, and (iii) none of PCE, J. Aron nor any other Party hereto will have any liability whatsoever with respect to any action taken or omitted by it under this Agreement (but without prejudice to an express payment obligation arising under another contract), including as a result of any failure by PCE to timely or properly calculate any amount to be included in a Monthly Statement. Without limiting the foregoing, J. Aron acknowledges that it will have an opportunity to review and comment on each calculation and date included in a Monthly Statement (and shall be aware if such Monthly Statement has not been timely delivered) and PCE will not be responsible in any way for any damages, costs, liabilities, loss of use or any other claims related to an insufficient or late payment under an Assigned PPA as a result of any deficiencies in any Monthly Statement.

(c) Exhibits.

(i) Exhibit A to this Agreement sets forth certain information regarding the Assigned PPAs as of the date hereof, including the Assignment Periods for each Assigned PPA, the Assigned Prepay Quantities, the PPA Sellers thereunder and the payment instructions for payments to the PPA Sellers. Exhibit B to this Agreement sets forth the J. Aron Fixed Payments with respect to each of the Assigned PPAs. J. Aron shall deliver an updated Exhibit A or Exhibit B, as applicable, to each of the other Parties hereto to reflect any changes to the information set forth therein, including in connection with the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(ii) Exhibit C to this Agreement sets forth certain information regarding the Prepay Contract Chains in effect as of the date hereof. J. Aron shall deliver an updated Exhibit C to each of the other Parties hereto to reflect any changes to the information set forth therein, including due to the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(d) Remediation of Remarketing Proceeds with PCE's Purchases of Assigned PAYGO Products. Subject to [Section 12(b) of Exhibit C to the Master Power Supply Agreements] regarding the automatic application of PCE's purchase of certain Assigned PAYGO Products to the remediation of remarketing proceeds, the Parties acknowledge and agree that PCE's purchase of Assigned PAYGO Products shall be applied to the remediation of remarketing proceeds, if any, under the Master Power Supply Agreements in accordance with PCE's written instructions pursuant to Section 3(a)(xi).

(e) CAISO Revenues under Certain Assigned PPAs. With respect to any Assigned PPA that provides for the PPA Seller thereunder to collect CAISO revenues and credit such CAISO revenues against amounts otherwise due under such Assigned PPA, the Parties acknowledge and agree that J. Aron shall be deemed to collect such revenues on behalf of PCE to the extent such revenues are collected by the applicable PPA Seller pursuant to the Assigned PPA while the relevant Assignment Agreement is in effect, and the operation of the terms of this Agreement shall effect net settlement between J. Aron and PCE of such CAISO revenues and the amounts otherwise due under the Assigned PPA.

Section 4. Assigned PPA Payments Account.

(a) Payments. With respect to certain payments required to be made by J. Aron and PCE to the PPA Sellers under the Assigned PPAs, there is hereby established the custodial account detailed below (the "Assigned PPA Payments Account"), and all payments made by J. Aron and PCE hereunder shall be wired to such Assigned PPA Payments Account :

[____]
ABA: [____]
FBO: [____]
Acct: [____]
FFC: [____]

(b) J. Aron Payments. J. Aron shall pay the J. Aron Prepay Payment(s) and any J. Aron Resettlement Payment into the Assigned PPA Payments Account, in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement. To the extent that (i) a J. Aron Prepay Payment and a J. Aron Resettlement Payment are due and (ii) J. Aron pays some portion of such amounts but less than the total amount due, J. Aron's partial payment shall be applied first to the J. Aron Prepay Payment. In addition, the Custodian agrees to promptly notify PCE if it does not receive the J. Aron Prepay Payment or any J. Aron Resettlement Payment from J. Aron on the Custodial Agreement Payment Date, and in such case PCE may elect in its sole discretion to make the J. Aron Prepay Payment to the Custodian for the purpose of satisfying the Monthly PPA Payment (in which case PCE will have a reimbursement claim against Issuer under Section 6.4 of the Clean Energy Purchase Contract).

(c) PCE Payments. PCE shall pay the PCE Net Payment into the Assigned PPA Payments Account in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement. For each Month, if any, of an Assignment Period for which there is an Issuer Negative Pricing Payment Amount, PCE shall make payment of such amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date; provided that, notwithstanding the foregoing, PCE shall have no payment obligation hereunder with respect to an Issuer Negative Pricing Payment Amount to the extent that J. Aron receives such amount from the PPA Seller pursuant to the terms of the applicable Assignment Agreement.

(d) Application of Payments. The Custodian shall withdraw and apply amounts received under this Section 4 as follows:

(i) any J. Aron Prepay Payment received from J. Aron (including any payment be by PCE on J. Aron's behalf pursuant to the last sentence of Section 4(b)) and any PCE Net Payment received from PCE shall be applied to the payment of the Monthly PPA Payment to each PPA Seller in respect of each Monthly Statement on the relevant Monthly PPA Invoice Payment Date pursuant to the payment instructions set forth on Exhibit A; provided that if amounts on deposit in the Assigned PPA Payment Account are insufficient to pay the entire Monthly PPA Payment on such date, the Custodian shall (i) withdraw and pay to such PPA Seller the entire remaining balance of the Assigned PPA Payment Account and (ii) notify such PPA Seller of the amounts received for such Month from each of J. Aron and PCE consistent with such PPA Seller's contact information provided in Exhibit A; provided furthermore that, if the J. Aron Prepay Payment for any Month exceeds the Monthly PPA Payment, then the excess of the J. Aron Prepay Payment over the Monthly PPA Payment shall be remitted to PCE on the relevant Monthly PPA Invoice Payment Date pursuant to PCE's payment instructions set forth on Exhibit C;

(ii) with respect to any Monthly Statement for an Assigned PPA that (A) has been verified by J. Aron pursuant to Section 3(b) of this Agreement and (B) reflects a J. Aron Resettlement Payment, any J. Aron Resettlement Payment received from J. Aron shall be remitted promptly to PCE pursuant to PCE's payment instructions set forth on Exhibit C; and

(iii) for any Month in an Assignment Period for which an Issuer Negative Pricing Payment Amount is due from PCE, the Custodian shall, after application of

amounts on deposit in the Assigned PPA Payments Account pursuant to clause (i) or (ii) above, as applicable, withdraw amounts on deposit in the Assigned PPA Payments Account to make payment of the Issuer Negative Pricing Payment Amount to J. Aron.

(e) Amounts Held in Trust. Amounts deposited in the Assigned PPA Payments Account shall be held in trust for the benefit of PCE until applied as set forth in Section 4(d) and Section 12, as applicable, and there is hereby granted to PCE a lien on and security interest in the Assigned PPA Payments Account pending such application. The Custodian shall not be required to comply with any orders, demands, or other instructions from PCE with respect to the Assigned PPA Payments Account, including, without limitation, items presented for payment, or any order or instruction directing the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, and PCE agrees that prior to the termination of this Agreement in accordance with the terms hereof, it shall have no right to direct the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, or to withdraw or otherwise obtain funds or other assets held in or credited to the Assigned PPA Payments Account, whether by order or instruction to the Custodian or otherwise.

(f) Transfer of Receivables. With respect to each Monthly Statement, to the extent J. Aron has purchased Receivables (as defined in the Electricity Sale and Service Agreement) for amounts owed by PCE for the Month to which such Monthly Statement relates, J. Aron may, at its option, (i) notify the Custodian that it intends to transfer all or any portion of such Receivables to the applicable PPA Seller, and (ii) reduce the J. Aron Prepay Payment by the face amount of such Receivables to be transferred. To the extent J. Aron has notified the Custodian of its intent to transfer any such Receivables, J. Aron shall cause such Receivables to be transferred to the relevant PPA Seller not later than the relevant Custodial Agreement Payment Date.

Section 5. Custodian; Fees.

(a) Limitation on Liability. The Custodian shall have (i) no liability under any agreement other than this Agreement and (ii) no duty to inquire as to the provisions of any agreement other than this Agreement and the Assigned PPAs. The Custodian may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction or request furnished to it hereunder in accordance with the terms hereof and believed by it to be genuine and to have been signed or presented by the proper Party or Parties. The Custodian shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Custodian shall have no duty to solicit or compel any payments which may be due to it, or to take any action to compel J. Aron or PCE to make the deposits required under Section 4. The Custodian shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Custodian's gross negligence or willful misconduct was the primary cause of any loss to any other Party hereto. In connection with the execution of any of its powers or the performance of any of its duties hereunder, the Custodian may consult with counsel, accountants and other skilled persons selected and retained by it. The Custodian shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons, provided the Custodian exercised due care and good faith in the selection of such person. The permissive rights and powers of the Custodian to take actions enumerated under this Agreement shall not be construed as duties. In the event that the Custodian

shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other Parties hereto or by a final order or judgment of a court of competent jurisdiction. The Custodian may interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or non-action based on such declaratory judgment. Anything in this Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect, incidental or consequential damages, losses or penalties of any kind whatsoever (including but not limited to lost profits), regardless of the form of action. The Custodian may engage and act through agents and attorneys and shall not be liable for the misconduct or negligence of any such agent or attorney appointed with due care. The Custodian shall be responsible only for funds actually received by it for deposit into the Assigned PPA Payments Account, and the Custodian shall not be obliged to advance or risk its own funds to make any payments required hereunder. The Custodian shall have only those duties expressly set forth in this Agreement and no implied duties shall be read into this Agreement against the Custodian. The Parties hereto acknowledge and agree that the Custodian is not a fiduciary by virtue of accepting and carrying out its obligations under this Agreement and has not accepted any fiduciary duties, responsibilities or liabilities with respect to its services hereunder. The Custodian shall not be responsible for the perfection of any security interest granted hereunder.

(b) Custodian Fee. The Issuer agrees to (i) pay the Custodian reasonable compensation for the services to be rendered hereunder, which compensation shall be $1,200.00 for each year that this Agreement is in effect, and (ii) pay or reimburse the Custodian upon request for all expenses, disbursements and advances, including reasonable attorney's fees and expenses, incurred or made by it in connection with the preparation, execution, performance, delivery, modification and termination of this Custodial Agreement. The parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 6. Succession. The Custodian may resign and be discharged from its duties or obligations hereunder by giving not less than 45 days' advance notice in writing of such resignation to the other Parties hereto specifying a date when such resignation shall take effect; and such resignation shall take effect upon the day specified in such notice unless a successor shall not have been appointed by the other Parties hereto on such date, in which event such resignation shall not take effect until a successor is appointed. The other Parties hereto shall use their commercially reasonable efforts to make such appointment in a timely fashion, provided that any custodian appointed in succession to the Custodian shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least $50,000,000 and shall be a bank with trust powers or trust company willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Agreement. Any corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the Custodian's corporate trust line of business may be transferred, shall be the Custodian under this Agreement without further

act. Notwithstanding the foregoing, if no appointment of a successor Custodian shall be made pursuant to the foregoing provisions of this Section 6 within 45 days after the Custodian has given written notice to the other Parties of its resignation as provided in this Section 6, the Custodian may, in its sole discretion, apply to any court of competent jurisdiction to appoint a successor Custodian. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Custodian.

