



BOARD OF DIRECTORS MEETING AGENDA

April 28, 2022 -Thursday, 3:30 p.m.

COVID-19 NOTICE

RCEA AND HUMBOLDT BAY MUNICIPAL WATER DISTRICT OFFICES WILL NOT BE OPEN TO THE PUBLIC FOR THIS MEETING

Pursuant to the AB 361 Brown Act open public meeting law revisions signed into law on September 16, 2021, and Governor Newsom's State of Emergency Proclamation of March 4, 2020, this meeting will not be convened in a physical location. Board members will participate in the meeting via an online Zoom video conference.

To listen to the meeting by phone, call (669) 900-6833 or (253) 215-8782. Enter webinar ID: 819 7236 8051. **To watch the meeting online**, join the Zoom webinar at <https://us02web.zoom.us/j/81972368051>.

You may submit written public comment by email to PublicComment@redwoodenergy.org. Please identify the agenda item number in the subject line. Comments will be included in the meeting record but not read aloud during the meeting.

To make a comment during the public comment periods, raise your hand in the online Zoom webinar, or press star (*) 9 on your phone to raise your hand. You will continue to hear the meeting while you wait. When it is your turn to speak, a staff member will unmute your phone or computer. You will have 3 minutes to speak.

While downloading the Zoom application may provide a better meeting experience, Zoom does not need to be installed on your computer to participate. After clicking the webinar link above, click "start from your browser."

In compliance with the Americans with Disabilities Act, any member of the public needing special accommodation to participate in this meeting should call (707) 269-1700 or email Ltaketa@redwoodenergy.org at least 3 business days before the meeting. Advance notice enables RCEA staff to make their best effort to reasonably accommodate access to this meeting while maintaining public safety.

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board of Directors, including those received less than 72 hours prior to the RCEA Board meeting, will be made available to the public at www.redwoodenergy.org.

OPEN SESSION Call to Order

1. REPORTS FROM MEMBER ENTITIES

2. ORAL COMMUNICATIONS

This time is provided for people to address the Board on matters not on the agenda. At the conclusion of all oral communications, the Board may respond to statements. Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

3. CONSENT CALENDAR

All matters on the Consent Calendar are considered to be routine by the Board and are enacted in one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of the reading of the Consent Calendar, Board members or members of the public can request that an item be removed for separate discussion.

3.1 Approve Minutes of March 24, 2022, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

3.4 Adopt RCEA Resolution 2022-4 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies for the Period April 28, 2022, through May 27, 2022, Pursuant to Brown Act Revisions.

3.5 Accept Annual RCEA Supplier Diversity Report and Plan.

4. REMOVED FROM CONSENT CALENDAR ITEMS

Items removed from the Consent Calendar will be heard under this section.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

5. OLD CCE BUSINESS

5.1. Energy Risk Management Quarterly Report

Accept Energy Risk Management Quarterly Report.

6. NEW CCE BUSINESS – None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

7. OLD BUSINESS

7.1. CPUC-Mandated Long-Duration Storage Procurement

Delegate authority to the Executive Director to execute on behalf of Redwood Coast Energy Authority as a member of California Community Power the following agreements and any necessary ancillary documents for the Goal Line Long

Duration Storage project with a delivery term of 15 years starting at the Commercial Operation Date on or about June 1, 2025, for an RCEA share not to exceed 3.21 MW:

- a) Project Participation Share Agreement by and among Redwood Coast Energy Authority, California Community Power and participating community choice aggregators
- b) Energy Storage Service Agreement - Buyer Liability Pass Through Agreement by and among Redwood Coast Energy Authority, California Community Power and Goal Line BESS 1, LLC
- c) Operations Agreement by and among Redwood Coast Energy Authority, California Community Power and participating CCAs for Goal Line (agreement to be developed, not attached).

8. NEW BUSINESS – None.

9. STAFF REPORTS – None.

10. FUTURE AGENDA ITEMS

Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

11. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, May 26, 2022, 3:30 p.m.

The location of this meeting is to be determined.



BOARD OF DIRECTORS MEETING DRAFT MINUTES

March 24, 2022 - Thursday, 3:30 p.m.

Notice of this meeting was posted on March 19, 2022. Vice Chair Chris Curran called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:34 p.m., stating that the teleconference meeting was being conducted pursuant to the AB 361 Brown Act open public meeting law revisions signed into law on September 16, 2021, and Governor Newsom's State of Emergency Proclamation of March 4, 2020. Vice Chair Curran stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Chair Stephen Avis (arrived 3:43 p.m.), Scott Bauer, Vice Chair Chris Curran, Alternate Director Michelle Fuller, David Grover, Mike Losey, Sarah Schaefer, Frank Wilson (arrived 4:06 p.m.), Mike Wilson. ABSENT: Sheri Woo. STAFF AND OTHERS PRESENT: Regulatory and Legislative Policy Manager Aisha Cissna, Demand Side Management Director Stephen Kullmann, Executive Director Matthew Marshall; Deputy Executive Director Eileen Verbeck, Account Services Manager Sally Regli; Community Strategies Manager Nancy Stephenson; Clerk of the Board Lori Taketa.

REPORTS FROM MEMBER ENTITIES

Director Grover reported that this was his last RCEA meeting and that an alternate would be appointed before this Board's next meeting. Vice Chair Curran thanked Director Grover for his service.

ORAL COMMUNICATIONS

Solar power developer and installer Ryan Pickering requested the Board and agency support PG&E's sale of, and a new owner's continued operation of the Diablo Canyon nuclear power plant, which produces 20% of the electrons used on PG&E's portion of the grid, as a non-fossil fuel grid stabilizing energy source. Mr. Pickering previously supported achieving 100% renewable energy but changed his position when learning that doing so requires overbuilding renewable sources to 600% of grid usage. Mr. Pickering cited two sections of Meredith Angwin's book "Shorting the Grid," which state that 1 MW of fossil fuel energy source installation is needed for every .88 MW of renewable energy generation installed to provide quick-reacting capacity and grid reliability.

Community Advisory Committee Chair Dennis Leonardi thanked the Board for reappointing CAC members at its last meeting, stating that he looked forward to working with the Board and CAC in the coming year. Chair Leonardi thanked the Board for including the CAC as part of the agency's work process.

Vice Chair Curran closed the oral communications portion of the meeting.

CONSENT CALENDAR

3.1 Approve Minutes of February 24, 2022, Board Meeting.

- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.
- 3.4 Authorize extension of Resolution No. 2022-2 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the Extension Period March 27, 2022, Through April 25, 2022, Pursuant to Brown Act Revisions of AB 361.
- 3.5 Approve Selection of Caselle Hosted Software to Provide Financial and Payroll Software to RCEA for an Amount Not to Exceed \$22,045 for Purchase and Implementation and \$23,868 Annually for Maintenance and Support. Authorize the Executive Director to Prepare and Execute a Professional Services Agreement with Caselle for These Services.

No member of the Board or public requested items to be removed from the consent calendar.

M/S: Losey, Grover: Approve the consent calendar items.

The motion passed with a unanimous roll call vote. Ayes: Bauer, Curran, Fuller, Grover, Losey, Schaefer, M. Wilson. Noes: None. Absent: Avis, F. Wilson. Abstain: None.

Vice Chair Curran confirmed there was a quorum to conduct Community Choice Energy business.

OLD CCE BUSINESS

5.1 Demand Reduction Incentive Program Pilot Program Summary – Information only

Account Services Manager Sally Regli reported on the Demand Reduction Incentive Program (DRIP) pilot program which enrolled four large business customers across the construction, grocery and entertainment sectors and encouraged them to reduce energy usage during peak energy use periods. The program goal was to reduce usage by 10% to contribute to grid stabilization. Enrolled businesses were offered a \$0.25 bill credit for each kWh cut from normal usage rates.

The pilot program did not meet its load reduction and customer enrollment goals. An interdepartmental demand-response staff working group is investigating third-party, automated energy use reduction tools to make load reduction easier for customers, assessing which tools fit RCEA customers best and determining the necessity of an in-house program to provide these tools. Staff has set 2023 as a target date to reimplement a demand reduction incentive program that incorporates lessons learned from the pilot project. The directors discussed how the rising cost of electricity may be the biggest incentive for energy reduction and how a participant survey showed the program helped participating businesses focus more on their energy usage.

Chair Avis thanked Vice Chair Curran for facilitating the beginning of the meeting.

There were no responses from the public to Chair Avis' invitation for comment. Chair Avis closed the public comment period.

NEW BUSINESS

8.1. Regulatory and Legislative Policy Platform Adoption

Regulatory and Legislative Policy Manager Aisha Cissna presented RCEA's inaugural 2022 policy platform. RCEA's advocacy is primarily at the state level but is beginning to involve federal regulatory advocacy with the offshore wind project. The policy platform does not cover local regulatory or legislative advocacy. The purpose of the policy platform is to help achieve RCEA's RePower strategic plan goals, to maintain RCEA program operation, and to make advocacy more efficient. Manager Cissna highlighted different advocacy areas, citing examples of upcoming issues in which RCEA may want to engage. For regulatory matters, the Executive Director or designated staff would follow platform, strategic plan and mission guidelines when conducting agency advocacy. For legislative advocacy, the Board Chair and Vice-Chair would determine whether the action aligns with the platform, then authorize action. The full Board would receive quarterly advocacy action reports and review and provide input on the policy platform annually. Actions not covered by the policy platform would be discussed by the full Board prior to action.

The directors discussed the process for approving legislative advocacy actions and inquired about establishing a government affairs committee to allow directors beyond the chair and vice-chair to consider agency advocacy. The challenge of responding quickly to bill changes through a standing committee subject to Brown Act open meeting laws was discussed. The directors expressed the need to join industry or government agency groups such as the Local Government Commission/CivicWell, and to stay abreast of California State Association of Counties and the League of California Cities' policy platforms to monitor for opposing positions and lobby effectively as a group. It was noted that RCEA is a California Community Choice Association member and Executive Director Marshall's current role as CalCCA Chair ensures RCEA's perspective is considered despite the agency's relatively small customer base. Much of CalCCA's membership dues go toward legislative advocacy. Directors expressed confidence that Executive Director Marshall would inform Board directors of advocacy issues requiring full Board discussion should time allow. Directors may also provide feedback on this process as it moves forward.

Chair Avis invited public comment. There were no comments from the public. Chair Avis closed the public comment period.

M/S: Grover, Losey: Approve 2022 RCEA Policy Platform.

The motion passed with the following roll call vote. Ayes: Avis, Bauer, Curran, Fuller, Grover, Losey, Schaefer, M. Wilson. Noes: None. Absent: None. Abstain: F. Wilson.

STAFF REPORTS

9.1. Report from Executive Director Matthew Marshall

RCEA is planning a celebration of the CCE program's fifth anniversary on Earth Day in April. Details will be announced soon. Mr. Marshall inquired whether the directors would like the monthly agency reports to be sent to member agency clerks or other staff members to help them stay abreast of RCEA's work. A sizeable Humboldt County contingent made up of Cal Poly Humboldt, Harbor District, County, local tribe and union representatives, will be participating in an offshore wind conference in San Francisco next week. Executive Director

Marshall will be on paternity leave starting in late April. Deputy Executive Director Eileen Verbeck will be the acting Executive Director in his absence.

There were no responses from the public to Chair Avis' invitation for comment. Chair Avis closed the public comment period.

FUTURE AGENDA ITEMS

There were no requests for future agenda items from the directors or the public. Executive Director Marshall informed the late-arriving directors of the public comment regarding support for the Diablo Canyon nuclear facility's continued operation.

CLOSED SESSION

After receiving no public comment on the closed session agenda item, the directors adjourned to closed session at 4:29 p.m. to discuss:

- 13.1. Conference with real property negotiators pursuant to Government Code § 54956.8 in re: APN 001-115-007; RCEA negotiator: Executive Director; Owner's negotiating party: Disiere & Associates and Harris Plaza Properties; Under negotiation: price and terms.

The directors reconvened in open session at 4:43 p.m. Chair Avis stated that there was nothing to report out from closed session.

The meeting was adjourned at 4:44 p.m.