Section 7. Reimbursement. J. Aron and PCE agree, jointly and severally (subject to the second proviso of this Section 7), to reimburse the Custodian and its directors, officers, agents and employees for any and all loss, liability or expense (including the fees and expenses of in-house or outside counsel and experts and their staffs and all expense of document location, duplication and shipment) arising out of or in connection with (a) its acting as the Custodian under this Agreement, except to the extent that such loss, liability or expense is finally adjudicated to have been caused primarily by the gross negligence or willful misconduct of the Custodian or such director, officer, agent or employee seeking reimbursement, or (b) its following any instructions or other directions from J. Aron or PCE, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof; provided, however, that any amounts due under this Section 7 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 13 hereof; provided further, however, that, notwithstanding the joint and several nature of the obligations under this Section 7, any amounts due under clause (b) of this sentence resulting from instructions or directions that are not expressly provided for in this Agreement and are given to the Custodian by only one Party shall be the sole obligation of such Party. The Parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 8. Taxpayer Identification Numbers; Tax Matters. J. Aron and PCE represent that that their correct taxpayer identification numbers assigned by the Internal Revenue Service or any other taxing authority is set forth on the signature page hereof. Any tax returns or reports required to be prepared and filed in connection with the Assigned PPA Payments Account will be prepared and filed by PCE, and the Custodian shall have no responsibility for the preparation and/or filing of any tax return with respect to any income earned on the Assigned PPA Payments Account. In addition, any tax or other payments required to be made pursuant to such tax return or filing shall be paid by PCE. The Custodian shall have no responsibility for making such payment unless directed to do so by the appropriate authorized Party.

Section 9. Notices. Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing and shall either be sent by email transmission or other Electronic Means (defined below), courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit C for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission or other Electronic Means (defined below), or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit C. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, a Party may at any time notify the others that any notice, demand, statement or request to it must be provided by email transmission for a

specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

As used herein, "Electronic Means" shall mean e-mail transmission or other similar electronic means of communication providing evidence of transmission, S.W.I.F.T, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, facsimile transmission, including a telephone communication confirmed by any other method set forth in this definition, or another method or system specified by a Responsible Officer of the Custodian as available for use in connection with the Custodian's services hereunder.

Section 10. Miscellaneous.

(a) Amendments. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the Parties hereto.

(b) Assignments. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any Party, except as provided in Section 6, without the prior written consent of the other Parties.

(c) Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced, and performed in accordance with the laws of the State of New York, without regard to any conflicts of law principle that would direct the application of the laws another jurisdiction.

(d) Jurisdiction. Each Party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the exclusive jurisdiction of (A) the courts of the State of New York located in the Borough of Manhattan, (B) the federal courts of the United States of America for the Southern District of New York or (C) the federal courts of the United States of America in any other state. The Parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement.

(e) Force Majeure. No Party to this Agreement shall be liable to any other Party hereto for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, war, terrorism, epidemic, pandemic, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control; provided that a party affected by any such event shall exercise commercially reasonable efforts to resume performance as quickly as possible.

(f) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties to this Agreement may be transmitted by facsimile or by digital pdf transmission, and such facsimile or pdf will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party.

(g) No Obligation to Invest. The Custodian shall not be under any obligation to invest or pay interest on amounts held in the Assigned PPA Payments Account from time to time.

(h) Limited Duties. Issuer shall have only such duties under this Agreement as are expressly set forth herein as duties on its part to be performed, and no implied duties shall be read into this Agreement against Issuer.

Section 11. Compliance with Court Orders. In the event that any amount held by the Custodian hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court affecting the property deposited under this Agreement, the Custodian is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing are binding upon it, whether with or without jurisdiction, and in the event that the Custodian obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding that such writ, order or decree may be subsequently reversed, modified, annulled, set aside or vacated.

Section 12. Term; Winding Up. This Agreement will expire concurrently with the receipt of written notice from PCE, with a copy to the other Parties, that the Clean Energy Purchase Contract has terminated in accordance with its terms. Following the Custodian's payment of any Monthly PPA Payments due in respect of the final month of commodity deliveries prior to such a termination, any remaining balance in the Assigned PPA Payments Account shall be paid to PCE.

Section 13. Indemnification. J. Aron and PCE, jointly and severally, agree to protect, indemnify, defend and hold harmless, the Custodian, and affiliates, and each person who controls the Custodian (and each of their respective directors, officers, agents and employees) from and against all claims, losses, liabilities, actions, suits, costs, judgments and expenses (including court costs and reasonable attorneys' fees) arising from its acting as Custodian hereunder (including, for the avoidance of doubt, any costs, expenses and reasonable attorneys' fees incurred in enforcing any payment obligation of an indemnifying Party), except for any claim, damage or loss resulting from the gross negligence or willful misconduct of the Custodian; provided, however, that any amounts due under this Section 13 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 7 hereof. The obligations of this Section 13 shall survive any resignation or removal of the Custodian and the termination of this Agreement. In addition, notwithstanding anything herein to the contrary, the Custodian and Issuer shall have all of the rights (including the indemnification rights), benefits, privileges and immunities under this Agreement as are granted to Issuer and the Trustee under the Trust Indenture, all of which are incorporated, mutatis mutandis, into this Agreement.

Section 14. Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of the Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of the Issuer, payable solely from the Trust Estate (as such term is defined in the Trust Indenture) as and to the extent provided in the Trust Indenture, including with respect to Operating Expenses (as such term is defined in the Trust Indenture). The Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Trust Indenture) and other assets pledged under the Trust Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of the Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. The Issuer shall

not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Trust Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Trust Indenture.

Section 15. Patriot Act. J. Aron and PCE acknowledge that the Custodian is subject to federal laws, including the Customer Identification Program ("CIP") requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Custodian must obtain, verify and record information that allows the Custodian to identify J. Aron and PCE. Accordingly, prior to opening the Assigned PPA Payments Account described in Section 4 of this Agreement, the Custodian will ask J. Aron and PCE to provide certain information including but not limited to name, physical address, tax identification number and other information that will help the Custodian identify and verify J. Aron's and PCE's identities, such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. J. Aron and PCE agree that the Custodian cannot open any account hereunder unless and until the Custodian verifies J. Aron's and PCE's identities in accordance with its CIP.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

PENINSULA CLEAN ENERGY

By:_____
Name: _____
Title: _____
Taxpayer ID Number:_____

J. ARON & COMPANY LLC

By:_____
Name: _____
Title: _____
Taxpayer ID Number:_____

[CUSTODIAN]

By:_____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By:_____
Name: _____
Title: _____

**EXHIBIT A**

**ASSIGNED PPAS**

[To come.]

**EXHIBIT B**

**J. ARON FIXED PAYMENTS**

[To be attached.]

## EXHIBIT C

## PREPAY CONTRACT CHAINS AND RELATED NOTICE AND PAYMENT INFORMATION

[To come.]

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** September 20, 2024
**MEETING DATE:** September 26, 2024
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee

**FROM:** Shawn Marshall, Chief Executive Officer
Nelly Wogberg, Board Clerk

**SUBJECT:** Approval of Amendments to Peninsula Clean Energy Operating Rules and Regulations: "Policy 16, Policies and Procedures for Board of Directors, Committees and Advisory Groups" Section 4 and Associated Amendment to Section 3.9.1 of Peninsula Clean Energy's Third Amended Joint Powers Authority (JPA) Agreement (Action)

## RECOMMENDATION

Approval of Amendments to Peninsula Clean Energy Operating Rules and Regulations: "Policy 16, Policies and Procedures for Board of Directors, Committees and Advisory Groups" Section 4 and Associated Amendment to Section 3.9.1 of Peninsula Clean Energy's Third Amended Joint Powers Authority (JPA) Agreement (Action)

## BACKGROUND

Peninsula Clean Energy's Operating Rules and Regulations are comprised of Board Policies. These policies are updated regularly based on the changing needs of the organization and require Board approval. At the June 27, 2024 Board of Directors meeting, staff recommended and the Board approved a number of functional and administrative changes to Policy 16: “Policies and Procedures for Board of Directors, Committees and Advisory Groups” to document best practice operating procedures and ensure functional alignment with PCE’s Joint Powers Authority (JPA) Agreement.

Also at the June 27, 2024 Board meeting, the Board approved a number of administrative edits to the second Amendment of PCE’s Joint Powers Agreement to ensure alignment with existing Board Policies as noted above. The Board then directed staff to send the proposed JPA amendments to PCE’s member agencies for the required 30-day posting and comment period; this occurred on July 17, 2024 and no comments were received. Thus, the third Amended JPA Agreement returned to the Board on August 22, 2024 for formal adoption. During that meeting, the Board approved the removal of section 3.1.1., an inclusion of delegation of authority in 3.3.7, a dollar figure was removed from section 3.4, an update was approved for section 6.1.1., and an update to section 5.3.1, budget, was approved.

At the August 22,2024 Board meeting, the Board requested additional language and edits to section 3.9.1 of the JPA Agreement pertaining to Chair and Vice Chair terms and term limits. These proposed edits to the JPA section 3.9.1 are shown as redline amendments in the attached Third Amended JPA Agreement and related amendments are shown in section 4(a) of the attached redline for Policy 16. The proposed JPA amendment in Section 3.9.1 was sent to PCE's member agencies for the required 30-day posting and comment period on August 27, 2024; no comments were received.

Policy 16 amendments also reflect the addition of a prohibition on revolving door employment and contracting at section 4(f) and amendments to Board Attendance Policies at section 4(e).

**DISCUSSION**

**Policy 16 Proposed Edits**:

The following amendments to Section 4 of Policy 16 were reviewed by the Executive Committee on September 9, 2024. Sections 4(a) Term Limits and 4(f) Revolving Door Employment Prohibitions were approved by the Committee without further amendment. Section 4(e) pertaining to Board attendance was further amended to change the threshold from three to two unexcused absences after which staff would contact the Board member to resolve the participation issues. See below and attached for specific language and redlines.

1. Amend section 4(a) pertaining to Chair and Vice Chair term limits and procedures (bolded sections added):

4(a) Chair and Vice-Chair

**The Chair and Vice-Chair will be individually elected by the Board for up to two (2) successive one (1) year terms. There shall be a limit of two (2) successive terms held by the Chair or Vice Chair. In the event that a director is not nominated for election as Chair and/or Vice Chair by the ad hoc nominating committee, or, if for another reason the position(s) will be vacant, the incumbent Chair or Vice Chair may be elected for an additional one (1) year term beyond the two (2) year term described in the first paragraph of this section for a total term of three (3) years. The Board must approve a term extension to three (3) years by a majority vote. However, after a break in service of at least one-year, a member may again serve as Chair.**

[Paragraph Unchanged] A member may serve consecutive terms as Vice-Chair and then subsequently serve as Chair. There is a general expectation that Vice-Chairs will serve as Chair following their term as Vice-Chair. However, ultimately, the decision of whom to elect is at the discretion of the Board.

[Paragraph Unchanged] With respect to the process and timing for nomination and election of the Chair and Vice- Chair, every January the Chair will appoint an ad hoc nominating committee made up of between three and five Board members, each of whom has indicated to the Chair an intention not to seek the positions of Chair or Vice-Chair. At the January meeting of the Board, the Chair will inform the Board of the composition of the nominating committee and invite interested members to notify the nominating committee of their desire to serve as either Chair or Vice-Chair. Prior to the February meeting of the Board, the nominating committee shall confer and prepare a recommendation regarding who should serve as Chair

and Vice- Chair for that year. At the February Board meeting, that recommendation shall be submitted to the Board and the Board shall take action thereon.

2. Add a new section 4(f) pertaining to a prohibition on revolving door employment and contracting practices:

4(f) **Employment and Contracting Restrictions for Former Board Members**

Board members understand that they shall not be current PCE employees or seek and/or gain employment with PCE during their term(s) as a Board member. A former Board member shall not seek and/or gain employment at PCE within the twelve (12) months following the end of their Board service as marked by the Board member's final PCE Board meeting as a Board member.

In the event that PCE desires to contract with a former Board member within twelve (12) months of the end of their term as a Board member such agreement, regardless of not to exceed amount, shall be approved by the majority of the Board.

3. Clarify language to the previously amended Section 4(e) "Attendance Procedures" (amendments in bold):

4(e) Attendance Procedures

The PCE Board expects its members to attend Board meetings regularly and consistently. Board members should notify their Alternates and the Board Clerk of any planned absences. If a Member Jurisdiction has more than **two (2) unexcused absences** at Board meetings or Standing Committee meetings, the Board Chair will direct staff to notify the subject Board member with the intention of resolving the participation issue. If there is a further absence by the Board member the Board Chair will direct staff to send a letter to the County or City Manager and Mayor with a request to designate a replacement Board representative. Unexcused absence is defined as not having provided written notification of an absence prior to the beginning of the meeting.

**Third Amended JPA Agreement Proposed Edits:**

- Amend section 3.9.1 pertaining to Officer Term Limits:
- Chair and Vice Chair. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. **The term of office for and term limits of the Chair and Vice Chair shall be set forth in the policies and procedures established by the Board of Directors.** The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

**FISCAL IMPACT**

None

**ATTACHMENTS:**
JPA - Proposed Third Amended - Redline BA
Policy 16 - Redline 91824.pdf

**RESOLUTION NO. _____**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**APPROVAL OF AMENDMENTS TO PENINSULA CLEAN ENERGY OPERATING RULES AND REGULATIONS: "POLICY 16, POLICIES AND PROCEDURES FOR BOARD OF DIRECTORS, COMMITTEES AND ADVISORY GROUPS" SECTION 4 AND ASSOCIATED AMENDMENT TO SECTION 3.9.1 OF PENINSULA CLEAN ENERGY'S THIRD AMENDED JOINT POWERS AUTHORITY (JPA) AGREEMENT (ACTION)**

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**RESOLVED,** by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

**WHEREAS,** in the Spring of 2024, Peninsula Clean Energy staff identified and noted some inconsistencies and duplication between the Operating Rules and Regulations of the Board (namely PCE's Board Policies), and the second amended Joint Powers Authority (JPA) Agreement;

**WHEREAS,** the following administrative updates were made to Policy 16: Policies and Procedures for Board of Directors, Committees and Advisory Groups, to remove duplication and to ensure that all documents governing the PCE Board are in alignment:

1. Amend section 4(a) pertaining to Chair and Vice Chair term limits and procedures;
2. Clarify language regarding Board member absences in the previously amended Section 4(e) “Attendance Procedures”;
3. Add a new section 4(f) pertaining to a prohibition on revolving door employment and contracting practices;

**WHEREAS,** the following administrative update to Section 3.9.1 (Selection of Board Officers) of the third amended Joint Powers Agreement was proposed:

1. Update and remove specific Chair and Vice Chair term limits from Section 3.9.1 and move to Policy 16, Policies and Procedures for Board of Directors, Committees and Advisory Groups, which shall indicate term limits of two (2) one (1) year terms for both seats and allow for special procedures in the event that a director is not nominated for either Chair and/or Vice Chair.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves administrative updates to Section 4 of the Peninsula Clean Energy Policy 16 - Policies and Procedures for Board of Directors, Committees and Advisory Groups, and the Joint Power Authority (JPA) Agreement to allow for the removal of inconsistencies and duplications between the JPA Agreement and adopted Board Policies. These updates are thus reflected in the Third Amended JPA Agreement.

~~SECOND~~ THIRD AMENDED JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING THE

# PENINSULA CLEAN ENERGY AUTHORITY

This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, and establishes the Peninsula Clean Energy Authority ("Authority"), is by and between the County of San Mateo ("County") and those counties, cities and towns within the State of California who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto.

## RECITALS

A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.

B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local governments to develop programs to reduce greenhouse gas emissions.

C. The purposes for entering into this Agreement include:

   a. Reducing greenhouse gas emissions related to the use of power in San Mateo County and the State of California;

   b. Providing electric power and other forms of energy to customers at a competitive cost;

   c. Carrying out programs to reduce energy consumption;

   d. Stimulating and sustaining the local economy by developing local jobs in renewable energy; and

   e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.

D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar, wind, and biomass energy production. The purchase of renewable power and greenhouse gas-free energy sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State's transition to clean power resources to the extent feasible. The Agency will also add increasing levels of locally generated renewable

resources as these projects are developed and customer energy needs expand.

E. The Parties desire to establish a separate public agency, known as the Peninsula Clean Energy Authority, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation (CCA) program, an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2. The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

## ARTICLE 1: DEFINITIONS AND EXHIBITS

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A: Definitions
Exhibit B: List of the Parties
Exhibit C: Annual Energy Use
Exhibit D: Voting Shares
Exhibit E: Signatures

## ARTICLE 2: FORMATION OF PENINSULA CLEAN ENERGY AUTHORITY

2.1 Effective Date and Term. This Agreement shall become effective and Peninsula Clean Energy Authority shall exist as a separate public agency on February 29, 2016 or when the County of San Mateo and at least two municipalities execute this Agreement, whichever occurs later. The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 6.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 Formation. There is formed as of the Effective Date a public agency named the Peninsula Clean Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties

unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 7.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3 Purpose. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate in the CCA Program, as further described in Section 4.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4 Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 3.7 through 3.7.5:

2.4.1 to make and enter into contracts;

2.4.2 to employ agents and employees, including but not limited to a Chief Executive Officer;

2.4.3 to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

2.4.4 to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property; however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party over its objection without first meeting and conferring in good faith.

2.4.5 to lease any property;

2.4.6 to sue and be sued in its own name;

2.4.7 to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;

2.4.8 to form subsidiary or independent corporations or entities if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;

2.4.9 to issue revenue bonds and other forms of indebtedness;

2.4.10 to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

2.4.11 to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

2.4.12 to adopt Operating Rules and Regulations; and

2.4.13 to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services.

2.4.14 to permit additional Parties to enter into this Agreement after the Effective Date and to permit another entity authorized to be a community choice aggregator to designate the Authority to act as the community choice aggregator on its behalf.

2.5 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by San Mateo County.

2.6 Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act ("CEQA").

## ARTICLE 3: GOVERNANCE AND INTERNAL ORGANIZATION

3.1 Board of Directors. The governing body of the Authority shall be a Board of Directors ("Board"). The Board shall consist of 2 (two) directors appointed by the San Mateo County Board of Supervisors and 1 (one) director appointed by each County, City or Town that becomes a signatory to the Agreement ("Directors"). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant. Directors must be members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement. Each Party may appoint an alternate(s) to serve in the absence of its Director(s). Alternates may be either (1) members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement, or (2) staff members of the County or any such municipality.

3.2 Quorum. A majority of the appointed Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with law.

3.3 Powers and Functions of the Board. The Board shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Board shall provide general policy guidance to the CCA Program. Board approval shall be required for any of the following actions:

3.3.1 The issuance of bonds or any other financing even if program revenues are expected to pay for such financing.

3.3.2 The hiring or termination of the Chief Executive Officer and General Counsel.

3.3.3 The appointment or removal of officers described in Section 3.9, subject to Section 3.9.3.

3.3.4 The adoption of the Annual Budget.

3.3.5 The adoption of an ordinance.

3.3.6 The approval of agreements, except as provided by Section 3.4.

3.3.7 The initiation or resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant, or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel or by delegation thereof, on behalf of the Authority, may intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative agency, without approval of the Board as long as such action is consistent with any adopted Board policies.

3.3.8 The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority.

3.3.9 Termination of the CCA Program.

3.4 Chief Executive Officer. The Board of Directors shall appoint a Chief Executive Officer for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Chief Executive Officer~~,~~ may exercise all powers of the Authority, including the power to hire, discipline, and terminate employees as well as the power to approve any agreement if the total amount payable under the agreement is equal to or less than the amount specified in the Operating Rules and Regulations (Policy 14 , "Delegation of Non-Energy Contract Authority") except for the powers specifically set forth in Section 3.3 or those powers which by law must be exercised by the Board of Directors.

3.5 Commissions, Boards, and Committees. The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement which shall comply with the requirements of the Ralph M. Brown Act. The Board

may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees if the Board deems appropriate to appoint such commissions, boards or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

3.6 Director Compensation. Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Board, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by Directors.

3.7 Voting In general, as described below in Section 3.7.3, action by the Authority Board will be taken solely by a majority vote of the Directors present. However, as described below in Section 3.7.4, upon request of a Director, a weighted vote by shares will also be conducted. When such a request is made, an action must be approved by both a majority vote of Directors present and a majority of the weighted vote by shares present. No action may be approved solely by a vote by shares. The voting shares of Directors and approval requirements for actions of the Board shall be as follows:

3.7.1. Voting Shares.

Each Director shall have a voting share as determined by the following formula: (Annual Energy Use/Total Annual Energy) multiplied by 100, where:

(a) "Annual Energy Use" means, (i) with respect to the first year following the Effective Date, the annual electricity usage, expressed in kilowatt hours ("kWh"), within the Party's respective jurisdiction and (ii) with respect to the period after the anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within a Party's respective jurisdiction that are served by the Authority; and

(b) "Total Annual Energy" means the sum of all Parties' Annual Energy Use. The initial values for Annual Energy Use will be designated in Exhibit C, and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year. These adjustments shall be approved by the Board.

(c) The combined voting share of all Directors representing the County of San Mateo shall be based upon the annual electricity usage within the unincorporated area of San Mateo County.

For the purposes of Weighted Voting, if a Party has more than one director, then the voting shares allocated to the entity shall be equally divided amongst its Directors.

3.7.2. Exhibit Showing Voting Shares. The initial voting shares will be set forth in Exhibit D. Exhibit D shall be revised no less than annually as necessary to account for changes in the number of Parties and changes in the Parties' Annual Energy Use. Exhibit D and adjustments shall be approved by the Board.

3.7.3. Approval Requirements Relating to CCA Program. Except as provided in Sections

3.7.4 and 3.7.5 below, action of the Board shall require the affirmative vote of a majority of Directors present at the meeting.

3.7.4. Option for Approval by Voting Shares. Notwithstanding Section 3.7.3, any Director present at a meeting may demand that approval of any matter related to the CCA Program be determined on the basis of both voting shares and by the affirmative vote of a majority of Directors present at the meeting. If a Director makes such a demand with respect to approval of any such matter, then approval of such matter shall require the affirmative vote of a majority of Directors present at the meeting and the affirmative vote of Directors having a majority of voting shares present, as determined by Section 3.7.1 except as provided in Section 3.7.5.

3.7.5. Special Voting Requirements for Certain Matters.

(a) Two-Thirds and Weighted Voting Approval Requirements Relating to Sections 6.2 and 7.4. Action of the Board on the matters set forth in Section 6.2 (involuntary termination of a Party), or Section 7.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors present; provided, however, that (i) notwithstanding the foregoing, any Director present at the meeting may demand that the vote be determined on the basis of both voting shares and by the affirmative vote of Directors, and if a Director makes such a demand, then approval shall require the affirmative vote of both at least two-thirds of Directors present and the affirmative vote of Directors having at least two-thirds of the voting shares present, as determined by Section 3.7.1; (ii) but, at least two Parties must vote against a matter for the vote to fail; and (iii) for votes to involuntarily terminate a Party under Section 6.2, the Director(s) for the Party subject to involuntary termination may not vote, and the number of Directors constituting two-thirds of all Directors, and the weighted vote of each Party shall be recalculated as if the Party subject to possible termination were not a Party.