Lori Taketa
Clerk of the Board

Redwood Coast Energy Authority
Disbursements Report
As of February 28, 2022

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	02/01/2022	ACH	Sterling Administration	FSA Healthcare and Dependent Care Funding	-5,375.00
Bill Pmt -Check	02/01/2022	ACH	CalPine Corporation	Calpine December 2021 Costs	-61,482.24
Bill Pmt -Check	02/04/2022	12973	PG&E - ACV	11/29-12/26/21 RCAM	-8,740.30
Liability Check	02/09/2022	E-pay	EDD	Taxes	-6,265.02
Liability Check	02/09/2022	E-pay	Internal Revenue Service	Taxes	-28,562.68
Liability Check	02/09/2022	E-pay	EDD	Taxes	-731.37
Liability Check	02/09/2022	21022	Newport Group	Deferred Compensation Contributions	-15,777.05
Bill Pmt -Check	02/10/2022	12929	Advanced Security	Security monitoring: Feb-Apr 2022.	-127.50
Bill Pmt -Check	02/10/2022	12930	Aiqueous, LLC	PowerPath Project Team Hours - Jan 22	-1,125.00
Liability Check	02/10/2022	12931	Ameritas - Dental	#010-055098-00001 February 2022	-1,835.38
Liability Check	02/10/2022	12932	Ameritas - Vision	010-055098-00002 February 2022	-363.64
Bill Pmt -Check	02/10/2022	12933	AT&T	U-Verse back-up internet	-119.55
Bill Pmt -Check	02/10/2022	12934	Bithell, M.	Purchase reimbursement - postage	-8.25
Bill Pmt -Check	02/10/2022	12935	City of Arcata	January Utility User Tax	-6,823.30
Bill Pmt -Check	02/10/2022	12936	City of Eureka-Water	Water service, 12/22-01/24/22	-125.86
Bill Pmt -Check	02/10/2022	12937	Computershare	Annual fee - RCAM interconnection escrow	-6,000.00
Bill Pmt -Check	02/10/2022	12938	Donald Dame	Professional Services January 2022	-262.50
Bill Pmt -Check	02/10/2022	12939	Humboldt Bay Coffee Co.	Office Coffee	-34.60
Bill Pmt -Check	02/10/2022	12940	Lifeworks	Employee Assistance Program - annual fee	-1,788.00
Bill Pmt -Check	02/10/2022	12941	Lost Coast Communications	Radio spots - Food for People promo	-810.00
Bill Pmt -Check	02/10/2022	12942	Mission Uniform & Linen	Feb mat service, janitorial supplies	-8.47
Bill Pmt -Check	02/10/2022	12943	Newport Group	Participant Fees for Retirement Plan	-828.50
Bill Pmt -Check	02/10/2022	12944	North Coast Cleaning	Dec monthly cleaning service	-480.00
Bill Pmt -Check	02/10/2022	12945	Pacific Paper Company	Tax forms	-11.47
Bill Pmt -Check	02/10/2022	12946	PG&E EV Account	EV stations Dec	-931.13
Bill Pmt -Check	02/10/2022	12947	PG&E Utility Account	12/21-01/20/22 Office utilities	-1,141.31
Bill Pmt -Check	02/10/2022	12948	Premier Financial Group	Annual advisory fee	-3,600.27
Bill Pmt -Check	02/10/2022	12949	Ray Morgan Company	Printer Charges: 01/06-02/05/22	-91.56
Bill Pmt -Check	02/10/2022	12950	Recology	January garbage service	-93.21
Bill Pmt -Check	02/10/2022	12951	Smith, S.	January mileage reimbursement	-89.70
Bill Pmt -Check	02/10/2022	12952	Stephenson, Nancy	Purchase reimbursement: Lift rental	-163.88
Bill Pmt -Check	02/10/2022	12953	Suddenlink Communications	Phone & Internet access - 1/28/2022 - 2/27/2022	-1,097.97
Bill Pmt -Check	02/10/2022	12954	Verizon Wireless	Mobile service charges	-233.52
Bill Pmt -Check	02/10/2022	12955	AT&T	Toll free and long distance charges	-163.00
Bill Pmt -Check	02/10/2022	12956	City of Arcata	January Excessive Energy Use Tax	-3,844.83
Bill Pmt -Check	02/10/2022	12957	AT&T	RCAM router charges	-880.18
Check	02/10/2022	12958	VISA	January 2022 statement 12/22-01/20/22	-15,302.14
Check	02/10/2022	12959	CCA Customer	EVSE #REVSE8	-299.50
Check	02/10/2022	12960	CCA Customer	EVSE# REVSE1	-250.00
Paycheck	02/10/2022	ACH	Employees	Payroll	-68,318.37
Paycheck	02/18/2022	ACH	Employee	Final paycheck	-4,746.11
Debit	02/21/2022	Debit	Umpqua Bank	Service Charge	-22.51
Bill Pmt -Check	02/24/2022	ACH	CalPine Corporation	Calpine January 2022 Costs	-61,437.12
Bill Pmt -Check	02/24/2022	ACH	Humboldt Sawmill Co.	January 2022	-559,606.76
Bill Pmt -Check	02/24/2022	ACH	Leapfrog Energy	January 2022 RA	-36,740.00
Bill Pmt -Check	02/24/2022	ACH	Snow Mountain Hydro, LLC	Cove plant hydro - January 2022	-86,393.84
Liability Check	02/24/2022	E-pay	EDD	Taxes	-604.28
Liability Check	02/24/2022	E-pay	Internal Revenue Service	Taxes	-1,933.90
Liability Check	02/24/2022	E-pay	EDD	Taxes	-5,611.49
Liability Check	02/24/2022	E-pay	Internal Revenue Service	Taxes	-26,178.66
Liability Check	02/24/2022	E-pay	EDD	Taxes	-286.64

Redwood Coast Energy Authority
Disbursements Report
As of February 28, 2022

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	02/25/2022	12961	Boudreau, D.	Travel reimbursement	-157.80
Bill Pmt -Check	02/25/2022	12962	Braun Blaising Smith Wynne	Legal Services - Regulatory - December	-6,252.79
Liability Check	02/25/2022	12963	Colonial Life	Colonial Life Premiums Feb 2022	-1,234.58
Bill Pmt -Check	02/25/2022	12964	Computershare	Annual fee - FSR escrow account	-5,000.00
Bill Pmt -Check	02/25/2022	12965	Diamond, Nancy	legal services	-12,361.40
Bill Pmt -Check	02/25/2022	12966	Food For People, Inc.	Donations Feb. 2022	-1,300.00
Bill Pmt -Check	02/25/2022	12967	Frontier Energy, Inc.	Professional Services - Program Support	-378.75
Bill Pmt -Check	02/25/2022	12968	Humboldt Bay Coffee Co.	Office coffee	-69.20
Bill Pmt -Check	02/25/2022	12969	Mission Uniform & Linen	Feb mat service, janitorial supplies	-225.34
Bill Pmt -Check	02/25/2022	12970	North Coast Cleaning	Jan monthly cleaning service	-480.00
Bill Pmt -Check	02/25/2022	12971	North Coast Journal	The Community Report - 16-24 page insert	-2,750.00
Bill Pmt -Check	02/25/2022	12972	NYLEX.net, Inc.	Onsite network support services - Mar	-3,200.00
Bill Pmt -Check	02/25/2022	12974	PG&E CCA	January CCE Charges	-22,219.82
Bill Pmt -Check	02/25/2022	12975	Pierson's Home Ctr	safety and facility supplies	-53.38
Bill Pmt -Check	02/25/2022	12976	Times Printing Company	CCE customer printing services	-1,192.16
Check	02/25/2022	12977-80	NEM Customers	NEM Closeout payments	-649.50
Bill Pmt -Check	02/25/2022	12981	Winzler, John	Office Lease -	-7,132.00
Check	02/25/2022	12982	CCA Customer	PA Res & Heat Pump Rebate #5590	-1,270.00
Check	02/25/2022	12983	CCA Customer	PA Res & Heat Pump Rebate #5593	-950.00
Check	02/25/2022	12984	CCA Customer	EV Rebate #EV21	-1,000.00
Check	02/25/2022	12985	CCA Customer	EV Rebate #EV24	-500.00
Bill Pmt -Check	02/25/2022	12986	PG&E EV Account	EV stations 12/15/2021- 1/12/2022	-615.32
Bill Pmt -Check	02/25/2022	12987	Shapiro, Galvin, Shapiro & Moran	HR legal services	-80.00
Bill Pmt -Check	02/25/2022	12988	Times Printing Company	CCE customer printing services	-1,152.76
Paycheck	02/25/2022	ACH	Employees	Payroll	-62,837.27
TOTAL					<u>-1,160,809.63</u>

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	312,604.93	911,000.00	34.31%
Total 5100 · Revenue - program related sales	17,530.07	31,000.00	56.55%
Total 5400 · Revenue-nongovernment agencies	1,111,932.73	1,377,873.00	80.7%
Total 5500 · Revenue - Electricity Sales	26,549,811.32	44,645,168.00	59.47%
Total 5 REVENUE EARNED	<u>27,991,879.05</u>	<u>46,965,041.00</u>	<u>59.6%</u>
Total Income	<u>27,991,879.05</u>	<u>46,965,041.00</u>	<u>59.6%</u>
Gross Profit	27,991,879.05	46,965,041.00	59.6%
Expense			
Total 6 WHOLESALE POWER SUPPLY	31,150,508.68	41,084,582.00	75.82%
Total 7 PERSONNEL EXPENSES	2,004,065.83	3,517,800.00	56.97%
Total 8.1 FACILITIES AND OPERATIONS	417,139.10	3,313,389.00	12.59%
Total 8.2 COMMUNICATIONS AND OUTREACH	64,727.60	118,570.00	54.59%
Total 8.3 TRAVEL AND MEETINGS	1,523.07	44,300.00	3.44%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	93,149.41	180,000.00	51.75%
8410 · Contracts - Program Related Ser	264,060.89	393,000.00	67.19%
8420 · Accounting	1,258.00	55,000.00	2.29%
8430 · Legal	102,802.70	153,000.00	67.19%
8450 · Wholesale Services - TEA	436,656.00	639,088.00	68.33%
8460 · Procurement Credit - TEA	451,445.28	340,032.00	132.77%
8470 · Data Management - Calpine	492,082.56	738,144.00	66.67%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	<u>1,841,454.84</u>	<u>2,498,264.00</u>	<u>73.71%</u>
Total 8.5 PROGRAM EXPENSES	358,468.82	631,393.00	56.77%
Total 8.6 INCENTIVES & REBATES	79,707.11	601,000.00	13.26%
Total 9 NON OPERATING COSTS	<u>40,999.49</u>	<u>414,320.00</u>	<u>9.9%</u>
Total Expense	<u>35,958,594.54</u>	<u>52,223,618.00</u>	<u>68.86%</u>
Net Ordinary Income	<u>-7,966,715.49</u>	<u>-5,258,577.00</u>	<u>151.5%</u>
Net Other Income	0.00	6,600,000.00	0.0%
Net Income	<u>-7,966,715.49</u>	<u>1,341,423.00</u>	<u>-593.9%</u>

Redwood Coast Energy Authority
Balance Sheet
As of February 28, 2022

	<u>Feb 28, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	300.00
1050 · GRANTS & DONATIONS 3840	15,995.51
1060 · Umpqua Checking Acct 0560	-185,406.06
1071 · Umpqua Deposit Cntrol Acct 8215	2,909,216.97
1075 · Umpqua Reserve Account 2300	9,895.17
1076 · First Republic Bank - 4999	91,082.18
8413 · COUNTY TREASURY 3839	5,329.01
Total Checking/Savings	<u>2,846,412.78</u>
Total Accounts Receivable	<u>5,184,386.15</u>
Total Other Current Assets	<u>44,757.19</u>
Total Current Assets	8,075,556.12
Total Fixed Assets	8,402,029.71
Other Assets	
1700 · Retained Deposits	4,293,600.00
Total Other Assets	<u>4,293,600.00</u>
TOTAL ASSETS	<u><u>20,771,185.83</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	4,489,229.14
Total Credit Cards	8,518.24
Other Current Liabilities	
2002 · Deposits Refundable	244,845.00
2013 · Unearned Revenue - PA 2020-2023	1,276,354.02
2050 · Liabilities	
2056 · BLR Short Term Loan	2,000,000.00
Total 2050 · Liabilities	<u>2,000,000.00</u>
Total 2100 · Payroll Liabilities	<u>197,570.97</u>
Total Other Current Liabilities	<u>3,718,769.99</u>
Total Current Liabilities	8,216,517.37
Long Term Liabilities	
2700 · Long-Term Debt	
2704 · USDA Loan	6,287,592.00
Total 2700 · Long-Term Debt	<u>6,287,592.00</u>
Total Long Term Liabilities	<u>6,287,592.00</u>
Total Liabilities	14,504,109.37
Equity	
2320 · Investment in Capital Assets	215,489.00
3900 · Fund Balance	14,018,302.95
Net Income	-7,966,715.49
Total Equity	<u>6,267,076.46</u>
TOTAL LIABILITIES & EQUITY	<u><u>20,771,185.83</u></u>



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 3.4

AGENDA DATE:	April 28, 2022
TO:	Board of Directors
PREPARED BY:	Lori Taketa, Clerk of the Board
SUBJECT:	Virtual Board Meeting Authorization

BACKGROUND

On September 16, 2021, Governor Newsom signed AB 361 authorizing Brown Act revisions which allowed legislative bodies to meet virtually provided there is a state of emergency, and either 1) state or local officials have imposed or recommended measures to promote social distancing, or 2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees.

SUMMARY

While the Humboldt County Health Officer rescinded the local universal public indoor face covering order of November 8, 2021, both Humboldt County Public Health and the California Department of Public Health continue to recommend masking and physical distancing at indoor gatherings where people of different households come together in a private or public space.

RCEA staff recognize that many Humboldt County legislative bodies have started returning to in-person meetings. Staff reached out to the Humboldt Bay Municipal Water District, which is the venue designated by this body for its regular meetings and was notified that they can accommodate a total room capacity of 16 with social distancing. Based on the limited capacity at the Humboldt Bay Municipal Water District, staff is going to research other in-person meeting spaces that can accommodate RCEA's public meeting needs including hybrid-enabled meeting spaces. Staff will report on available options at this body's May meeting.

ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)

N/A – Operations.