(b) Seventy Five Percent Special Voting Requirements for Eminent Domain and Contributions or Pledge of Assets.

(i) A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors.

(ii) The imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least 75% of all Directors and the approval of the governing boards of the Parties who are being asked to make such contribution or pledge.

(iii) Notwithstanding the foregoing, any Director present at the meeting may demand that a vote under subsections (i) or (ii) be determined on the basis of voting shares and by the affirmative vote of Directors, and if a Director makes such a demand, then approval shall require both the affirmative vote of at least 75% of Directors present and the affirmative vote of Directors having at least 75% of the

voting shares present, as determined by Section 3.7.1, but at least two Parties must vote against a matter for the vote to fail. For purposes of this section, "imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program" does not include any obligations of a withdrawing or terminated party imposed under Section 6.3.

3.8 Meetings and Special Meetings of the Board. The Board shall hold at least six regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency Meetings of the Board may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

3.9 Selection of Board Officers.

3.9.1 Chair and Vice Chair. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office for and term limits of ~~of~~ the Chair and Vice Chair shall ~~continue for one year, but there shall be a limit of two (2) no limit on the number of terms held by either the Chair or Vice Chair~~be set forth in the policies and procedures established by the Board. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or
(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.2 Secretary. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

3.9.3 Treasurer and Auditor. The Chief Financial Officer shall, among other duties, act as the Treasurer for the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depository of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 5.

3.10 Administrative Services Provider. The Board may appoint one or more administrative

services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

## ARTICLE 4: IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

4.1 Preliminary Implementation of the CCA Program.

4.1.1 Enabling Ordinance. To be eligible to participate in the CCA Program, each Party must adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

4.1.2 Implementation Plan. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 3.7.3.

4.1.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

4.2 Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 6.

4.3 Addition of Parties. Other incorporated municipalities and counties may become Parties subject to all applicable terms of this Agreement, including but not limited to those in Article 6, upon (a) the adoption of a resolution by the governing body of such incorporated municipality or such county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption, by an affirmative vote of the Board satisfying the requirements described in Section 3.7, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other

pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county as required by the Board, (d) payment of the membership payment, if any, and (e) satisfaction of any conditions established by the Board.

4.3.1 Continuing Participation. The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 4.3. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

4.3.2 Termination by Additional Parties. In addition to any financial obligations under Article 6, and in the events that the Board does not require a membership payment to reflect the additional party's pro rata share of organizational planning and other pre-existing expenditures as allowed by Section 4.3(b) and the additional party withdraws its membership in the Authority within the first five years of becoming a party, the party shall be obligated to reimburse the Authority for all the costs related to the cost of launch, including but not limited to the costs of updating the Implementation Plan and mailings to party's accounts.

## ARTICLE 5: FINANCIAL PROVISIONS

5.1 Fiscal Year. The Authority's fiscal year shall be 12 months commencing July 1 or the date selected by the Agency and ending June 30. The fiscal year may be changed by Board resolution.

5.2 Depository.

5.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

5.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

5.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

5.3 Budget and Recovery of Costs.

5.3.1 Budget. The annual budget shall be approved by the Board. Staff shall report to the Board quarterly budget results and any significant budget variances. The Board may revise the budget as needed to address any significant changes and/or unexpected expenses incurred.

5.3.2 Funding of Initial Costs. The County of San Mateo has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these Initial Costs paid by the County of San Mateo shall be included in the customer charges for electric services as provided by Section 5.3.3 to the extent permitted by law, and the County of San Mateo shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of San Mateo shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County of San Mateo shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

5.3.3 CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

## ARTICLE 6: WITHDRAWAL AND TERMINATION

6.1 Withdrawal.

6.1.1 Right to Withdraw. A Party may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 12 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.

6.1.2 Right to Withdraw After Amendment. Notwithstanding Section 6.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Board which the Party's Director(s) voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party shall require an affirmative vote of the Party's governing board and shall not be subject to the twelve month advance notice provided in Section 6.1.1. In the event of such withdrawal, the Party shall be subject to the provisions of Section 6.3.

6.1.3 The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the Authority must provide to the Parties the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that

the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Party may immediately withdraw its membership in the Authority without any financial obligation, as long as the Party provides written notice of its intent to withdraw to the Authority Board no more than fifteen days after receiving the report.

6.1.4 Continuing Financial Obligation; Further Assurances. Except as provided by Section 6.1.3, a Party that withdraws its participation in the CCA Program may be subject to certain continuing financial obligations, as described in Section 6.3. Each withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from participation in the CCA Program.

6.2 Involuntary Termination of a Party. Participation of a Party in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party's participation in the CCA Program upon a vote of Board members as provided in Section 3.7.5. Prior to any vote to terminate participation with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 6.3.

6.3 Continuing Financial Obligations; Refund. Except as provided by Section 6.1.3, upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or other financial obligations arising from the Party membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any financial obligations arising after the date of the Party's withdrawal or involuntary termination. Claims, demands, damages, or other financial obligations for which a withdrawing or terminated Party may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party's load. With respect to such financial obligations, upon notice by a Party that it wishes to withdraw from the CCA Program, the Authority shall notify the Party of the minimum waiting period under which the Party would have no costs for withdrawal if the Party agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Party shall also be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or

obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Board of Directors, to cover the Party's financial obligations for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any financial obligations shall be returned to the Party. The liability of any Party under this section 6.3 is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3 shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2.

6.4 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its participation in the CCA Program, as described in Section 6.1.

6.5 Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

## ARTICLE 7: MISCELLANEOUS PROVISIONS

7.1 Dispute Resolution. The Parties and the Authority shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. Should such informal efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be mediated in accordance with policies and procedures established by the Board.

7.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

7.3 Indemnification of Parties. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Parties, and the public. The Authority shall defend, indemnify, and hold harmless the Parties and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4 Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Board members as provided in Section 3.7.5. The Authority shall provide written notice to all Parties of amendments to this Agreement, including the effective date

of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

7.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 7.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 7.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

7.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

7.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

7.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

## Exhibit A
## Definitions

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

"Administrative Services Agreement" means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

"Agreement" means this Joint Powers Agreement.

"Annual Energy Use" has the meaning given in Section 3.7.1.

"Authority" means the Peninsula Clean Energy Authority.

"Authority Document(s)" means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

"Board" means the Board of Directors of the Authority.

"CCA" or "Community Choice Aggregation" means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

"CCA Program" means the Authority's program relating to CCA that is principally described in Sections 2.3, 2.4, and 4.1.

"Director" means a member of the Board of Directors representing a Party.

"Effective Date" means February 29, 2016 or when the County of San Mateo and at least two municipalities execute this Agreement, whichever occurs later, as further described in Section 2.1.

"Implementation Plan" means the plan generally described in Section 4.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

"Initial Costs" means all costs incurred by the County and/or Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, and any required accounting, administrative, technical, or legal services in support of the Authority's initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Agreements.

## Exhibit A (cont.)
## Definitions

"Operating Rules and Regulations" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

"Parties" means, collectively, any municipality or county that executes this Agreement.

"Party" means a signatory to this Agreement.

"Total Annual Energy" has the meaning given in Section 3.7.1.

## Exhibit B
## List of Parties

Parties:

Atherton
Belmont
Brisbane
Burlingame
Colma
County of San Mateo
Daly City
East Palo Alto
Foster City
Half Moon Bay
Hillsborough
Los Banos
Menlo Park
Millbrae
Pacifica
Portola Valley
Redwood City
San Bruno
San Carlos
San Mateo
South San Francisco
Woodside

## Exhibits C and D
## Annual Energy Use and Voting Shares

| ANNUAL ENERGY USE WITHIN PCE JURISDICTIONS AND VOTING SHARES | | |
|---|---|---|
| Twelve Months Ended November [date] | | |
| | | |
| Party | Total kWh | Voting Share |
| | | |
| | | |
| | | |
| | | |
| | | |
| SAN MATEO COUNTY | | |
| | | |
| | | |
| Total | | 100 |

PENINSULA CLEAN ENERGY

Policy Number: 16
Board Adoption: January 25, 2018
Revised: January 24, 2019
Revised: March 25, 2021
Revised: June 27, 2024
Revised: xx, 2024

# Policies and Procedures for Board of Directors, Committees, and Advisory Groups

## Overview and Purpose

The purpose of these policies and procedures is to provide a set of guidelines through which Peninsula Clean Energy (PCE) Board and Committees conducts their business in a fair, equitable and effective manner. If a provision of these policies or procedures conflicts or is inconsistent with State or Federal law, the State or Federal law shall govern. These rules are intended to enhance public participation and ensure effective committee meetings so that the best possible decisions can be made for Peninsula Clean Energy.

This policy governs the function of various boards and committees of Peninsula Clean Energy including the Board of Directors, the Executive Committee, Audit and Finance Committee, Staff Committees, Ad Hoc Committees, and the Emeritus Advisory Group.

## 1. Standing Committees

It is the policy of the Board to use standing committees in open and public meetings to conduct PCE business in greater depth than what is possible in the time allotted for Board meetings. The standing committees of PCE are: 1) Executive Committee, 2) Audit and Finance Committee, and 3) Community Advisory Committee. All standing committees are subject to the Brown Act and are conducted in publicly noticed in-person meetings. PCE standing committees are described below and shall be subject to the following procedural rules:

### Executive Committee:

As a Standing Board Committee, the role of the PCE Executive Committee is to consider and make recommendations on matters relating to non-routine PCE operational procedures, significant policy matters that may require additional study or feedback before moving to the full Board, and/or matters referred to it by the Board.

The Executive Committee will consist of up to nine members, two of whom will be the Chair and Vice-Chair and up to seven of whom will be separately elected by the Board to serve one-year terms. The Chair of the Board shall also serve as the Chair of the Executive Committee. The Vice-Chair of the Board shall also serve as the Vice-Chair of the Executive Committee. Members of the Executive Committee will not be subject to term limits.

With respect to the process and timing for nomination and election of the Executive Committee, the Chair elected in February will, in consultation with the Vice-Chair, recommend to the Board at its March meeting a slate of up to seven Executive Committee members. The Board will be asked to cast a vote either for or against the entire slate at the March Board meeting. In the event the Board does not approve the slate, any Board members may nominate individual members to the Executive Committee or the Board may direct the Chair to return at the April Board meeting with a new slate. If there is an interim vacancy on the Executive Committee, the Board Chair and Vice Chair are authorized to fill that vacancy until the new slate is approved by the Board.

**Audit and Finance Committee:**

As a Standing Board Committee, the role of the Board Audit and Finance Committee is to consider and make recommendations on matters referred to it by the Board relating to PCE finance, budget, financial audits, and debt.

The Audit and Finance Committee will consist of up to five members elected by the Board to serve one-year terms. Members of the Audit and Finance Committee will not be subject to term limits.

With respect to the process and timing for nomination and election of the Audit and Finance Committee, the Chair elected in February will, in consultation with the Vice-Chair, recommend to the Board at its March meeting a slate of up to five Audit and Finance Committee members. The Board will be asked to cast a vote either for or against the entire slate at the March Board meeting. In the event the Board does not approve the slate, any Board members may nominate individual members to the Audit and Finance Committee, or the Board may direct the Chair to return at the April Board meeting with a new slate. Annually, the Audit and Finance Committee will elect a Chair and Vice Chair of the Audit and Finance Committee at their first meeting following the election of the slate. If there is an interim vacancy on the Audit and Finance Committee, the Board Chair and Vice Chair are authorized to fill that vacancy until the new slate is approved by the Board.

**Community Advisory Committee:**

The role of the Community Advisory Committee (CAC) is to advise on substantial public-facing program initiatives before they are presented to the Board of Directors for approval, as practical given timeliness, staff, and CAC capacity. CAC members also engage in outreach to the community and advocate for Peninsula Clean Energy's mission, goals, and programs; advise on high-level legislative and regulatory direction of the organization; provide a forum for community discussions on a wide variety of strategies in conjunction with staff and the Board; and form working groups, as recommended by the CAC membership, to assist Peninsula Clean Energy's staff and Board with projects of importance to the organization.

The Community Advisory Committee will consist of between 11 to 15 members drawn from the community and appointed by the PCE Board. Members might be affiliated with a community group but will not formally represent any particular group on the CAC. CAC members will serve three-year terms. Committee members may serve a total of three terms and serve at the pleasure of the Board.

Please see additional information regarding the Community Advisory Committee on PCE's website at: https://www.peninsulacleanenergy.com/community-advisory-committee.

**General Standing Committee Requirements:**

a. General purpose and function of Committees

The purpose and intent of standing committee meetings is to expedite Board action by providing more thorough and detailed discussion and study of prospective or current Board agenda items with a full and complete airing of all sentiments and expressions of opinion by both the committee and the public. Actions of the standing committee shall be advisory recommendations only, except as to matters expressly delegated to a committee by the Board. If a matter is taken forward to the full Board for approval after receiving a unanimous vote of approval at the committee level, the item may be placed on the Board's Consent Calendar, unless otherwise recommended by the Committee, Chair, General Counsel or Chief Executive Officer.

b. Quorum

A majority of the committee membership shall constitute a meeting quorum.

c. Attendance by Nonmembers

As required by the Brown Act, Board members who are not on a committee may attend the committee meeting but only as an observer; they may not speak in an official capacity or otherwise participate in the committee meeting. If the Board wishes to allow Board members who are not serving on the committee to speak, the meeting should be noticed as a meeting of the full Board, and all Board meeting procedural requirements will apply.

d. Minutes and Report of Committees

PCE staff, generally the Board Clerk, shall be responsible for the preparation and distribution to the Board of the minutes of the Executive and Audit and Finance committee meetings. In addition, a video recording of each meeting shall be posted on the PCE website in case a member of the public would like to watch the full meeting. The minutes of each committee meeting serve as the report to the Board and should be included, as appropriate, in subsequent Board meeting packets.

The CAC Committee Chair, in consultation with PCE staff, shall provide a written or verbal report of CAC meeting content and any action items during the CAC Report segment at the next publicly noticed Board meeting.

e. Committee Agendas

The Chair of each standing committee shall work with staff to prepare the agenda for committee meetings. Items should be scheduled as they are ready, taking into account the time required for staff research and analysis to support committee discussions, the time-sensitivity of particular items, and other factors as determined by staff and the committee chair.

f. Public Participation at Committees

Please see Section 4 for complete details on public participation at Board and Committee meetings.

Please note that Peninsula Clean Energy meetings are a limited public forum, and all public comment must relate to something that is on the agenda or within the subject matter jurisdiction of the Board and Agency. If comments do not relate to the agenda or subject matter jurisdiction of the Board and Agency, we will stop the comment and move on to the next speaker. General Counsel will assist in identifying comments that are not related to the meeting agenda or subject matter jurisdiction of the Board and Agency.

g. New Standing Committees

The Board may establish new standing committees as needed.

2. **Board Ad Hoc Committees and Staff-Led Committees**

The Board of Directors may create Ad Hoc Committees on a limited basis and subject matter when necessary to study PCE business in greater depth than what is possible in the time allotted for Board and Standing Committee meetings. The following rules are intended to clarify the distinction between Standing Committees, Ad Hoc Board Committees, and Staff-Led Subcommittees to establish operating guidelines for such committees:

a. Definition of Ad Hoc Committee

An Ad Hoc Committee of the Board is a temporary advisory committee composed of less than a quorum of Board members or any Standing Committee. The work of an Ad Hoc Committee has a limited or single purpose. An Ad Hoc committee is not intended to be perpetual but rather dissolved once its specific task is completed. By contrast, a Standing Committee has ongoing subject matter jurisdiction over a variety of related topics.

b. Definition of a Staff-Led Committee

A PCE staff-led committee is an informal group focused on a particular PCE topic or function that includes less than a quorum of Board or other standing committee members. It is a non-Brown Act committee staffed by a member of PCE's executive team or PCE

department head that meets periodically and at staff's direction. Staff shall utilize group feedback and/or vet a particular department specific topic. A staff-led subcommittee does not set Agency or Board policy or direction.

c. Brown Act

The procedural requirements of the Brown Act apply to all committees that have either: (a) continuing subject matter jurisdiction over a matter or group of related matters; or (b) a regular meeting schedule set by Board action. All Standing Committees are Brown Act bodies. Ad hoc committees are generally not Brown Act bodies, provided that: 1) they are temporary bodies, formed for the purpose of addressing a limited or single purpose, 2) include only members of Board, and 3) do not have a regular meeting schedule set by Board action. When the Board creates an Ad Hoc committee that is not a Brown Act body, the Board may, at its discretion, direct that the committee follow Brown Act procedures.

d. Creation and Appointment

The Board Chair or the full Board may create an Ad Hoc Committee and appoint less than a quorum of the Board or any Standing Committee to serve. The Chair will publicly announce any Ad Hoc Committee created, its membership, and stated purpose. In contrast, only the Board and not the Chair alone can create an ongoing Standing Committee. Staff-led subcommittees are organized and led by PCE executive and/or director-level staff.

e. Members

Ad Hoc Committees shall consist of less than a quorum of the Board, and shall not include any other persons, including members of other legislative bodies. Staff-led subcommittees shall consist of less than a quorum of the Board and may include others from the CAC or outside the Board as may be warranted.

f. Reporting

Ad Hoc Committees shall report their recommendations to the Board in the timeframe directed by the Board.

g. Termination of Ad Hoc Committee by Majority of the Board

A majority of the Board may vote to terminate any Ad Hoc Committee following placement of the issue on an agenda.

h. Conclusion

A public announcement shall be made any time the Ad Hoc Committee has concluded its work and/or upon dissolution.

3. **Emeritus Advisory Group**

Staff will maintain a list of interested former Directors or alternates of the PCEA Board of Directors, who have retired from public office, as the Emeritus Advisory Group. These group members will remain connected and engaged to PCEA business through their review of publicly posted Agenda Packets and newsletters. These group members could be called upon by Staff to provide expertise on particular issues/initiatives and to participate in subcommittee meetings on topics such as: outreach, legislative advocacy, technical assistance, teaching, review of staff work product, or any other means by which the Staff or the Community Advisory Committee can reasonably deploy their knowledge, enthusiasm and passion around clean energy advocacy and advancement of the mission of Peninsula Clean Energy Authority.

4. **General Procedures for Board of Directors Meetings**

The purpose of these guidelines is to facilitate the orderly and efficient conduct of PCE business. This purpose recognizes the value of establishing a community understanding of meeting procedures so that broad public participation is encouraged. This purpose also recognizes that Board members must have a common approach to the discussion and debate of PCE business so that meetings are both streamlined and thorough.

These are guidelines rather than rules. The Board intends that PCE staff and Board members will follow these guidelines; however, these guidelines should not be used in a way that leads to inefficiency, unfairness, or the promotion of form over substance.

In addition to Board-adopted guidelines, State law establishes a variety of mandatory meeting rules that the Board must follow in order to ensure open government and fair process, regardless of unusual situations and consequences. (See Cal. Govt Code section 54950.)

a. Chair and Vice-Chair

The Chair and Vice-Chair will be individually elected by the Board for up to two (2) successive one (1) year terms. There shall be a limit of two (2) successive terms held by the Chair or Vice Chair.

In the event that a director is not nominated for election as Chair and/or Vice Chair by the ad hoc nominating committee, or, if for another reason the position(s) will be vacant, the incumbent Chair or Vice Chair may be elected for an additional one (1) year term beyond the two (2) year term described in the first paragraph of this section for a total term of

three (3) years. The Board must approve a term extension to three (3) years by a majority vote.

~~to serve one-year terms and be subject to term limits as defined by the Peninsula Clean Energy Join Powers Authority Section 3.9.1, "Selection of Board Officer". A member may serve as Chair for one-year terms for the number of terms specified in the JPA, h~~However, after a break in service of at least one-year, a member may again serve as Chair.

~~The same rules apply to the position of Vice-Chair.~~ A member may serve consecutive terms as Vice-Chair and then subsequently serve as Chair. There is a general expectation that Vice-Chairs will serve as Chair following their term as Vice-Chair. However, ultimately, the decision of whom to elect is at the discretion of the Board.

With respect to the process and timing for nomination and election of the Chair and Vice-Chair, every January the Chair will appoint an ad hoc nominating committee made up of between three and five Board members, each of whom has indicated to the Chair an intention not to seek the positions of Chair or Vice-Chair. At the January meeting of the Board, the Chair will inform the Board of the composition of the nominating committee and invite interested members to notify the nominating committee of their desire to serve as either Chair or Vice-Chair. Prior to the February meeting of the Board, the nominating committee shall confer and prepare a recommendation regarding who should serve as Chair and Vice- Chair for that year. At the February Board meeting, that recommendation shall be submitted to the Board and the Board shall take action thereon.

b. Meeting Schedules, Agendas and Supporting Materials

The Board of Directors generally conducts two different kinds of meetings: regular meetings and special meetings. The PCE Joint Exercise of Powers Authority (the JPA Agreement) provides that the PCE Board of Directors holds at least six regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board.

The Board also schedules periodic special meetings, which are meetings on any day or time other than the regular meeting time. The Board may call a special meeting on a minimum of 24 hours' notice. The Board makes every effort to provide notice well in advance of 24 hours.

c. Posting of Agendas

Under the Brown Act, meeting agendas must be posted no later than 72 hours prior to regular meetings and 24 hours prior to special meetings. Agendas are posted at meeting locations and on the PCE Board web page.

d. Supporting Reports and Materials

It is Board policy to make every effort to provide supporting reports and materials at the time the agenda is posted. Materials that are not available at the time of agenda posting will be distributed as soon as feasible before the meeting. Materials that are distributed to a majority of the Board will be made available to the public at the same time, as required by law. Some materials, such as presentation materials or "supplemental memoranda" may be distributed to Board members and the public at the meeting.

e. Attendance Procedures

The PCE Board expects its members to attend Board meetings regularly and consistently. Board members should notify their Alternates and the Board Clerk of any planned absences. If a Member Jurisdiction has more than two~~three~~ (2~~3~~) unexcused absences at Board meetings or two~~three~~ (2~~3~~) unexcused absences at Standing Committee meetings, the Board Chair will direct staff to notify the subject Board member with the intention of resolving the participation issue. If there is a further unexcused absence by the Board member~~, and with further absence~~the Board Chair will direct staff to send a letter to the County or C~~c~~ity manager and ~~,~~ mayor~~, and city council~~ with a request to designate a replacement Board representative. Unexcused absence is defined as not having provided written notification prior to the meeting.

f. ~~Revolving Door Policy (Rename as Appropriate)~~Employment and Contracting Restrictions for Former Board Members

Board members understand that they shall not be current PCE employees nor seek and/or gain employment with PCE during their term(s) as a Board member. A former Board member shall not seek or gain employment at PCE within the twelve (12) months following the end of their Board service as marked by the Board member's final PCE Board meeting as a Board member.