EQUITY IMPACTS

N/A. Recommended measures reduce health risks to vulnerable populations.

FINANCIAL IMPACT

Annual teleconferencing subscription costs have been included in the Fiscal Year 2021-22 budget.

STAFF RECOMMENDATION

Authorize Resolution No. 2022-4 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the period April 28, 2022, through May 27, 2022, pursuant to Brown Act revisions of AB 361.

ATTACHMENTS

1. Resolution No. 2022-4 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the period April 28, 2022, through May 27, 2022, pursuant to Brown Act revisions of AB 361.

RESOLUTION NO. 2022-4

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE REDWOOD COAST ENERGY AUTHORITY
RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY
BY GOVERNOR GAVIN NEWSOM ON MARCH 4, 2020,
AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS
OF THE LEGISLATIVE BODIES OF REDWOOD COAST ENERGY AUTHORITY
FOR THE PERIOD APRIL 28, 2022, THROUGH MAY 27, 2022,
PURSUANT TO BROWN ACT PROVISIONS**

WHEREAS, the Redwood Coast Energy Authority (RCEA) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of RCEA's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch RCEA's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within RCEA's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body has determined that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in Humboldt County, specifically, Governor Newsom's Proclamation of a State of Emergency of March 4, 2020, remains in effect; and

WHEREAS, the Humboldt County Department of Health and Human Services recommends practicing physical distancing at meetings of legislative bodies; and

WHEREAS, COVID-19 public health emergency and increased risk of infection has caused, and will continue to cause, conditions of peril to the safety of persons within Humboldt County that are likely to be beyond the control of services, personnel, equipment, and facilities of RCEA, and desires to ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the emergency, the Board of Directors does hereby find that the legislative bodies of RCEA shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, public access and participation in meetings of RCEA’s legislative bodies shall be provided via online video conferencing software which shall also allow for public participation and real-time public comment opportunity by telephone.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF REDWOOD COAST ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Ratification of Governor’s Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California’s Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 3. Remote Teleconference Meetings. The staff and legislative bodies of Redwood Coast Energy Authority, including but not limited to the Board of Directors and its subcommittees, and the Community Advisory Committee and its subcommittees, are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective for 30 days or until this Resolution is extended by a majority vote of the Board of Directors in accordance with Section 6 of this Resolution.

Section 5. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

Adopted this 28th day of April 2022.

ATTEST:

Stephen Avis, RCEA Board Chair

Lori Taketa, Clerk of the Board

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution 2022-4 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the 28th day of April 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority



STAFF REPORT
Agenda Item # 3.5

AGENDA DATE:	April 28, 2022
TO:	Board of Directors
PREPARED BY:	Aisha Cissna, Policy Manager
SUBJECT:	RCEA 2021 Supplier Diversity Report and Plan

SUMMARY

RCEA, along with other Community Choice Aggregators (CCAs) and Investor-Owned Utilities (IOUs), submitted our annual Supplier Diversity Report and Plan to the California Public Utilities Commission (CPUC) on March 1, 2022.

The CPUC's Supplier Diversity Program was established in 1988 by Assembly Bill 3678. This bill declared that in order for California's competitive market economy to flourish, diverse business enterprises must have equal opportunity to participate in said market. Following the enactment of AB 3678, the CPUC issued General Order 156 (GO156), which described the specific rules that IOUs must follow to increase procurement from women, disabled veteran, minority, lesbian, gay, bisexual, and transgender-owned business enterprises (WDVMLGBTBE). Hereafter, this group is referred to as "diverse business enterprises."

In 2019, Senate Bill 255 was signed into law, extending the GO 156 reporting requirements to community choice aggregators. 2021 was the first year CCAs were required to submit a Supplier Diversity Report and Plans summarizing diverse spending and planned activities to increase procurement from diverse business enterprises.

The CPUC only recognizes businesses that are certified in their Supplier Clearinghouse database and fall under the GO 156 definition of diverse business enterprises. However, RCEA's procurement policies emphasize the importance of purchasing from small, local businesses that also experience marginalization. RCEA's supplier diversity activities have and will continue to emphasize the importance of those investments, synergizing those investments with increased procurement from diverse business enterprises.

In 2020 and 2021, CCAs generally reported low to no diverse spending with CPUC-certified business enterprises. For Calendar Year (CY) 2020, RCEA reported \$4,829 in diverse spending. In CY 2021, RCEA reported \$0 in diverse spending. The CPUC acknowledges that CCAs experience unique hurdles to increasing diverse spending compared to IOUs because (1) most CCA spending is dedicated to power procurement, a business sector that is widely known to not have diverse participation and (2) CCAs are limited in their ability to contract with diverse business enterprises due to state laws that prohibit preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin. That said, RCEA remains committed to adapting our efforts to achieve more diverse spending.

RCEA's key supplier diversity activities in CY 2021 included:

- Hosting a Certify and Amplify workshop in English and Spanish to explain the process and benefits of certification to businesses,
- Encouraging local firms and existing vendors to pursue certification,
- Providing technical assistance to said firms and existing vendors specific to the certification process,
- Participating in diverse organizations and chambers of commerce, namely the Government Alliance on Race and Equity,
- Participating in local, state and national supplier diversity events,
- Developing an interdepartmental team to create and implement supplier diversity activities,
- Tracking diverse spending,
- Sharing contract opportunities with currently certified vendors,
- Presenting a supplier diversity training at an RCEA all-staff meeting, and
- Providing an annual supplier diversity update to the RCEA Board of Directors summarizing our procurement progress

RCEA's planned activities for 2022 are largely the same as 2021, with a focus on adapting our efforts to more effectively promote certification. New or notably revised 2022 activities include:

- Expanding outreach and education supplier diversity activities through RCEA's web presence, providing specific training to RCEA customer-facing staff, and partnering with Norcal Procurement Technical Assistance Center to jointly pursue education on certification to local businesses,
- Providing increased 1:1 technical assistance to businesses to help with the Supplier Clearinghouse certification process.

FINANCIAL IMPACTS

RCEA's 2021 supplier diversity program expenses amounted to \$12,929. RCEA's 2020 supplier diversity program expenses were approximately \$4,000. This increase is because 2020 activities primarily consisted of developing the report and plan, whereas 2021 activities also included implementation of planned activities.

STAFF RECOMMENDATION

Accept RCEA Supplier Diversity Report and Plan.

ATTACHMENT

RCEA Supplier Diversity 2021 Annual Report and Plan

2021 Supplier Diversity Annual Report and Plan

Report to the
California Public
Utilities Commission

Redwood Coast Energy Authority
March 1, 2022



REDWOOD COAST
EnergyAuthority

Redwood Coast Energy Authority

633 3rd Street
Eureka, CA 95501

Telephone:
707-269-1700

Fax:
707-269-1777

Email:
info@redwoodenergy.org

Website:
www.RedwoodEnergy.org/supplier-diversity/

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2021 Annual Report

2022 MARKS THE SECOND YEAR FOR COMMUNITY CHOICE AGGREGATORS' PARTICIPATION IN THE CALIFORNIA PUBLIC UTILITIES COMMISSION'S (CPUC'S) SUPPLIER DIVERSITY PROGRAM. The Redwood Coast Energy Authority's (RCEA) Community Choice Aggregation (CCA) program started serving load in May 2017 for the express purpose of empowering its member communities to choose the generation resources that reflect their specific values and needs. Chief among these needs identified through community workshops and input to RCEA's Board of Directors are affordability, local economic development, local control over power resources and generation rates, greenhouse gas emissions reduction, air quality, protection of natural resources, and energy reliability in rural Humboldt County, an area especially prone to extended electric outages.

Several highlights from RCEA's 2021 supplier diversity activities included the establishment of an agency-wide supplier diversity working group, an all-staff training on the CPUC's Supplier Diversity program and certification process, our Certify and Amplify workshop (in English and Spanish) and joining the Government Alliance on Race and Equity (GARE). Regarding Humboldt County's list of certified vendors, four businesses were added to the Clearinghouse and two businesses' certification expired. Humboldt County grossed an 18% increase in certified businesses in 2021.

In implementing activities described in our inaugural report, RCEA learned several lessons that will be employed to increase the efficacy of our supplier diversity efforts in 2022. Instead of increasing the quantity of its supplier diversity activities, RCEA will adapt its current suite of activities to focus on more tailored, high-touch assistance to local vendors to achieve certification. Humboldt County is home to small businesses and sole proprietors who qualify for certification, but do not have the bandwidth to navigate the certification process. This indicates the need to invest more RCEA staff resources to focus on providing one-on-one technical assistance to small businesses with limited bandwidth to engage in the certification process. These lessons and adaptations are further described in the body of this report.

RCEA continues to make progress on its Racial Justice Plan to address inequities in our community. Many aspects of this plan are geared toward increasing diversity and equity in RCEA's hiring practices, governance, workplace culture, program development, and program delivery. RCEA recognizes that equal access to economic opportunity for business enterprises owned by women, minorities, disabled veterans, lesbian, gay, bisexual, transgender, (WMDVLGBT) and others experiencing marginalization must be achieved. Policies that promote utility procurement of products and services from WMDVLGBT business enterprises (WMDVLGBTBEs) is a step toward achieving that goal. CPUC staff, in conversation and presentations, has used the term "diverse BEs" as an abbreviated reference to the WMDVLGBTBE acronym. RCEA uses the term "diverse BEs" or "DBEs" hereafter to refer to this group of business enterprises.

In addition to diverse BEs, other types of business owners also experience economic marginalization in society, and RCEA's procurement policies have and continue to help close those gaps. While GO 156 acknowledges Small Business Administration 8(a) certified small businesses (and rightly so), RCEA notes the importance of purchasing from local, Department of General Services-

certified small businesses not recognized through the CPUC's diverse BE-focused Supplier Clearinghouse. Accordingly, RCEA spent \$10,058.71 on local, DGS-certified small businesses in 2021.

This spend is impactful because our CCA service territory is relatively rural, thus experiencing economic marginalization distinct from our metropolitan neighbors served by their own CCA programs. Our local procurement from small businesses is essential in our service territory, where poverty and low household income are widespread, and where distance creates logistical challenges in procuring goods and services from outside our area.

The following table highlights our most notable local spend:

Expense Category	Sum of 2021 Spend
Power Purchase - Biomass	\$ 6,403,091.38
Professional Services	\$ 440,033.45
Net Energy Metering customer payouts	\$ 279,939.48
RCEA facility costs	\$ 95,925.10
Electric Vehicle/Heat pump incentives	\$ 36,261.39
Electric Vehicle Charging Network	\$ 10,499.29
Supplies	\$ 3,178.69
Outreach	\$ 9,945.95
Grand Total	\$ 7,278,874.73

\$8,790.33 of the "Net Energy Metering customer payouts" contained in this table went to two certified vendors; however, these are not reported as diverse spend per CPUC staff guidance. \$12,187.54 of the "Grand Total" listed in the table was paid to a local government tribe for professional services. \$155,786.44 of the "Grand Total" consisted of transactions with businesses that are women-owned, but not certified. RCEA engaged with one of these woman-owned businesses and provided guidance on the certification process; however, the business owner was unable to complete the certification process due to a time and resource constraints. While RCEA will be increasing its efforts to assist vendors with the certification process in 2022, it is important to emphasize that this is indeed a material hurdle small businesses face generally, and a more streamlined certification process could provide an equitable opportunity for certification of smaller vendors.

Nevertheless, RCEA is proud of our procurement from these businesses and is excited to continue leveraging GO 156 as an opportunity to further the power our procurement holds to stimulate small, local, and diverse business growth.

9.1.1 Diverse BE Program Activities

In 2021, RCEA made progress toward the goals set in the Annual Plan we submitted last reporting cycle. RCEA's 2021 activities and a description of progress as it pertains to each activity are provided below.

EXTERNAL PROGRAM ACTIVITIES FOR 2021

- *Host our own version of Certify and Amplify*
 - Description: Using MCE's Certify and Amplify workshop as a model, develop an online supplier clearinghouse certification training, which can be recorded and saved to the RCEA website for later viewing. The purpose of the workshop is to explain the process and benefits of certification for Women, Minority, Disabled Veteran, and LGBT business enterprises, as encouraged by CPUC General Order 156. The goal is to focus on Humboldt County businesses. We plan to collaborate and leverage existing relationships with the Builders' Exchange, chambers of commerce, Prosperity Network, and PG&E to maximize the benefit of this event to our community.
 - Status: RCEA hosted its own Certify and Amplify workshop on November 2nd, 2021. Both PG&E and CPUC were featured speakers. RCEA reached out to three local certified firms to ask them to participate in the workshop as panelists who could provide additional clarity on the technicalities of the certification process to workshop participants; however, none of them were available. The workshop was advertised to 116 total vendors, businesses, and stakeholders (including the Builder's Exchange and numerous local, regional, and state-wide chambers of commerce); 35 of these contacts were local. RCEA created an event for the workshop on our Facebook page which has 1.9K followers. The workshop had 82 registrants that all received post-workshop materials including links to the webinar. The workshop materials were also sent to the CalCCA Marketing Committee, which contains 59 members from California CCAs. RCEA shared a recording of the webinar on our Twitter page, which has 406 followers. We had a total of 52 attendees. RCEA provided a Spanish version of the workshop as well. Both the English-language and Spanish-language workshop recording can be found on RCEA's website. During this presentation, attendees were encouraged to follow-up with RCEA staff for certification support. This workshop was a successful networking event, and the Spanish recording is a unique resource that other participating utilities and vendors can view to supplement their outreach efforts; however, it did not appear to directly increase the number of certified local businesses. RCEA plans to pivot to more targeted vendor engagement in 2022 to increase certification locally.
- *Provide technical assistance to diverse BEs: Encourage local firms and existing vendors to pursue certification*
 - Description: Assist local diverse BEs that are interested in gaining certification to be listed on the state's Supplier Clearinghouse database. Be available to answer technical questions on certification requirements, and assist with the required submission of required materials.
 - Status: RCEA's Certify and Amplify workshop was a key activity intended to provide technical assistance to local firms and existing vendors and is described above. Additionally, RCEA created a draft guidance document for vendors. This

document is specific to RCEA's technical assistance, as opposed to general State guidance. RCEA provided this document, along with other supplemental education and assistance, to one of its long-time vendors, a sole proprietor women-owned business. The business recognized the importance of certification and is highly supportive of supplier diversity; however, the business was unable to complete the process due to the amount of time and resources it takes to become certified. Small businesses, especially sole proprietorships, face this challenge. The woman-owned business described here is the same as the woman-owned business described in the previous report section.

- *Participate in diverse organizations and chambers of commerce*
 - Description: Identify local diverse organizations and chambers of commerce that would be interested in hearing about GO 156 and the State's Supplier Clearinghouse; this may involve being a speaker at a regular meeting or providing information on the benefits of certification.
 - Status: RCEA joined the Government Alliance on Race and Equity (GARE); a national network of governments working to achieve racial equity and advance opportunities for all. RCEA will evaluate additional organizations in which to participate in 2022, as described in section 10.1.2 below.
- *Participate in local, state, national supplier diversity events*
 - Description: Similar to the activity above, identify events (preferably local, but also regional and statewide) where RCEA can engage with diverse supplier groups, such as the National Business Inclusion Consortium, the Western Regional Minority Supplier Development Council, and the Women's Business Enterprise Council.
 - Status: RCEA attended and successfully networked at the 2021 CPUC/Joint Utilities Virtual Small/Business Expo. 56 attendees visited our booth. RCEA will explore other event opportunities hosted by the organizations above, those who were invited to the Certify & Amplify workshop, as well as other supplier diversity related organizations.

INTERNAL PROGRAM ACTIVITIES FOR 2021

- *Develop RCEA team that sets supplier diversity goals for each department and works toward achieving established goals.*
 - Description: Each program director will select one member of their team to participate in an RCEA supplier diversity committee (since renamed the "Supplier Diversity Working Group"). This working group will include a representative from RCEA's Transportation, Administration, Power Resources, Demand Side Management, and Operations departments. This working group will be responsible for becoming familiar with supplier diversity requirements, setting goals (qualitative and quantitative), further developing the activities contained in these tables, and crafting strategies to achieve goals.
 - Status: RCEA hosted six working group meetings with staff representatives from each department. A total of 12 staff participated in the working group meetings. These working group meetings were a notable success in that they achieved several goals: institutionalizing supplier diversity at our organization, providing foundational supplier diversity knowledge to staff, enabling the effective coordination and execution of RCEA supplier diversity initiatives, and posting department solicitations to the Clearinghouse board.

- *Track spend and regularly report results to RCEA Board of Directors.*
 - Description: Staff with direct access to contract and invoicing data will track spend with diverse BEs. Staff will prepare a report summarizing the annual Supplier Diversity Report and Plan, and deliver this report for review by the RCEA Board of Directors.
 - Status: RCEA shared the 2020 Supplier Diversity Annual Report and Plan to its Board of Directors in May 2021.
- *Share upcoming contracting opportunities with Supplier Clearinghouse database with a priority on local suppliers; respond to diverse BE prospective supplier inquiries*
 - Description: RCEA supplier diversity working group representatives will become familiar with the Supplier Clearinghouse database and resources; when a purchasing or contract opportunity arises, they will reach out to local businesses with GO 156 certification first, then consider other GO 156 suppliers for the given purchase/contract. RCEA will have form on website whereby contractors can enter their e-mail address to be included in upcoming contract and procurement opportunities.
 - Status: RCEA added a form on its website where contractors can enter their e-mail address to be included in upcoming contract and procurement opportunities. RCEA working group members received training on navigating the Supplier Clearinghouse website, including the database. RCEA staff submitted three bid opportunities to the Supplier Clearinghouse bid board in 2021. RCEA received zero responsive bids from certified vendors in response to posted opportunities RCEA developed a supplier diversity web page and added certification information to its “Contracting Opportunities” web page.
 - RCEA’s Power Resources Department posted their Mid-Term Reliability power procurement solicitation to the Supplier Clearinghouse solicitation page. This was the only solicitation the Power Resources Department released in 2021. No inquiries or proposals were received via the Clearinghouse; however, 28 vendors viewed the solicitation, and six vendors downloaded the solicitation.
 - RCEA’s Administrative Department posted their Request for Proposals for Regulatory and Legal Services to the Supplier Clearinghouse page. No proposals were received via the Clearinghouse; however, nine vendors viewed the solicitation and one vendor downloaded the solicitation. One message was received via the Clearinghouse, but RCEA staff do not have credentials to log in to the message board and were thus unable to respond directly to the message in the Clearinghouse and attempted to identify and contact the vendor separately. CPUC staff have indicated that they will discuss and develop solutions for CCAs to have full access to the Supplier Clearinghouse in 2022.
 - RCEA’s Demand Side Management Department posted one solicitation to the Supplier Clearinghouse page. They were not able to access statistics akin to the Power Resources Department, but have been actively working with customer support to obtain those statistics. As stated above, the CPUC will discuss and develop solutions for CCAs to have full access to the Supplier Clearinghouse in 2022.

- *Have supplier diversity training at RCEA all-staff meeting*
 - Description: Staff will deliver a high-level presentation during an all-staff meeting to educate staff on GO 156 background, CPUC requirements, RCEA efforts, and the importance of supplier diversity.
 - Status: RCEA delivered a training at an organization-wide meeting on May 24, 2021, to 25 staff members on the background of the CPUC Supplier Diversity program, CPUC requirements, RCEA efforts, and the importance of supplier diversity.
- *Work with prime suppliers to optimize diverse participation and accurately report. Train prime suppliers in certification requirements so they can educate their subcontractors to certify.*
 - Description: Staff with direct relationships with prime contractors will provide information to said primes to encourage them to certify, and also educate their subcontractors to certify.
 - Status: RCEA will expand subcontractor engagement efforts after successfully certifying eligible prime contractors.

ADDITIONAL 2021 ACTIVITIES NOT CAPTURED IN GOALS ABOVE

- RCEA staff participated in several meetings with CPUC staff to better understand the opportunities available to CCAs to increase our diverse spend, discuss strategies to improve the CPUC Supplier Diversity program, RCEA's supplier diversity program, and approach to compliance.
- RCEA staff attended the CPUC Supplier Diversity En Banc on October 14th, 2021, to learn how CCAs can strengthen our supplier diversity efforts.
- RCEA staff participated in regular meetings with other CCAs to strategize how CCAs can maximize supplier diversity in our communities, especially within the unique constraints of Proposition 209.
- RCEA developed a Racial Justice Plan; a strategic suite of policies that guide RCEA's overall efforts to institutionalize diversity, equity, and inclusion across hiring practices, employee retention, employee recruitment, procurement, community relations, and Board representation. Another focus is working more closely with the local tribal governments. RCEA staff presented a progress report on the Racial Justice Plan in July 2021. Activities specifically include revising job descriptions to incorporate equity activities, incorporating equity activities in employee work plans, implicit bias trainings, staff demographics survey, implementing additional equity strategies in hiring, working with tribes on RCEA program development, adding tribal representation on RCEA's Community Advisory Committee, establishing a tribal liaison position, issuing a customer demographics survey, conducting an analysis on customer demographics survey responses, and conducting a program equity evaluation. This effort has been supported by RCEA's involvement in the Environmental Justice CalCCA committee and the broader CCA community.
- RCEA was interviewed for, and featured in, a California Energy Markets' article, "Diversity Lacking Energy Procurement, State Regulators Tell Legislature". This article articulated the current utility supplier diversity landscape in California, the CPUC's

supplier diversity report to the legislature, challenges CCAs are facing, and where CCAs are making headway.

- RCEA crafted this Annual Supplier Diversity Report and Plan.

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9.1.2 Summary of Purchases

WMDVLGBTBE Annual Results by Ethnicity

Redwood Coast Energy Authority			2021 Report		G.O. #156 Sec. 9.1.2	
WMDVLGBTBE Annual Results by Ethnicity						
			2021			
			Direct	Sub	Total \$	%
1	Minority Male	Asian Pacific American	\$0	\$0	\$0	0.00%
2		African American	\$0	\$0	\$0	0.00%
3		Hispanic American	\$0	\$0	\$0	0.00%
4		Native American	\$0	\$0	\$0	0.00%
5		Total Minority Male	\$0	\$0	\$0	0.00%
6	Minority Female	Asian Pacific American	\$0	\$0	\$0	0.00%
7		African American	\$0	\$0	\$0	0.00%
8		Hispanic American	\$0	\$0	\$0	0.00%
9		Native American	\$0	\$0	\$0	0.00%
10		Total Minority Female	\$0	\$0	\$0	0.00%
11	Total Minority Business Enterprise (MBE)		\$0	\$0	\$0	0.00%
12	Women Business Enterprise (WBE)		\$0	\$0	\$0	0.00%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$0	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		\$0	\$0	\$0	0.00%
15	Other 8(a)*		\$0	\$0	\$0	0.00%
16	TOTAL WMDVLGBTBE		\$0	\$0	\$0	0.00%
17	Net Procurement**	\$3,622,470				

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT

WMDVLGBTBE Direct Procurement by Product and Service Categories

RCEA does not have sufficient procurement information broken down by product and service categories for our certified vendors.

Redwood Coast Energy Authority				2021 Report		G.O. #156 Sec. 9.1.2			
WMDVLGBTBE Direct Procurement by Product and Service Categories									
				Products		Services		Total	
				\$	%	\$	%	\$	%
1	Minority Male	Asian Pacific American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
2		African American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
3		Hispanic American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
4		Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
5		Total Minority Male	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
6	Minority Female	Asian Pacific American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
7		African American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
8		Hispanic American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
9		Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
11	Total Minority Business Enterprise (MBE)		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
12	Women Business Enterprise (WBE)		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
15	Other 8(a)*		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	TOTAL WMDVLGBTBE		Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
17	Total Product Procurement			\$0					
18	Total Service Procurement			\$0					
19	Net Procurement**			\$3,622,470					
20	Total Number of WMDVLGBTBEs that Received Direct Spend			0					

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT

WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

RCEA does not have sufficient procurement information broken down by product and service categories for our certified vendors.

Redwood Coast Energy Authority				2021 Report				G.O. #156 Sec. 9.1.2	
WMDVLGBTBE Subcontractor Procurement by Product and Service Categories									
				Products		Services		Total	
				\$	%	\$	%	\$	%
1	Minority Male	Asian Pacific American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
2		African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
3		Hispanic American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
4		Native American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
5		Total Minority Male	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
6	Minority Female	Asian Pacific American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
7		African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
8		Hispanic American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
9		Native American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
10		Total Minority Female	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
11	Total Minority Business Enterprise (MBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
12	Women Business Enterprise (WBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
13	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
14	Disabled Veteran Business Enterprise (DVBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
15	Other 8(a)*		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
16	TOTAL WMDVLGBTBE		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
17	Total Product		\$0						
18	Total Service		\$0						
19	Net Procurement**		\$3,622,470						

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT

WMDVLGBTBE Procurement by Standard Industrial Categories

RCEA's certified vendors did not have SIC or NAICS codes; therefore, RCEA does not have any spend to report in SIC category table, although our net procurement is provided.

Redwood Coast Energy Authority	2021 Report	G. O. #156 Sec 9.1.2
WMDVLGBTBE Procurement by Standard Industrial Categories		

SIC Category		Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
		Male	Female	Male	Female	Male	Female	Male	Female							
Category 1	\$															
	%															
Category 2	\$															
	%															
Category 3	\$															
	%															
Category 4	\$															
	%															
Category 5	\$															
	%															
Category 6	\$															
	%															
Category 7	\$															
	%															
Category 8	\$															
	%															
Category 9	\$															
	%															
Category 10	\$															
	%															
TOTAL	\$															
	%															

Total Product Procurement	\$0
Total Service Procurement	\$0

Net Procurement***	\$3,622,470
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NOTE:*FIRMS WITH MULT MINORITY OWNERSHIP STATUS

**FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

***NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

TOTAL DOLLARS - TOTAL PROCUREMENT DOLLAR AMOUNT IN THE SPECIFIC SIC CATEGORY

% - PERCENTAGE OF TOTAL DOLLARS

Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

CPUC staff stated that CCAs do not need to report their diverse suppliers' revenue and size as reported to the Supplier Clearinghouse because CCAs currently do not have full access to the Supplier Clearinghouse database.