In the event that PCE desires to contract with a former Board member within twelve (12) months of the end of their term as a Board member such agreement, regardless of not to exceed amount, shall be approved by the majority of the Board.

~~The PCE Board expects its members to attend Board meetings regularly and consistently. Board members should notify their Alternates and the Board Clerk of any planned~~

~~absences. If a Member Jurisdiction has more than three (3) absences at Board meetings or three (3) absences at Standing Committee meetings, the Board Chair will direct staff to notify the subject Board member with the intention of resolving the participation issue, and with further absence will direct staff to send a letter to the city manager, mayor and city council with a request to designate a replacement.~~

~~e.~~g. Remote Attendance of Board Members at Board and Standing Committee Meetings

Board members are strongly encouraged to attend meetings in person. State law allows Board members to attend meetings remotely by following the procedures outlined in Government Code Section 54953(b) ("Standard Remote Attendance") or the procedures outlined in Assembly Bill 2449 (2022) ("AB 2449 Remote Attendance"). For convenience, these procedures are summarized below and are current as of the date of this Policy revision. If state law is subsequently amended, the amended terms of State law will apply.

Board members are encouraged to consult in advance with the Board Clerk and, if needed, PCE's General Counsel to ensure compliance with all required procedures.

i. Number of Remote Appearances

Standard remote attendance shall be permitted not more than five (5) times a year per legislative body (for example, five times a year for full Board meetings and five additional times a year for each Board committee).

AB 2449 Remote Attendance rules state that no more than two (2) meetings may be attended remotely during a calendar year under AB 2449 for "just cause," as described below.

ii. General Procedures for Appearing Remotely

Board members must follow mandatory procedures set forth in State law. At any meeting where a Board member is attending remotely, the following requirements must be met:

1. At least a quorum of the Board must participate from a singular physical location within the jurisdiction.
2. The agenda must identify and include an opportunity for the public to attend and directly address the Board member through a call-in option, an internet-based service option, and in-person at the location of the meeting.
3. The Board may not take action if there is an unresolved disruption to the meeting broadcast or to the ability to take call-in or internet-based public comment.

If the above threshold requirements are met, the Board member attending remotely must ensure they follow the procedures associated with either Standard Remote Attendance or AB 2449 Remote Attendance.

iii. Standard Remote Attendance Procedures

A Board member attending remotely using these procedures must ensure that:

1. The meeting agenda identifies the remote attendance location and is posted at that location in an area that is accessible and visible 24 hours a day for at least 72 hours prior to a regular meeting and 24 hours prior to a special meeting.
2. The remote attendance location is open and fully accessible to the public, and fully accessible under the Americans with Disabilities Act, throughout the entire meeting. These requirements apply to private residences, hotel rooms, and similar facilities, all of which must remain fully open and accessible throughout the meeting, without requiring identification or registration.
3. The remote attendance technology used is open and fully accessible to all members of the public, including those with disabilities.
4. Members of the public who attend the meeting at the remote attendance location have the same opportunity to address the Board from the remote location that they would if they were present at the quorum location.
5. The remote attendance location must not require an admission fee or any payment for attendance.
6. If the meeting includes a closed session, the Board Member must ensure that there is a private location available for that portion of the meeting. A private location means a closed room such that no other person can hear any portion of the closed session.
7. A Board member attending remotely must participate through audio and visual technology.

If the Board Member intends to follow the procedures of Standard Remote Attendance but determines that any or all of these requirements cannot be met, he or she shall not participate in the meeting remotely using Standard Remote Attendance procedures.

iv. Standard Remote Attendance Guidelines

1. Five (5) days written notice in advance of the publication of the agenda must be given by the Board member to the Board Clerk about their intent to participate remotely; the notice must include the address at which the remote attendance will occur, and the address the Board packet should be mailed to, if a hard copy is requested.

2. The Board member is responsible for posting the Board agenda in the remote location, or having the agenda posted by somebody at the location and confirming that posting has occurred. The Board Clerk will assist, if necessary, by emailing, faxing or mailing the agenda to whatever address or fax number the Board member requests; however, it is the Board member's responsibility to ensure that the agenda arrives and is posted. If the Board Member needs the assistance of the Board Clerk in delivery of the agenda, the fax number or address must be included in the five-day advance written notice above.
3. The Board Member must ensure that the location will be publicly accessible while the meeting is in progress.
4. The Board Member must state at the beginning of the Board meeting that the posting requirement was met at the location and that the location is publicly accessible and must describe the location.

v. <u>AB 2449 Remote Attendance Procedures</u>

1. In 2022 the Legislature adopted AB 2449, which amended the Brown Act to allow remote participation in certain narrow circumstances (listed below) without publishing the remote location on the meeting agenda and without providing public access from the remote location. AB 2449 will remain in effect until January 1, 2026.
2. Where the requirements of AB 2449 are met, a Board member is not required to follow the standard remote guidelines described above.
3. A Board member may use AB 2449 if the Board member has either "just cause" or "emergency circumstances" that require remote participation, as defined by AB 2449.

    A. **"Just cause"** is defined as:

    - a childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires remote attendance,
    - a contagious illness that prevents in-person attendance,
    - a need related to a physical or mental disability which cannot be resolved by a request for reasonable accommodation, or
    - travel while on the business of a state or local agency.

    A Board member with "just cause" to attend remotely must notify the Board or Board committee and the Board Clerk at the earliest possible opportunity, including at the start of the meeting, of their need to participate remotely and provide a general description of the circumstances.

B. **"Emergency circumstances"** is defined as a physical or family medical emergency that prevents a Board member from attending the Board meeting in person.

A Board member attending remotely due to "emergency circumstances" must notify the Board or Board committee and the Board Clerk at the earliest possible opportunity.

The Board or Board committee must request a general description of the circumstances relating to the Board member's need to appear remotely. The description does not need to have more than 20 words, and the Board member does not have to disclose any personal medical information.

At the earliest opportunity available to it, the Board or Board committee must, by a majority vote of its members, take action on the request to approve or disapprove it. If the request does not allow sufficient time to place it on the agenda for the meeting for which the request is made, the legislative body must take action on the request at the beginning of the meeting by majority vote.

C. **Disclosures**. Board members attending remotely must publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member and the general nature of the member's relationship with the individual.

D. **Technology**. Board members attending remotely shall participate using both audio and visual technology.

If the Board member intending to follow the procedures of AB 2449 Remote Attendance determines that any or all of these requirements cannot be met, he or she shall not participate in the meeting remotely using AB 2449 Remote Attendance procedures.

E. **AB 2449 Remote Attendance Sample Scripts**

At the start of the meeting, the Board member attending remotely may use the following language to identify under which provision they are attending remotely:

**Just Cause:**

"I have just cause to attend this meeting remotely under AB 2449. I have not attended a meeting remotely due to just cause more than once this calendar year. I have attended [NUMBER] meetings remotely this calendar year. I must attend this meeting remotely because…

1. "… I must provide caregiving to [RELATION]."
2. "… a contagious illness prevents me from attending in person."
3. "… I have a need related to a disability which could not be accommodated at this meeting."
4. "… I am travelling while on official business of [STATE OR LOCAL AGENCY]."

"In this room, I am accompanied by…

1. "…no one over the age of 18."
2. "…one or more individuals over the age of 18. They are [RELATION (e.g., my spouse, coworker, medical provider)]."

**Emergency Circumstances:**

"Due to emergency circumstances, I request to attend this meeting remotely under AB 2449. I have attended [NUMBER] meetings remotely this calendar year. The [PHYSICAL OR FAMILY] medical emergency I am facing requires my remote attendance because [BRIEF DESCRIPTION]."

"In this room, I am accompanied by…

1. "…no one over the age of 18."
2. "…one or more individuals over the age of 18. They are [RELATION (e.g., my spouse, coworker, medical provider)]."

5. **How the Public Engages with the Board and Committees**

Public Participation During Peninsula Clean Energy meetings

The Board and its Committees welcomes members of the public to participate in meetings through public comment opportunities. It is the policy of the Board to assure that members of the public have the opportunity to speak on any regular or special meeting agenda item before final action. These rules are intended to enhance public participation and Board and Committee debate so that the best possible decisions can be made for PCE and its member agencies. Open government meetings must allow everyone to be heard without fear of cheers or jeers. For these reasons, the Board and Committees take these rules seriously. Disruptive or unruly behavior in violation of the law can result in removal from the Peninsula Clean Energy meeting and/or arrest and prosecution.

a. Access to Meetings

In-Person and Remote Participation - Peninsula Clean Energy meetings are available in person in the locations provided on the agenda and through an online meeting platform. Members of the public are welcome to attend the meeting in person or to join the online meeting platform.

Translators - Speakers may bring a translator as needed and will be allotted additional time, as appropriate.

ADA Access - PCEA makes every reasonable effort to accommodate the needs of the disabled consistent with law. Any provision of these rules may be modified if needed to provide reasonable accommodation. Persons needing assistance should contact: the Board Clerk, at 650-414-1533 (voice) or nelly.wogberg@peninsulacleanenergy.com (email).

If found feasible by staff, members of the public may be given the opportunity to activate their personal video during their public comments.

b. Summary of Rules for Public Participation

Every regular agenda has two different kinds of opportunities for the public to speak. The first is during General Public Comment. The second is during the public comment or public hearing portion of each agenda item.

Please note that Peninsula Clean Energy meetings are a limited public forum, and all public comment must relate to something that is within the subject matter jurisdiction of the Board. If comments do not relate to the subject matter jurisdiction of the Board, we will stop the comment and move on to the next speaker. General Counsel will assist in identifying comments that are not related to the subject matter jurisdiction of the Board.

c. General Public Comment

This part of the meeting is provided so that the public can speak to any subject that is in the PCE jurisdiction, when there is no item listed on the agenda for that topic. State law does not permit the meeting body to act on or discuss an item raised at that meeting during General Public Comment. Board members shall not enter into debate with speakers but may ask brief clarifying questions and may ask PCE staff to follow up on any concerns raised.

d. Public comment or public hearing portion of each agenda Item

The Brown Act requires the opportunity for public comment on all listed agenda items, except ceremonial items, procedural items (Agenda Changes and Deletions) and brief announcements (Chair Report, CAC Report, CEO Report and Board Member Reports). Public comments or testimony must be related to the matter under consideration.

e. Time Limits

The presiding officer (usually the Chair or Vice Chair) may announce the time that each speaker may use. PCE generally allows 2 minutes per speaker, but a shorter time may be designated when there are many speakers, numerous items on the agenda, or items anticipated to be lengthy.

f. Gaining Permission to Speak

Any person who wants to make a spoken public comment on an item on the agenda can do so if they are attending either in person or virtually. Members of the public participating virtually should use the "raise hand" function in the online meeting platform, or if participating via phone, hit *9 to notify the Clerk that they wish to speak. The Clerk will provide the names of the speakers to the Chair or Vice Chair so that the speakers can be identified and organized in an orderly way when the Chair calls for public comment.

g. Public Decorum During Meetings

The presiding officer at PCE meetings (usually the Chair or Vice Chair) is authorized and required to "preserve strict order and decorum." This is important in order to ensure a fair opportunity for everyone to participate in an open and civil setting.

i. No person, other than a Board or Committee member and the person having the floor, shall be permitted to speak without the permission of the presiding officer.

ii. All remarks should be addressed to the Board or Committee as a body and not to any individual member or staff person.

iii. It is unlawful for any person to: (1) Disrupt the conduct of a meeting; (2) Make threats against any person or against public order and security while in the Board Room.