Redwood Coast Energy Authority	2021 Report	G. O. #156 Sec 9.1.2 (D.11-05-019 & D.06-11-028)
Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse		

	Data on Number of Suppliers											
	Revenue Reported to CHS						Utility-Specific [Year] Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
# WMDVLGBTBEs												
Under \$1 million												
Under \$5 million												
Under \$10 million												
Above \$10 million												
TOTAL												

	Revenue and Payment Data											
	Revenue Reported to CHS						Utility-Specific [Year] Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
WMDVLGBTBE \$M												
Under \$1 million												
Under \$5 million												
Under \$10 million												
Above \$10 million												
TOTAL												

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

CHS: SUPPLIER CLEARINGHOUSE

Number of WMDVLGBTBEs with majority of workforce working in California

Nothing to report as RCEA did not have reportable spend with certified DBEs.

9.1.3 Diverse BE Program Expenses

Redwood Coast Energy Authority	2021 Report	G.O. #156 Sec. 9.1.3
WMDVLGBTBE Program Expenses		

Expense Category	Year (Actual)
Wages	\$11,401
Other Employee Expenses	\$1,528
Program Expenses	\$0
Reporting Expenses	\$0
Training	\$0
Consultants	\$0
Other	\$0
TOTAL	\$12,929

9.1.4 Description of Progress in Meeting or Exceeding Set Goals

This section is not applicable to CCAs.

[This space is intentionally left blank; content continues on next page.]

9.1.5 Summary of Prime Contractors' Utilization of Diverse BE Subcontractors

RCEA's prime contractors may have utilized diverse subcontractors during the reporting year; however, RCEA does not have these records for 2021. RCEA intends to educate prime contractors in upcoming years so they in turn can educate and encourage their subcontractors to pursue Clearinghouse certification.

Redwood Coast Energy Authority	2021 Report	G.O. #156 Sec. 9.1.5
Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors		

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subcontracting \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Direct %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subcontracting %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Procurement**	\$3,622,470
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NOTE: *FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

**NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

% - PERCENTAGE OF NET PROCUREMENT

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

9.1.6 List of WMDVLGBTBE Complaints Received

RCEA did not receive any formal complaints this reporting cycle.

9.1.7 Description of Efforts to Recruit WMDVLGBTBE Suppliers in Low Utilization Areas

This section is not applicable to CCAs.

9.1.8 Retention of All Documents/Data

This section is not applicable to CCAs.

9.1.9 Additional WMDVLGBTBE Activity

Section 9.1.1 describes all of RCEA's 2021 activities supporting diverse BE's.

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9.1.11 WMDVLGBTBE Fuel Procurement

RCEA did not procure power products from a Clearinghouse-certified entity during reporting year 2021, nor did RCEA have any owned power plants or power purchase agreements that required fuel provision.

RCEA did, however, post one solicitation to the Supplier Clearinghouse website; although no responses were received via the Clearinghouse, the following data was collected regarding the amount of traffic RCEA's posting received:

- None of the solicitation respondents were notified from the Clearinghouse bid page.
- 28 vendors viewed the solicitation from the landing page.
- 6 vendors downloaded the bid/announcement from the Clearinghouse bid page.
- 24 vendors were added to the announcement/bid via e-mail.

Despite this, RCEA does procure power products from a variety of small, local producers as part of our Board-directed effort to spur and sustain economic development within our service area. In 2021, RCEA procured energy and capacity from a local biomass plant, Humboldt Sawmill Company's Scotia Cogeneration Plant (HSC). RCEA's procurement from HSC sustains a number of local jobs and will continue to do so through the end of the power purchase agreement (PPA), which is currently set for June 2031.

In addition, RCEA launched its Feed-In Tariff program in 2019 which offers an above-market PPA price for new, small-scale (≤ 1 MW) renewable generation within our service area. RCEA signed a number of PPAs under this program in 2020, and currently has 6 MW in total of new solar generation under contract. The six solar facilities are expected to come online in 2022 and 2023.

Lastly, RCEA is funding about half the cost of the Redwood Coast Airport Microgrid (RCAM) project, which is an RCEA-owned hybrid solar-plus-storage resource at our local airport. Design and project management are being provided by the Schatz Energy Research Center, which is a research branch of Cal Poly Humboldt, and installation of the solar array was sub-contracted to a local firm at prevailing wage. RCAM became operational in December of 2021, providing energy resiliency and reliability to surrounding critical facilities in an otherwise rural region.

Annual Power Product Results by Ethnicity and WMDVLGBTBE Certification

(All dollar figures in \$MM)

Product ¹			Unit	Results by Ethnicity & Gender												Results by WMDVLGBTBE Certification								Total WMDVLGBTBE Procurement Spend ³	Total Procurement Spend	
				Asian Pacific American			African American			Hispanic American			Native American			Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a) ⁶	Subcontracting Total					
				Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Total	Total	Total	Total	Total	Total					
Power Purchased	Renewable Power Products Direct		\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2.19	
			%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	21%	
			\$ ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6.52
			% ²	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	62%
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15%		
	\$ ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.26		
			% ²	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2%	
			Fuels for Generation		Diesel Direct		\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nuclear Direct		%					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		Natural Gas Direct		Physical	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
%	0.0%				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%	
Post 2011	SubTotal of Columns ²		\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6.78	
	SubTotal % of Total Procurement Spend		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Overall WMDVLGBTBE %	0.0%	
ALL	SubTotal of Columns ⁴		\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10.57	
	SubTotal % of Total Procurement Spend		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Overall WMDVLGBTBE %	0.0%	

Notes:

¹Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives

²Includes only long term power procurement commitments after June 6, 2011 or as a result of RFOs after June 6, 2011

³Total WMDVLGBTBE spend does not include pre-COD subcontracting values

⁴Includes all power procurement commitments

⁵Firms with multi-minority ownership status

⁶Firms classified as 8(a) by the Small Business Administration includes non-WMDVLGBTBE

% - percentages calculated by the Row Category Total Procurement Spend

2022 Annual Plan

10.1.1 WMDVLGBTBE Annual Short-, Mid- and Long-Term Goals by Product and Service Category

This section is not applicable to CCAs.

10.1.2 Description of WMDVLGBTBE Internal and External Activities for 2022

Overall, RCEA's 2022 activities will focus on refining the activities we established last year to increase the number of local businesses that are certified, as opposed to developing new programs.

PLANNED EXTERNAL PROGRAM ACTIVITIES FOR 2022

➤ *Outreach and education*

- Expand outreach to educate the public and vendors about the Supplier Diversity program through RCEA's web presence.
- Bolster the presence of supplier diversity on RCEA's website. For example, in addition to the existing dedicated supplier diversity page on RCEA's website, also feature information on RCEA's home page.
- Strengthen our partnership with the Norcal Procurement Technical Assistance Center (PTAC) to reach their local diverse membership and jointly implement local outreach to educate businesses about the CPUC's Supplier Diversity program and certification opportunities.

➤ *Technical Assistance*

- Provide technical assistance to diverse BE's and encourage local qualified firms and existing vendors to pursue certification.
- Refine the draft RCEA technical assistance guidance document.
- Follow-up with the two Humboldt County-based vendors whose certification lapsed in 2021 to assist with recertification.
- Assist local vendors with certification; be available to answer technical questions on certification requirements and assist with the submission of required materials.
- RCEA staff prepared an internal list of potential vendors to engage in 2022; RCEA plans to develop a more streamlined approach and collateral with which to approach these vendors then conduct outreach to help them certify.
- Coordinate with internal staff who lead high-touch customer programs to evaluate how supplier diversity outreach could be integrated with their communications.

- *Diverse organizations and chambers of commerce*
 - Continue participating in GARE. Identify local diverse organizations and chambers of commerce that would be interested in hearing about GO 156, partnering on supplier diversity activities, and participating in these organizations' supplier diversity related efforts. This may involve being a speaker at a regular meeting, providing information on the benefits of certification, or attending organization events to learn more about their supplier diversity related work.
- *Local, state, national supplier diversity events*
 - Similar to the activity above, continue to identify and attend events (preferably local, but also regional and statewide) where RCEA can engage with diverse supplier groups, such as the National Business Inclusion Consortium, the Western Regional Minority Supplier Development Council, and the Women's Business Enterprise Council. RCEA participated in the CPUC's Small Business Expo in 2021 and plans to do so again in 2022.
- *Prime Supplier Engagement*
 - Work with prime suppliers to optimize diverse participation and accurate reporting. Train prime suppliers in certification requirements so they can educate their subcontractors to certify.
 - Staff with direct relationships with prime contractors will provide information to said primes to encourage them to certify and educate their subcontractors to certify. RCEA staff is first emphasizing outreach to motivate prime contractors to certify. Once there is growth in prime certifications, RCEA will develop outreach strategies to engage with prime contractors to encourage their subcontractors to certify.

PLANNED INTERNAL PROGRAM ACTIVITIES FOR 2022

- *Supplier Diversity Working Group*
 - Continue convening interdepartmental RCEA supplier diversity working group.
- *Track Spend*
 - Staff with direct access to contract and invoicing data will continue to track spend with diverse BEs. Staff will continue to prepare a report summarizing the annual GO 156 submission for review by the RCEA Board of Directors. RCEA will continue this practice in 2022 and all subsequent years.
- *Share Contracting Opportunities with the Supplier Clearinghouse Vendor Database*
 - Increase the number of RCEA contracting opportunities shared with the Supplier Clearinghouse database with a priority on local suppliers; respond to diverse BE prospective supplier inquiries.
 - RCEA will continue to train staff on how to use the supplier database and other Clearinghouse resources. As was the case in 2021, staff will distribute purchasing and contract opportunities to Clearinghouse-certified businesses in addition to our broader distribution list, with a special emphasis on local vendors.
 - RCEA staff leading supplier diversity efforts will issue more frequent reminders to staff to post bids to the Clearinghouse and seek to institutionalize this guidance in its procurement guidelines and procedures documents.

➤ *Staff-wide Training*

- Staff will deliver an annual high-level presentation during an all-staff meeting to refresh staff on GO 156 background, CPUC requirements, RCEA efforts, and the importance of supplier diversity and ensure new staff members are familiar with the Supplier Diversity program and RCEA's respective efforts

10.1.3 Plans for Recruiting WMDVLGBTBE Suppliers in Low Utilization Areas

This section is not applicable to CCAs.

10.1.4 Plans for Recruiting WMDVLGBTBE Suppliers Where Unavailable

This section is not applicable to CCAs.

10.1.5 Plans for Encouraging Prime Contractors to Subcontract WMDVLGBTBE Suppliers

This section is not applicable to CCAs.

10.1.6 Plans for Complying with WMDVLGBTBE Program Guidelines

This section is not applicable to CCAs.

Maximizing GO 156 Effectiveness

GO156 presents a great opportunity for CCAs to help advance economic justice in California; however, CCAs face unique policy challenges when compared to other GO 156-participating utilities. Namely, as government entities, we are prevented by Proposition 209 from considering race, sex, or ethnicity when hiring employees and contracting. The Clearinghouse introduces a legal grey area because of its emphasis on race and gender – two classes of criteria that are expressly disallowed for governments to consider in hiring and contracting. The grey area can cause governments to bear additional risk and cost associated with challenges under Proposition 209.

Fortunately, there are ways to address this challenge to maximize the efficacy of Senate Bill 255's intent. For example, the GO 156 Clearinghouse can be adjusted to include critical equity metrics that public agencies identify and use to increase small, local, and diverse spend: small and local businesses, businesses operating in impoverished and low-income neighborhoods, businesses hiring ex-convicts, and other similar objectives.

CCAs, both independently and through their trade organization CalCCA, have engaged in the *Order Instituting Rulemaking to Revise General Order 156 to Include Certain Electric Service Providers and Community Choice Aggregators and Encourage Voluntary Participation by Other Non-Utility Entities Pursuant to Senate Bill 255; Consider LGBT Business Enterprise Voluntary Target Procurement Percentage Goals; Incorporated Disabled Business Enterprises; Modify the Required Reports and Audits; and Update Other Related Matters* (“GO 156 OIR”). CCA engagement with the CPUC has focused on providing feedback to ensure increased efficacy of CCAs’ implementation, tracking, and reporting of supplier diversity efforts. For example, CalCCA has provided input to the reporting templates to make them more tailored to CCA efforts, participated in meetings with the CPUC to provide suggestions on reporting to further alignment with the unique structure of CCAs’ operations and regulatory requirements. CalCCA, concurrently with individual CCAs, continues to build relationships with diverse organizations to further CCAs’ collective supplier diversity efforts. RCEA continues to support and participate in CalCCA’s ongoing efforts to partner with supplier diversity stakeholders, engage in constructive dialogue with the CPUC, and thoughtfully engage in the GO 156 OIR rulemaking to increase the efficacy of the Clearinghouse and CCAs’ supplier diversity programs.



REDWOOD COAST EnergyAuthority

STAFF REPORT Agenda Item # 5.1

AGENDA DATE:	April 28, 2022
TO:	Board of Directors
PREPARED BY:	Jaclyn Harr, TEA Client Services Specialist Richard Engel, Director of Power Resources
SUBJECT:	Energy Risk Management Quarterly Report

BACKGROUND

The RCEA Board of Directors adopted an Energy Risk Management Policy in December 2016 to establish functions and procedures to manage the risks associated with the Community Choice Energy program's power procurement activities. In accordance with this policy, a quarterly update on activities and projected financial performance is presented to the Board during regularly scheduled meetings.

SUMMARY

TEA Client Services Specialist Jaclyn Harr and RCEA staff will provide an energy risk management quarterly update.

RECOMMENDED ACTION

Accept Energy Risk Management Quarterly Report.

ATTACHMENTS

Energy Risk Management Quarterly Report slides will be presented at the meeting.

Energy Risk Management Quarterly Report

April 28, 2022



Financial Risks Overview

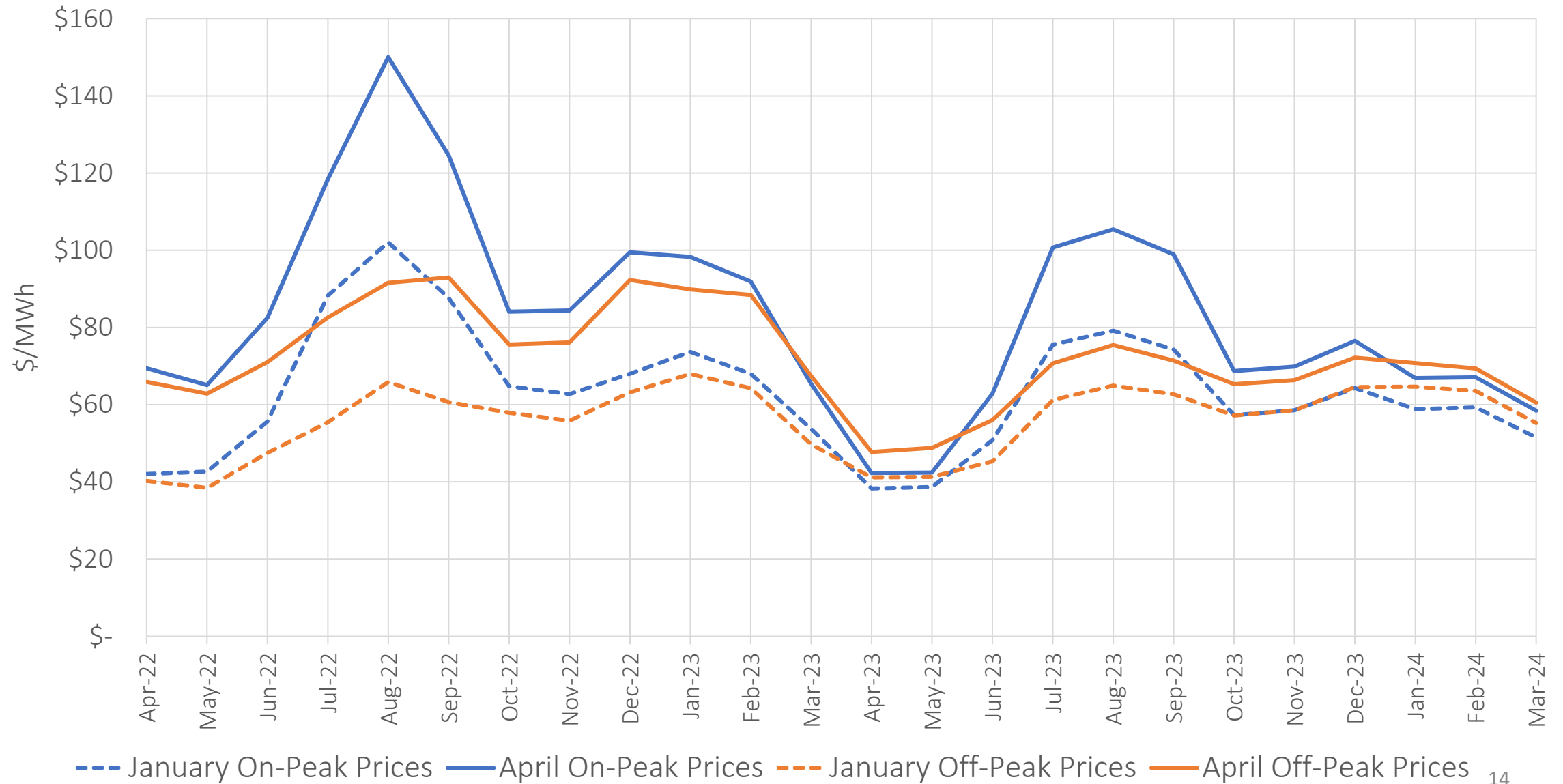
2023+ Rates & Revenues:

- Strong reasons for optimism, but rate-setting not yet started
- Various rate scenarios modeled

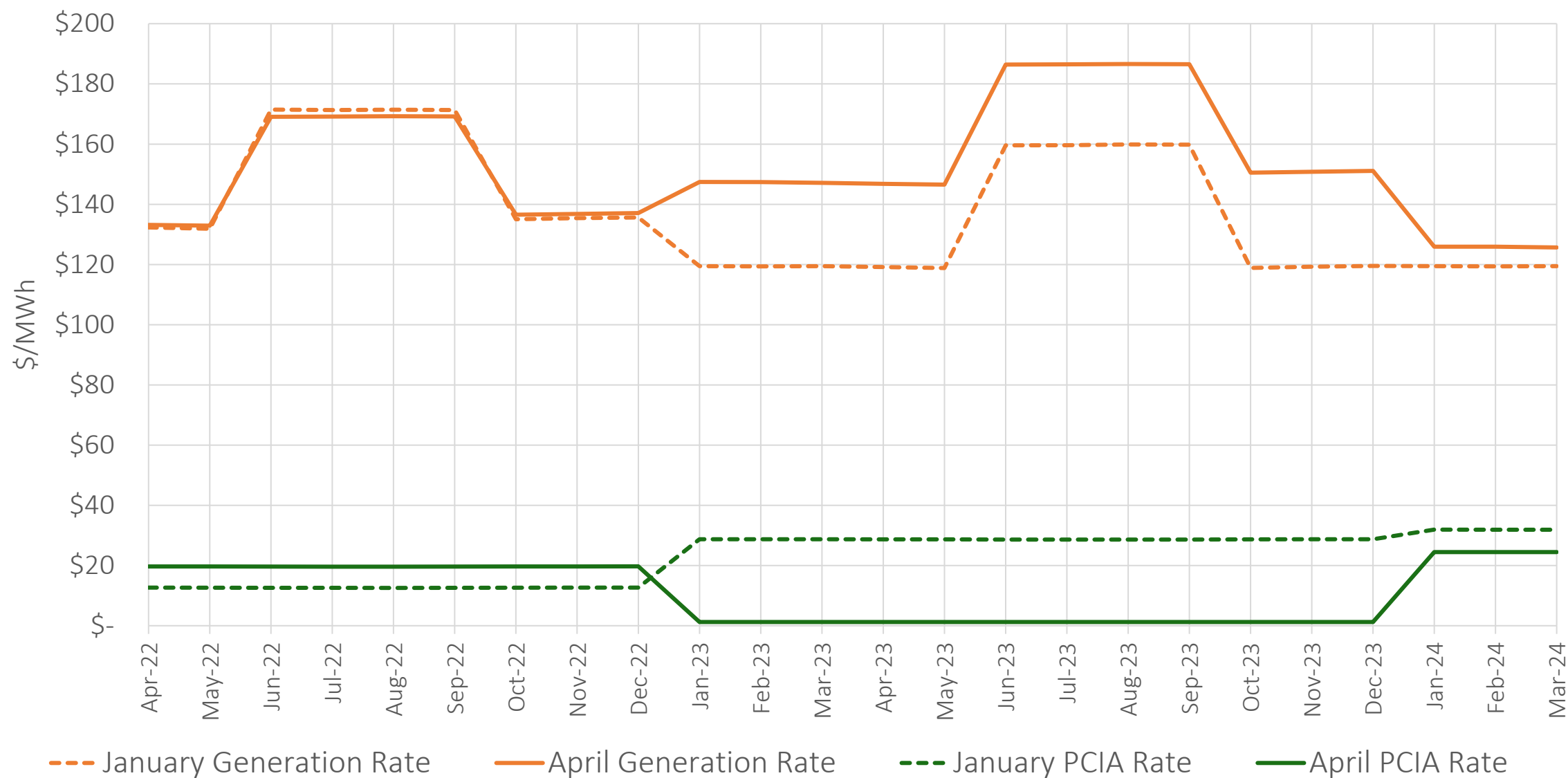
Net Power Costs:

- Forward energy prices have increased significantly
 - Remainder of 2022 up 44.6% (RCEA is very well hedged)
 - 2023 up 23.5% (RCEA is roughly 1/2 hedged)
 - 2024 up 14.3% (RCEA is roughly 1/3 hedged)
- Sandrini Solar project delayed to late 2023

RCEA Energy Prices



PG&E Generation & PCIA Rates



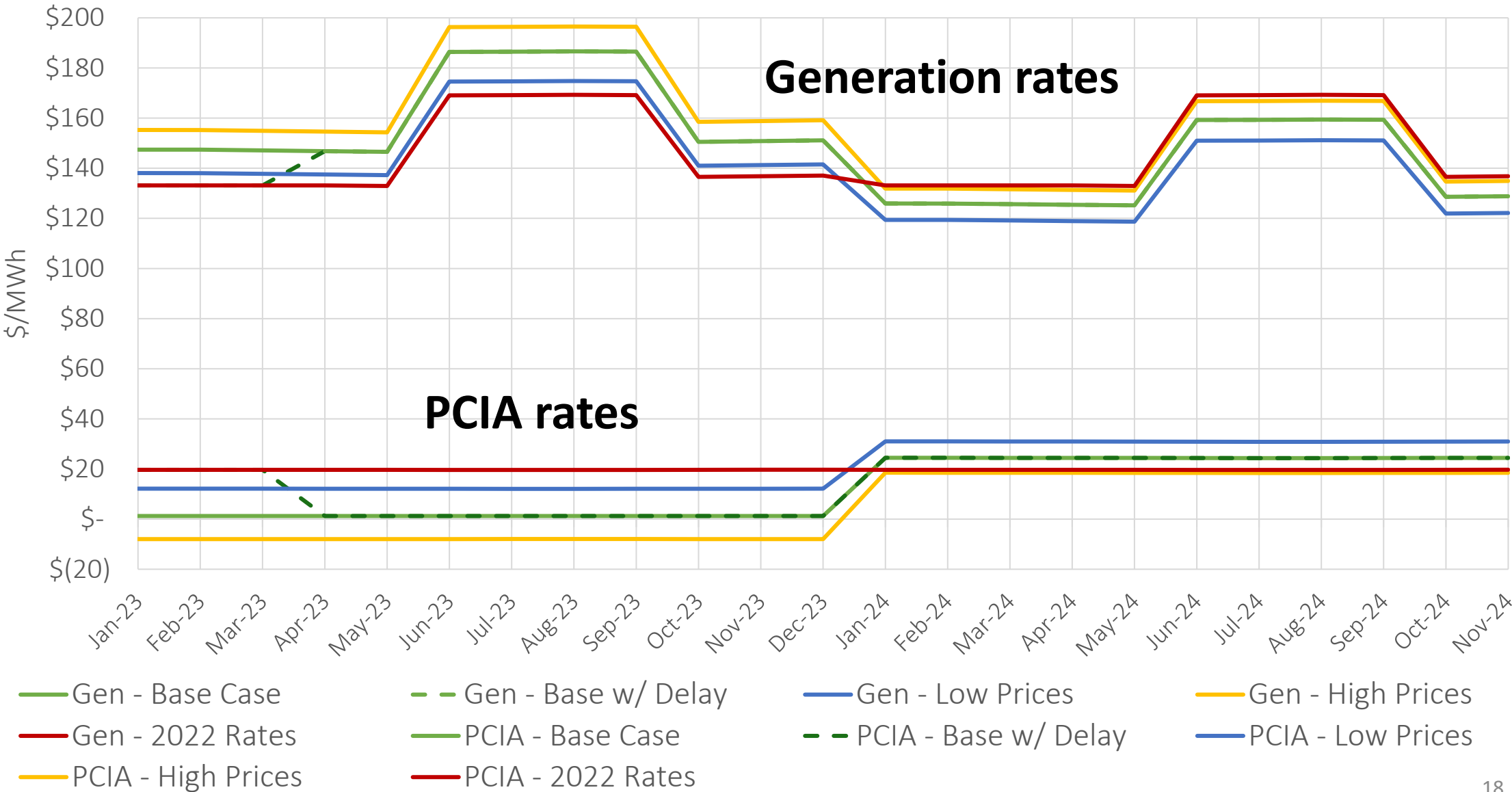
PG&E Rate Scenario Modeling

- **Concern:** regulatory uncertainty for PG&E rates leads to uncertainty for RCEA rates & resulting revenues
- **Goal:** model various PG&E rate scenarios to see impacts to RCEA revenues
- **Modeling Assumptions:**
 - Same 0.5% RCEA rate discount to PG&E
 - No structural changes to PG&E portfolio (e.g. Mid-Term Reliability procurement)
 - Scenarios based on probability modeling of potential future energy prices as well as rate delays
- **Looking ahead:**
 - All forecasting models expect increases in PG&E rates
 - First advice letter for 2023 PG&E rates expected June/July