Any Board or Committee Member may appeal the presiding officer's decision on a decorum violation to the full Board or Committee. A meeting disruption may lead to a person being removed from the meeting and/or misdemeanor charges pursuant to the California Pe. *See* Cal. Penal Code Sections 403 and 422.

h. Record of Speakers

i. Persons wishing to address the Board or Committee within the meeting room, shall use the microphone provided for the public. All public speakers, whether in person or virtual participants shall speak in a recordable tone, either personally or with assistance, if necessary.

ii. Speakers are requested to state their name but cannot be compelled to do so as a condition of addressing the Board or Committee.

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** September 16, 2024
**MEETING DATE:** September 26, 2024
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Kim Le, Director of Data and Technology

**SUBJECT:** Data and Technology Department Quarterly Report

## BACKGROUND

Data and Technology at Peninsula Clean Energy is responsible for storing and processing large amounts of data from various sources, such as customer load usage and energy market data, and ensuring accuracy and accessibility for analysis and decision-making. The other side of this department is in IT, which plays a key role in managing our software systems and ensuring the smooth operation of our technology infrastructure.

## DISCUSSION

This report highlights Data and IT advancements over the past quarter, reflecting PCE's ongoing commitment to enhancing data management, technological infrastructure, and operational efficiency.

### The Data Updates

We welcomed a new member to the data side, Andy Wang, who joins us as PCE's first Data Engineer. This past quarter, the Data and Technology department's focus has been on optimizing dashboards and ensuring effective integration of new tools.

Key accomplishments include:

- Revamped the Account Services Dashboard by validating data, renaming, and reorganizing dashboard components to improve usability and accuracy. This provides more visibility into PCE's top commercial accounts.
- Enhanced the CAISO OASIS data processing by updating scripts and optimizing performance, including multi-threading and error handling improvements. This directly supports Power Resources efforts to analyze the Day-Ahead Market (DAM), Real-Time Market (RTM), and Real-Time Pre-Dispatch (RTPD) trends.
- Initiated integration of the data team address API script to enhance address data management, with ongoing deduplication and processing efforts. This increases our ability to better segment and identify PCE's customer base.
- Addressed and resolved issues related to data intervals and processing discrepancies in data load. This gives us cleaner data to work with.
- Made progress on cloud infrastructure, including transitioning from Cloud Functions to Cloud Run for more efficient data processing. This improves the data code base and scalability.

- Reviewed and optimized user access permissions and roles within the cloud platform environment. This ensures we maintain appropriate and secure data access.

**The IT Updates**

We continue to improve and streamline the IT side of onboarding, automating equipment system updates, and provide staff support as PCE grows.

Key accomplishments include:

- Improved on PCE's onboarding and off boarding flow for interns, contractors, and FTE. We aim to standardize the process while keeping flexible for emerging situations.
- Initiated the second phase of the HappyFox ticketing system with Cassius Gray continuing to take point on the project. He is working cross functionally across Account Services, Programs, and Marketing to extend the platform to integrate PCE's future call center ticketing flow. This will have significant positive impacts in internal communications and resolving customer issues.
- Implemented network device management and redundancy. Chris Duarte is driving the efforts to optimize the office networking infrastructure and automate the deployment of Wi-Fi and VPN systems across all of the PCE machines.
- Successfully activated the Zoom 10LDC campaign in order to stay within the compliance requirements and retain functionality.

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** September 16, 2024
**MEETING DATE:** September 26, 2024
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Leslie Brown, Director of Account Services

**SUBJECT:** Account Services Quarterly Update

## BACKGROUND

The purpose of the Account Services team is to provide customer billing support through direct customer interaction, as well as oversee the various processes related to the management of PCE's customer data. This includes relationships with our back-office data manager, Calpine Energy Solutions, and PG&E.

## DISCUSSION

The following is a quarterly update of Account Services team activities taking place during the first quarter of FY25, please see topics below for additional detail.

### PCE Rate Changes

New ECOplus Rates Effective August 1, 2024
Effective July 1, 2024, PG&E implemented an adjustment to their generation rates reflecting the removal of a surcharge intended to recover a 2023 under-collection. As approved by the PCE Board on 27th, 2024, PCE lowered its generation rates by approximately 4%, maintaining at least a 5% savings for all customers and returning all customers to a single rate for all PCIA vintages.

New ECO100 Rate Effective January 1, 2025
In June, the Board approved an increase to the ECO100 premium from 1 cent/kWh to 1.5 cents/kWh. As adopted, this rate change will not go into effect until January 1, 2025 in order to 1) allow for sufficient time to communicate the rate change to ECO100 customers and 2) to coincide with most business customers' budgeting and corporate sustainability reporting schedules. Account Services and Marketing staff are preparing to send email or physical mail to all existing ECO100 customers notifying them of the increase, which needs to be delivered at least 30 days in advance of the rate change per Green-e marketing compliance requirements. Key accounts are also receiving this information via the Strategic Accounts Manager, Justin Pine.

**Enrollment Statistics and Customer Savings**

Account Services Analyst Masha Doubrovskaia updated customer savings estimates and enrollment statistics for all PCE member agency service areas, including the County of San Mateo.

As of July, PCE customers had saved more than $27 million in CY 2024. These savings, already exceeding the total savings of $24.5 million in CY 2023, are a result of the Board's decision to freeze rates in January. This rate freeze provided PCE customers with at least 10% savings compared to PG&E default generation rates.

Enrollment in PCE service remains stable, with 96.8% of eligible customers participating in PCE service. Of the almost 314,000 PCE customers, approximately 6,600 customers (2.1%) are enrolled in PCE's ECO100 product.

For a summary of energy usage, bill savings and enrollment statistics by member agency, please see Attachment A to this report.

**Arrearage Management Program (AMP) Mailing**

Account Services staff collaborated with the Marketing team to conduct a second round of outreach to customers who may be eligible for the Arrearage Management Program (AMP). Eligible customers who successfully complete the AMP program can receive up to $8,000 in unpaid balance forgiveness, funded by Public Purpose Program funds. In August, PCE sent an email to the over 1,000 customers identified as AMP-eligible but not enrolled in the program, written in the customer's preferred language. As of September 13th, 16% of the customers we reached out to are now enrolled in AMP! In total, our AMP outreach campaigns have resulted in over 300 new AMP enrollments among our customer base.

**Collection Efforts**

Our pre-collections process has been in effect for just over a month now, and we've directly collected on 35 closed accounts that had owed balances for just over $6,800 via online payment with Square. In total, we've had 51 customers contact us to pay their balance for which they are given 45 days to make payment. This month we will be sending those that have not made payment nor contacted PCE in response to the pre-collections letter to our contracted collections agency, Optio Solutions, to continue collection efforts.

**Contact Center for In-House Services**

Following approval from the Board of Directors at the April 25, 2024 Board meeting to proceed with the plan to transition to an in-house contact center this Fall, Stephanie Elmore has been made a permanent PCE employee and has been actively working on developing the call center.

Stephanie is nearing the end of our interview process for the Bi-Lingual English/Spanish/Mandarin Customer Success Advisor positions. We received over 60 applications, with a strong response from Bi-Lingual English/Spanish candidates. However, only one Bi-Lingual English/Mandarin candidate applied. All three selected Customer Success Advisors will begin their onboarding together no later than October 16, 2024.

We have also been coordinating with Calpine to ensure the contact center is prepared to go live after the Thanksgiving holiday. They recommend allocating 1-2 days to set up the InContact phone system, perform test calls, and conduct refreshers to ensure a seamless transition. With this in mind, the target go-live date is expected to be the first week of December.

**RFP for Data Manager Services**

Account Services staff published an RFP for Data Manager services this past June and received three proposals from prospective providers. The leading candidate is Calpine Energy Solutions, who has been PCE's data management provider since 2016. Over the next few weeks staff will be meeting with the Calpine to negotiate and discuss the terms of the proposal under a new contract, which will be brought to the Board for approval in November . The new agreement will take effect in January 2025.

**Key Accounts Engagement**

Strategic Accounts Manager, Justin Pine, has been working diligently to support Caltrain as the agency prepares to transition to full electric service on September 21st. Peninsula Clean Energy has successfully registered a fuel pathway under the CARB Low Carbon Fuel Standard program that will allow Caltrain and other public transit agencies to earn additional revenue from the state funded program. Staff have also been meeting with Caltrain staff to identify opportunities for collaboration and co-marketing, including an upcoming opportunity to table alongside Caltrain at Caltrain's Electric Service Launch Party on September 22nd in San Mateo.

The San Mateo County Community College District (SMCCCD) successfully transitioned to Peninsula Clean Energy service in July, and the District is already exploring program opportunities available to them as a public agency customer.

**ATTACHMENTS:**

Attachment A_Account Services Quarterly Report.pdf

**Attachment A**

**Account Services Quarterly Update**

**Table 1: Calendar Year 2024 YTD Total Customer Savings by PCE Member Agency**

| Town or Territory | Total Usage (kWh) | Total ($) Billed | Total ($) Savings |
|---|---|---|---|
| ATHERTON INC | 30,099,958 | $4,192,945 | $456,272 |
| BELMONT INC | 45,116,769 | $6,319,745 | $686,578 |
| BRISBANE INC | 39,355,822 | $5,206,298 | $567,837 |
| BURLINGAME INC | 91,616,998 | $12,554,444 | $1,364,771 |
| COLMA INC | 10,783,480 | $1,477,498 | $160,735 |
| DALY CITY INC | 123,643,262 | $17,731,197 | $1,922,223 |
| EAST PALO ALTO INC | 30,554,617 | $4,451,095 | $482,040 |
| FOSTER CITY INC | 100,601,790 | $13,414,778 | $1,459,271 |
| HALF MOON BAY INC | 24,707,427 | $3,289,090 | $358,265 |
| HILLSBOROUGH INC | 29,408,526 | $4,124,061 | $448,555 |
| LOS BANOS INC | 62,271,107 | $8,849,599 | $959,477 |
| MENLO PARK INC | 138,273,387 | $18,649,087 | $2,027,626 |
| MILLBRAE INC | 41,357,708 | $5,724,538 | $622,708 |
| PACIFICA INC | 43,011,355 | $6,276,635 | $679,538 |
| PORTOLA VALLEY INC | 10,568,950 | $1,756,019 | $188,507 |
| REDWOOD CITY INC | 238,347,935 | $33,880,205 | $3,668,935 |
| SAN BRUNO INC | 72,410,417 | $10,007,586 | $1,087,587 |
| SAN CARLOS INC | 76,077,924 | $10,629,622 | $1,155,163 |
| SAN MATEO INC | 227,448,779 | $31,555,587 | $3,428,402 |
| SO SAN FRANCISCO INC | 232,424,006 | $30,531,288 | $3,329,676 |
| UNINC SAN MATEO CO | 110,831,697 | $15,512,664 | $1,685,523 |
| WOODSIDE INC | 22,001,407 | $3,091,088 | $336,071 |
| **Grand Total** | **1,800,913,323** | **$249,225,068** | **$27,075,760** |