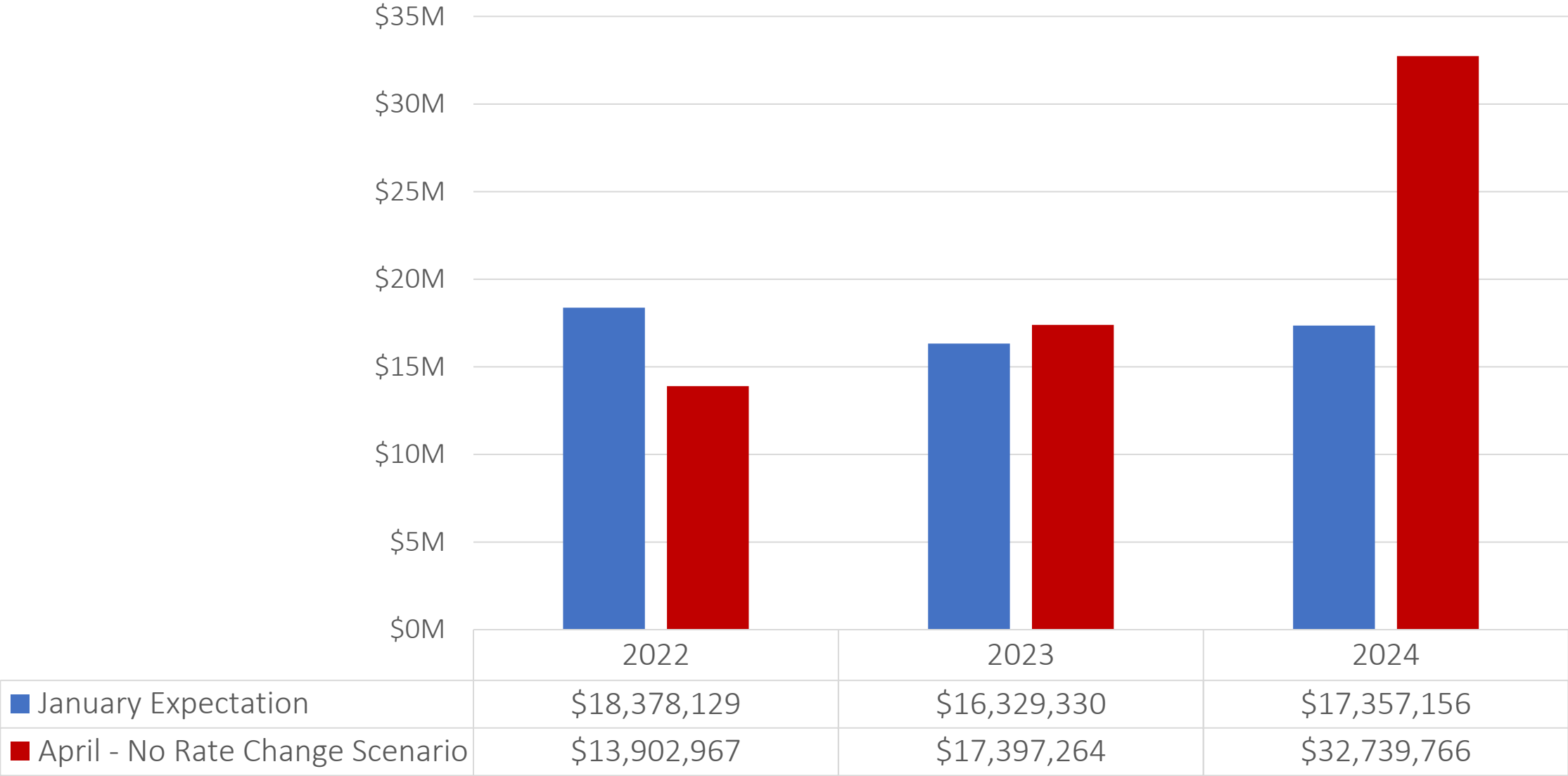
Breakdown of Rate Scenarios

Scenario	2023 PG&E Generation Rate	2023 PG&E Generation Rate Increase	2023 PCIA	Implementation Date	2023 Net Revenue
Base Case	\$159.27	8.3%	\$1.23	January 1, 2023	\$38.6M
Base w/Delay	\$158.58	7.8%	\$5.85	April 1, 2023	\$33.7M
Low Prices (5 th percentile)	\$149.17	1.4%	\$11.68	January 1, 2023	\$29.8M
High Prices (95 th percentile)	\$167.74	14.1%	-\$7.67	January 1, 2023	\$46.2M
2022 Rates Continue	\$147.05	0%	\$19.68	Currently In Effect	\$17.4M

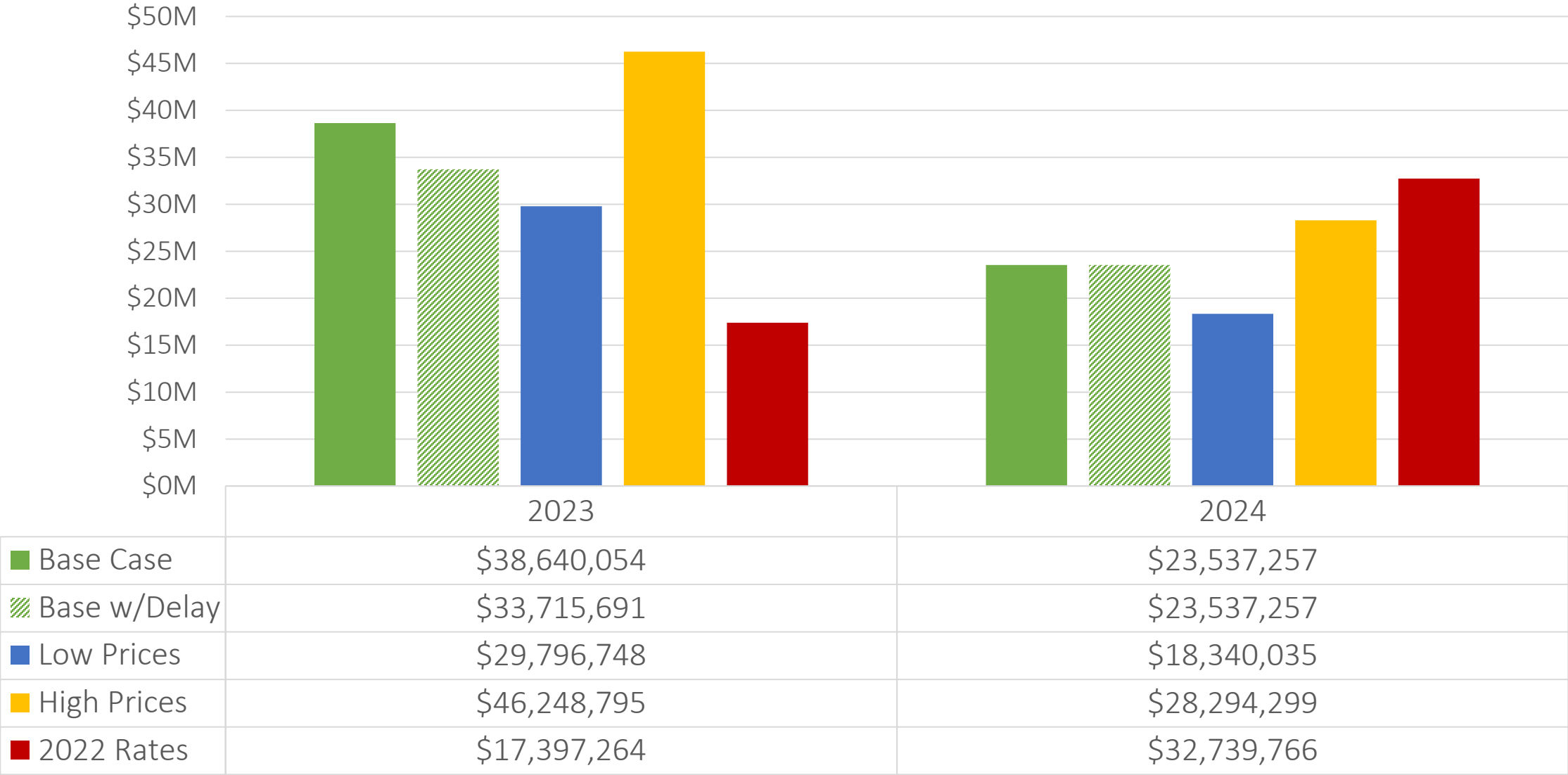
PG&E Rates Scenarios



RCEA Annual Net Revenue – “Bad 2023 Case”



RCEA Annual Net Revenue Scenarios





STAFF REPORT Agenda Item # 7.1

AGENDA DATE:	April 28, 2022
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources Jocelyn Gwynn, Power Resources Manager
SUBJECT:	Goal Line Long-Duration Storage Agreements

BACKGROUND

Through the 2020 Integrated Resource Planning (IRP) proceeding, the California Public Utilities Commission (CPUC) identified the need for additional storage including long-duration storage (LDS) to enable grid integration of a large fleet of intermittent resources to meet California's greenhouse gas emission reduction goals and to replace several natural gas once-through-cooling (OTC) resources and the Diablo Canyon Nuclear Power Plant (DCNPP) slated to retire between 2023 and 2025.

In October 2020, RCEA along with seven other Community Choice Aggregators (CCAs) issued a request for offers ("Joint LDS RFO") with the intent to procure cost effective LDS resource(s) to meet each CCA's respective portfolio needs and in anticipation of potential procurement mandates by the CPUC. Subsequently, in June 2021, as part of the 2020 IRP the CPUC issued through a decision order (D.21-06-035) the Mid-term Reliability Procurement Order ("MTR Order") requiring jurisdictional load serving entities (LSEs), such as RCEA, to procure and/or develop a collective 11,500 MW of new capacity by 2026. Included within the MTR Order is an identified need of 1,000 MW of LDS. RCEA's LDS obligation is approximately 3.5 MW.¹

In February 2021, California Community Power (CC Power) was formed by ten CCAs, including RCEA, to share resources and risk related to the procurement of difficult to acquire resources. Once formed, CC Power took over the Joint LDS RFO including shortlisting of projects and coordination of negotiations and development of necessary agreements.

¹ The MTR Order includes two special categories of "long lead time" (LLT) resources, namely LDS and so-called Firm Clean Resources (FCR), which are generally understood to be limited by the Order's specifications to geothermal and biomass resources. RCEA is required to procure 7.0 MW of LLT resources. The LDS component can be anywhere from 3.0 to 4.0 MW as long as the LDS and FCR components add up to 7.0 MW of procurement. For simplicity in this report, it is assumed RCEA intends to split the requirement evenly with 3.5 MW each of LDS and FCR resources. RCEA plans to meet its FCR requirement via its participation in a separate CC Power solicitation currently in the short-listing phase.

In February 2022, RCEA's Board authorized participation in Tumbleweed, the first CC Power approved LDS project resulting from the Joint LDS RFO. The other six CCAs participating in Tumbleweed have gained the necessary approvals to fully effect the Tumbleweed LDS project.

Another of the short-listed projects from the LDS RFO is Onward Energy's Goal Line project, which now comes before the Board. Of the original CCAs participating in the Joint LDS RFO, five have agreed to participate in the Goal Line LDS Project in addition to RCEA, including:

1. Clean Power San Francisco (CPSF)
2. Silicon Valley Clean Energy (SVCE)
3. San Jose Clean Energy (SJCE)
4. Sonoma Clean Power Authority (SCPA)
5. Valley Clean Energy (VCE)

The contract structure used for Tumbleweed is also proposed for Goal Line which involves CC Power signing an Energy Storage Service Agreement (ESSA) with the project seller and each of the participating CCAs signing a Project Participation Share Agreement (PPSA) with CC Power.

SUMMARY

Overview of Project

The Goal Line LDS project (formally Goal Line BESS 1, LLC) is a 50 MW/400 MWh eight-hour lithium-ion battery storage facility located in Escondido, CA to be developed by Onward Energy. The anticipated commercial operations date of the project is June 1, 2025, with a 15-year contract term.

The Goal Line ESSA has a rate expressed in dollars per kilowatt-month, with no escalation, for the term of the contract and a variable cost component expressed in dollars per megawatt-hour which is triggered if the battery is cycled more than a threshold amount. Under the contract, CC Power will pay the ESSA rate and in return will be entitled to all product attributes from the facility, including energy arbitrage, ancillary services, and resource adequacy. Through the PPSA, RCEA will pay for its entitlement share of the project and in turn receive its share of the attributes and benefits of the LDS project.

Goal Line is in the process of achieving an executed interconnection agreement with the California Independent System Operator (CAISO) for Full Capacity Deliverability Status (FCDS) for the energy storage component, meaning it will provide resource adequacy attributes in addition to energy and ancillary service benefits. The project will interconnect to one of San Diego Gas & Electric's substations.

Developer

The project is being developed by Onward Energy, an independent power generator that owns and operates 43 projects in 16 states across North America including solar, wind, and methane gas electric generation plants. In California, Onward has developed over 2,300 MW of

renewable and methane gas projects that are in operation today. Onward currently has 200 MW of battery storage in development in California.

Consistent with the CC Power Board direction for enhanced contracting conditions, the developer will construct the project under a project labor agreement, thus assuring payment of prevailing wages and use of apprenticeship programs. The project will also adhere to CC Power environmental and environmental justice conditions.