**Table 2: Enrollment Statistics as of September 2024**

| Town or Territory | Active PCE Customer Count | PCE Participation Rate | ECO100 Participation Rate |
|---|---|---|---|
| ATHERTON INC | 2,648 | 98.6% | 2.1% |
| BELMONT INC | 12,075 | 97.5% | 2.0% |
| BRISBANE INC | 2,468 | 97.8% | 3.7% |
| BURLINGAME INC | 15,878 | 98.0% | 2.2% |
| COLMA INC | 868 | 98.5% | 3.7% |
| DALY CITY INC | 33,066 | 96.6% | 0.4% |
| EAST PALO ALTO INC | 7,610 | 95.3% | 0.3% |
| FOSTER CITY INC | 14,542 | 98.1% | 2.1% |
| HALF MOON BAY INC | 4,886 | 97.1% | 2.5% |
| HILLSBOROUGH INC | 3,951 | 98.1% | 1.8% |
| LOS BANOS INC | 13,129 | 84.6% | 0.0% |
| MENLO PARK INC | 16,705 | 98.7% | 3.9% |
| MILLBRAE INC | 9,413 | 97.1% | 1.2% |
| PACIFICA INC | 14,906 | 96.5% | 1.1% |
| PORTOLA VALLEY INC | 1,608 | 95.2% | 95.5% |
| REDWOOD CITY INC | 34,901 | 97.8% | 2.1% |
| SAN BRUNO INC | 15,844 | 96.0% | 0.6% |
| SAN CARLOS INC | 14,344 | 98.0% | 2.3% |
| SAN MATEO INC | 43,986 | 97.6% | 1.5% |
| SO SAN FRANCISCO INC | 24,780 | 96.2% | 0.5% |
| UNINC SAN MATEO CO | 23,930 | 97.5% | 2.7% |
| WOODSIDE INC | 2,226 | 97.9% | 2.7% |
| **TOTAL** | **313,764** | **96.8%** | **2.1%** |

# California Community Power

901 H St, Ste 120 PMB 157, Sacramento, CA 95814 | cacommunitypower.org

**TO:** CC Power Board of Directors and Alternates **DATE:** 8/21/24
**FROM:** Alex Morris – General Manager
**SUBJECT:** **Report on CC Power Regular Board of Directors Meeting – August 21, 2024**

The CC Power Board of Directors held its August Board Meeting on August 21, 2024, via Zoom. Details on the Board packet, presentation materials, and public comment letters can be found under the Meetings tab at the CC Power website: Meetings and Agendas – ca community power

Highlights of the meeting included the following:

- **Matters subsequent to posting the Agenda.** None.
- **Public Comment.** None.
- **Consent Agenda** - The Board approved the following items:
    - Minutes of the Regular Board Meeting held on June 18, 2024.
- **Regular Agenda Items**:
    - **General Manager Report –** the Board heard updates on various work and potential project items. First, the GM reported that, on behalf of all nine CC Power members, a solicitation was launched to consider new renewable and storage projects, including projects for "Direct Pay" ownership consideration. (Solicitations – ca community power). Second, the Board was briefed on multiple new potential project ideas under consideration, including a Resource Adequacy trading 'pool' that may yield $1M-$4M in member savings in summer months, a project designed to optimize interconnection study priorities which would help CCA projects have timely studies, a CADEMO offshore wind site tour, and exploration of master-service agreements as an approach for cost-savings in some service-areas use by CCAs. Lastly, the Board received operational updates as CC Power enters its 2024-2025 fiscal year.
    - **Resolution 24-08-01 – Approval of Acquisition of Computer Based Training Offering for CC Power Members** – the board unanimously approved this authorization for CC Power to contract for four computer-based training offerings for members, including Grid 101, Grid 201, CCA 101, and FERC Anti-Market Manipulation trainings. Total not-to-exceed costs over the three-year contract are $200k. Members will be billed only if trainings are used. Costs per training will range, estimated at $200-$500/training. Trainings will be available in Q4, 2024 or sooner.

- **Closed Session Items:**

    - The Board voted to amend the CC Power Energy Storage Agreement for the Tumbleweed Energy Storage project. This action was reported in the public session of the Board Meeting. The board also discussed updates on another CC Power energy storage contract.

- **Public Comments on Closed-Session Items:** none

PENINSULA CLEAN ENERGY

**COMMONLY USED ACRONYMS AND KEY TERMS**

AB xx – Assembly Bill xx
ALJ – Administrative Law Judge
AMP - Arrears Management Plans
Apple Valley Choice Energy
AQM – Air Quality Management
Ava – Formally East Bay Community Energy
BAAQMD – Bay Area Air Quality Management District
BLPTA – Buyer Liability Pass Through Agreement
CAC – Citizens Advisory Committee
CAISO – California Independent System Operator
CalCCA – California Community Choice Association
CAM – Cost Allocation Mechanism
CAP – Climate Action Plan
CAPP – California Arrearage Payment Program
CARB – California Air Resources Board, or California ARB
CARE - California Alternative Rates for Energy Program
CBA – California Balancing Authority
3CE- Central Coast Community Energy (Formerly Monterey Bay Community Power-MBCP)
CCA – Community Choice Aggregation (aka Community Choice Programs (CCP) or
CCE – Community Choice Energy (CCE)
CCCFA – California Community Choice Financing Authority
CC Power – California Community Power
CEC – California Energy Commission
Clean Energy Alliance – CCA in
CPA – Clean Power Alliance
Clean Power SF
CPP - Critical Peak Pricing
CPSF – Clean Power San Francisco
CPUC – California Public Utility Commission (Regulator for state utilities) (Also PUC)
CSD – California Department of Community Services and Development
CSGT - Community Solar Green Tariff
Customer Centricity - culture, framework and business strategy based on providing a positive customer experience and building long-term relationships
DA – Direct Access
DAC-GT - Disadvantaged Communities Green Tariff
DER – Distributed Energy Resources
Desert Community Energy
DG – Distributed Generation
DOE – Department of Energy
DR – Demand Response
DRP – Demand Response Provider
DRP/IDER – Distribution Resources Planning / Integrated Distributed Energy Resources
EBCE – East Bay Community Energy now known as Ava Community Energy
ECOplus – PCE's default electricity product, 50% renewable and 50% carbon-free (in 2021)
ECO100 – PCE's 100% renewable energy product

EDR – Economic Development Rate
EE – Energy Efficiency
EEI – Edison Electric Institute; Standard contract to procure energy & RA
EIR – Environmental Impact Report
ELCC – Effective Load Carrying Capability
EPIC – Energy for Palmdale's independent Choice
ESP – Electric Service Provider
ESS – Energy Storage Systems
ESSA – Energy Storage Services Agreement
ERRA – Energy Resource Recovery Account
EV – Electric Vehicle
EVSE – Electric Vehicle Supply Equipment (Charging Station)
FERA- Family Electric Rate Assistance Program
FERC – Federal Energy Regulatory Commission
FFS – Franchise Fee Surcharge
GHG – Greenhouse gas
GHG-Free – Greenhouse gas free
GTSR – Green Tariff Shared Renewables
GWh – Gigawatt Hours (Energy) = 1000 MWh
Heavy Duty Vehicle – large vehicles such as busses and long-haul trucks
HPWH – Heat Pump Water Heater
HP HVAC – Heat Pump Heating, Ventilation, and Air Conditioning
HR xx – House of Representatives Bill xx
IDER – Integrated Distributed Energy Resources
IGFC – Income Graduated Fixed Charge
IOU – Investor-Owned Utility (e.g. PG&E, SCE, SDG&E)
IIJA – Infrastructure Investment and Jobs Act
IRA – Inflation Reduction Act
IRP – Integrated Resource Plan
IVR – Interactive Voice Response
ITC – Investment Tax Credit (it's a solar tax credit)
JCC – Joint Cost Comparison
JPA – Joint Powers Authority
JRC – Joint Rate Comparison
JRM – Joint Rate Mailer
kW – kilowatt (Power)
kWh – Kilowatt-hour (Energy)
Lancaster Energy
Light Duty Vehicle - passenger vehicles such as cars and small pickup trucks
LDS – Long Duration Storage
LDES – Long Duration Energy Storage
LIHEAP- Low Income Home Energy Assistance Program
Load Shaping – changing when grid energy is used
LSE – Load Serving Entity
MCE – Marin Clean Energy
Methane Gas - formerly known as 'natural gas'
Microgrid – building or community energy system
Mid Duty Vehicle – vehicles such as passenger vans
MW – Megawatt (Power) = 1000 kW
MWh – Megawatt-hour (Energy) = 1000 kWh

MTR – Mid-Term Reliability
MUD – Multi-unit Dwelling
NBCs – non-bypassable charges
NBT – Net Billing Tariff
NEM – Net Energy Metering
NERC – North American Electric Reliability Corporation
NDA – Non-Disclosure Agreement
NG – Natural Gas
OBF – On-bill Financing
OBR – On-bill Repayment
OCPA – Orange County Power Authority
OES – Office of Emergency Services
OIR – Order Instituting Rulemaking
PACE – Property Assessed Clean Energy
PCC – Portfolio Content Category (aka "buckets") – categories for RPS compliance
PCC1 – Portfolio Content Category 1 REC (also called bucket 1 REC)
PCC2 – Portfolio Content Category 2 REC (also called bucket 2 REC)
PCC3 – Portfolio Content Category 3 REC (also called bucket 3 REC or unbundled REC)
PCEA – Peninsula Clean Energy Authority
PCIA – Power Charge Indifference Adjustment
PCL – Power Content Label
Pioneer Community Energy
PLA – Project Labor Agreement
POU – Publicly Owned Utility
Pomona Choice Energy
PPA – Power Purchase Agreement
PPSA – Project Participation Share Agreement (CC Power)
PRIME – Pico Rivera innovative Municipal Energy
PSPS – Public Safety Power Shutoff
PV – Photovoltaics (solar panels)
Rancho Mirage Energy Authority
RA – Resource Adequacy
RE – Renewable Energy
REC – Renewable Energy Credit/Certificate
Redwood Coast Energy Authority
RICAPS - Regionally Integrated Climate Action Planning Suite
RPS – California Renewable Portfolio Standard
S xx – US Senate Bill xx
SB xx – CA Senate Bill xx
Santa Barbara Clean Energy
SBP – Solar Billing Plan
SCP – Sonoma Clean Power
SDCP – San Diego Community Power
SJCE – San Jose Clean Energy
San Jacinto Power
SJVAPCD - San Joaquin Valley Air Pollution Control District
SMD – Share My Data, interval meter data
SQMD – Settlement Quality Meter Data
SVCE – Silicon Valley Clean Energy
TOB – Tariff on Bill

TOU Rates – Time of Use Rates
Valley Clean Energy
VGI – Vehicle-Grid Integration
V2G – Vehicle-to-Grid
VPP – Virtual Power Plant
WECC – Western Energy Coordinating Council
WREGIS – Western Renewable Energy Generation Information System
WSPP – Western Systems Power Pool; standard contract to procure energy and RA
WWGPI - West-Wide Governance Pathways Initiative