Project Participation and Recommended Maximum Authority

The six participating CCAs will each receive an entitlement share of the obligations and benefits associated with its capacity share. Table 1 is the expected entitlement share per CCA.

Table 1: Expected Entitlement Share per CCA

CCA	Entitlement Share %	Expected Entitlement Share MW
CPSF	21.50%	10.75
RCEA	4.00%	2.00
SJCE	24.22%	12.11
SVCE	28.42%	14.21
SCPA	17.36%	8.68
VCE	4.50%	2.25
Total	100%	50

Each participating CCA is seeking an approval authority to cover their entitlement share plus two contingencies. The first contingency is to cover the unlikely event that one large CCA does not gain the necessary approvals to move forward. In such case, rather than allowing the ESSA to terminate, the remaining CCAs will increase their entitlement share. The second contingency is intended to cover a step-up provision included in the PPSA, where if a CCA defaults after the PPSA is executed, the remaining CCAs will need to step up to take additional allocation. The step-up provision is capped at 125% of the PPSA entitlement share. RCEA's expected share of the agreement is 4.00% or 2.00 MW and authority is sought to take up to 3.21 MW to cover the two contingencies.

Mid-Term Reliability Procurement Order and Compliance

Goal Line meets the conditions established in the MTR Order for long-duration storage resources including the minimum eight-hour discharge duration, minimum ten-year contract term, start date by mid-2026 and ability to meet resource adequacy requirements. In aggregate, the long duration

storage mandate for the CCAs participating in joint LDS procurement through CC Power is 96.5 MW of nameplate capacity. Once adjusted for effective load carrying capacity (ELCC) the requirement increases to 123.39 MW of Net Qualifying Capacity (NQC).

RCEA's obligation is 3.5 MW which will be fully met with a small compliance surplus with the execution of Tumbleweed and Goal Line as shown in Table 2.

Table 2: RCEA's MTR Order Net Qualifying Capacity (NQC) and Compliance

MTR Obligation NQC MW	Tumbleweed Entitlement Nameplate MW	Remaining Need NQC MW	Goal Line Entitlement Nameplate MW	Net Open Position +Surplus/(-) Deficit NQC MW
3.5	1.95	1.55	2.00	0.45

ALIGNMENT WITH RCEA'S STRATEGIC PLAN

RCEA's procurement of the Goal Line long-duration storage resource is driven primarily by the need to comply with the CPUC's Mid-term Reliability Procurement Order discussed above. Goal Line's location in San Diego County does not support RCEA's long-term local resource procurement goals. However, execution of the Goal Line project agreements supports one goal of the Board-adopted RePower Humboldt Comprehensive Action Plan for Energy:

Strategy 4.4.2 - Support upgrade of the electricity transmission and distribution system.

Long-duration energy storage is a key technology to address grid reliability and minimize congestion on the grid associated with mismatch of load and generation across the transmission and distribution network, while enabling increased deployment of intermittent renewable resources such as solar and wind power.

ALTERNATIVE ACTIONS

RCEA can decide to procure LDS resources on its own and not through CC Power. This alternative is not recommended as RCEA's requirements are relatively small, and it would be difficult to procure the exact amount required of RCEA via the MTR Order. Procuring on its own may require RCEA to significantly over-procure, while participating jointly through CC Power will allow RCEA to minimize the amount of capacity procured.

RCEA can choose not to abide by the MTR Order. Doing so would expose RCEA's ratepayers to significant cost in the form of "back-stop" procurement undertaken by a central procurement entity in addition to CPUC penalties imposed on RCEA.

EQUITY IMPACTS

Consistent with the CC Power Board direction for enhanced contracting conditions, the project will be constructed under a project labor agreement, thus assuring payment of prevailing wages

and use of apprenticeship programs. The project will also adhere to CC Power environmental and environmental justice conditions.

FINANCIAL IMPACT

Execution of the agreements needed to implement the LDS Project will result in cost to RCEA starting in Fiscal Year 2024-25, which will be included in the budget at that time. Additional costs to administer the monitoring and implementation of the LDS Project agreements through CC Power are expected for the current fiscal year and are expected to fall within the Executive Director's procurement authority.

STAFF RECOMMENDATION

Delegate authority to the Executive Director to execute on behalf of Redwood Coast Energy Authority as a member of California Community Power the following agreements and any necessary ancillary documents for the Goal Line Long Duration Storage project with a delivery term of 15 years starting at the Commercial Operation Date on or about June 1, 2025, for an RCEA share not to exceed 3.21 MW:

- a) Project Participation Share Agreement by and among Redwood Coast Energy Authority, California Community Power and participating community choice aggregators,
- b) Energy Storage Service Agreement - Buyer Liability Pass Through Agreement by and among Redwood Coast Energy Authority, California Community Power and Goal Line BESS 1, LLC,
- c) Operations Agreement by and among Redwood Coast Energy Authority, California Community Power and participating CCAs for Goal Line (agreement to be developed, not attached).

ATTACHMENTS

- 1. California Community Power Resolution No. R22-02-03
- 2. [Redacted Energy Storage Service Agreement with Buyer Liability Pass Through Agreement](#) (17 MB – view online at <https://redwoodenergy.org/board-of-directors/>)
- 3. [Project Participation Share Agreement](#)

California Community Power

Goal Line Long Duration Energy Storage

Presentation for RCEA Board of Directors

April 28, 2022

Participating CCAs in Goal Line LDS Procurement



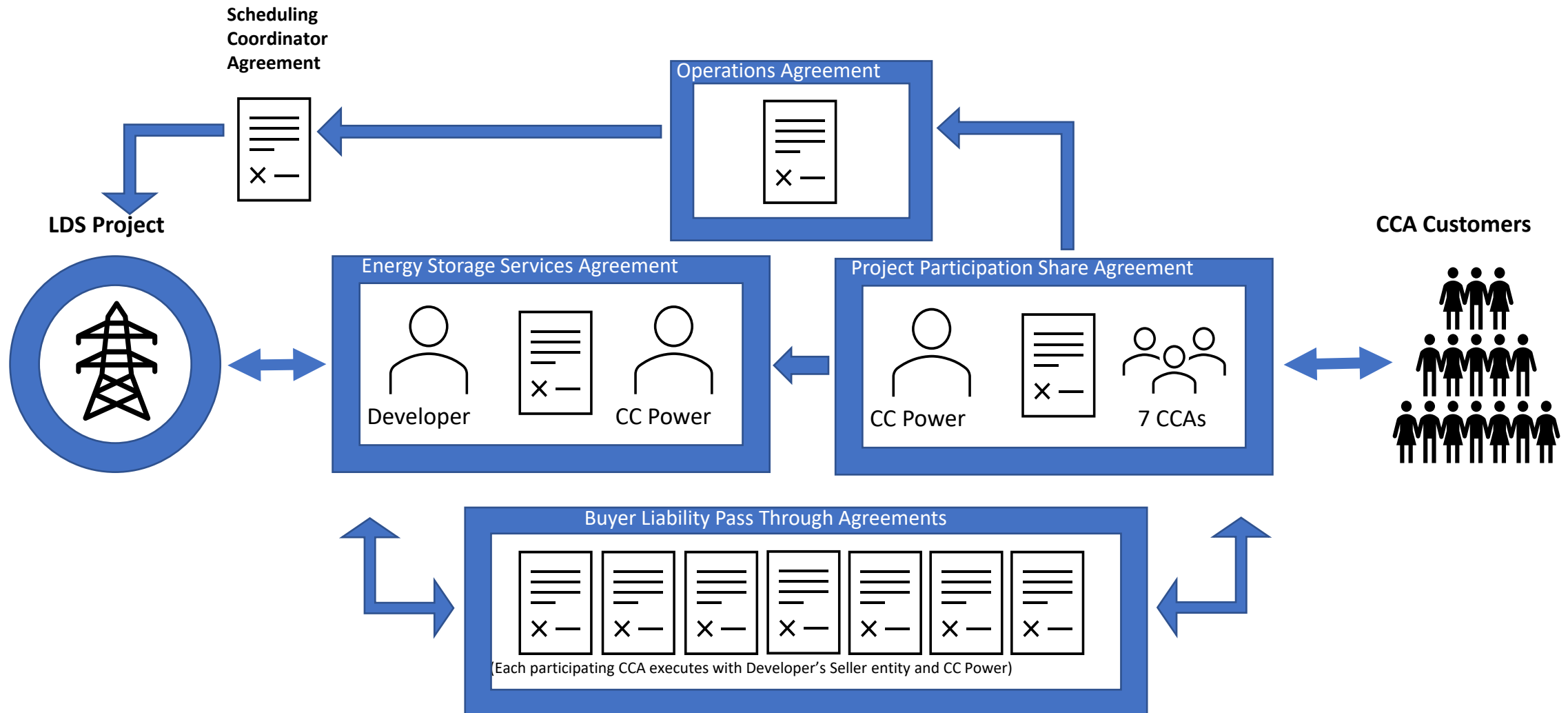
Goal Line Long Duration Storage Project

Goal Line is the second LDS project out of the Joint RFO issued in October 2020

- **Seller** – Goal Line BESS 1, LLC
- **Developer** – Onward Energy
- **Technology** – Lithium-ion, 8 hours discharge duration
- **Project size** – 50 MW/400 MWh
- **Product** – Tolling Agreement w/ full capacity rights
- **Location** – Escondido, San Diego County
- **Expected COD** – June 2025
- **Price** – fixed \$/kw-mo, with variable excess cycle rate
- **Term** – 15 years



Contract Structure



Participant Shares of Goal Line Cost & Revenue

CCA	Entitlement Share %	Expected Entitlement Share MW	Maximum Step-Up MW
CPSF	21.50%	10.75	17.25
RCEA	4.00%	2	3.21
SJCE	24.22%	12.11	19.43
SVCE	28.42%	14.21	22.81
SCPA	17.36%	8.68	13.93
VCE	4.50%	2.25	3.61
Total	100%	50	

RCEA Shares of Both LDS Projects

	Tumbleweed		Goal Line		
MTR Obligation Net Qualifying Capacity	Entitlement Nameplate Capacity	Entitlement Net Qualifying Capacity	Entitlement Nameplate Capacity	Entitlement Net Qualifying Capacity	Surplus Net Qualifying Capacity
3.5 MW	2.5 MW	1.95 MW	2.00 MW	1.64 MW	0.09 MW

This table replaces and corrects Table 2 in the accompanying staff report

**California Community Power
Resolution 22-02-03**

**APPROVAL OF GOAL LINE LDS PROJECT AND AUTHORIZATION
TO EXECUTE ASSOCIATED AGREEMENTS**

WHEREAS, California Community Power (“CC Power”) was created by a Joint Powers Agreement (“JPA”) to develop, acquire, construct, own, manage, contract for, engage in, finance and/or provide energy related programs for the use of and by its Members; and

WHEREAS, the current Members of CC Power began a solicitation process in 2020, in advance of CC Power formation, to consider and evaluate Long Duration Energy Storage (“LDS”) projects; and

WHEREAS, the CC Power Board accepted the Project Development Process establishing a roadmap for the development and progress of CC Power projects and programs; and

WHEREAS, the LDS Project Oversight Committee made up of CC Power member staff, along with project negotiators and project counsel (“Project Team”), has completed negotiations on the Goal Line LDS Project, an 8-hour discharge duration, lithium-ion battery project; and

WHEREAS, the Project Team, through the negotiation process, has developed and negotiated an Energy Storage Service Agreement, Buyer Liability Pass Through Agreement, and Project Participation Share Agreement associated with the Goal Line LDS Project; and

WHEREAS, pursuant to Section 6.02 of the CC Power JPA, on February 25, 2022, the CC Power Board has waived the required notice of intent to bring the Goal Line LDS Project to the Board for approval; and

WHEREAS, while the structure of CC Power is predicated on voluntary project participation and not all Members will be participating in the Goal Line LDS project, the JPA requires action by the full Board, not simply the project participating members, to approve projects within the purview of CC Power; and

WHEREAS, it is the intent that the CC Power Board approve the Goal Line LDS Project and associated agreements with the understanding that approval by participating members is a condition precedent to the effectiveness of the agreements.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CC Power hereby:

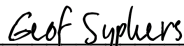
1. Approve the Goal Line LDS Project as within the purpose and power of CC Power.
2. Approve the Energy Storage Service Agreement and associated Buyer Liability Pass Through Agreement, in substantially final form, attached hereto as Attachment A.
3. Approve the Project Participation Share Agreement, in substantially final form, attached hereto as Attachment B.
4. Delegate the authority to the General Manager to execute the Goal Line LDS Project Agreements described above and attached hereto, on behalf of CC Power.

California Community Power Resolution 22-02-03

PASSED AND ADOPTED by the Board of Directors of California Community Power this 25th day of February, 2022, by the following vote:

		Aye	No	Abstain	Absent
Central Coast Community Energy	Rob Shaw	X			
CleanPowerSF	Barbara Hale	X			
East Bay Community Energy	Nick Chaset	X			
Marin Clean Energy	Dawn Weisz	X			
Peninsula Clean Energy	Jan Pepper	X			
Redwood Coast Energy Authority	Matthew Marshall	X			
San José Clean Energy	Lori Mitchell	X			
Silicon Valley Clean Energy	Girish Balachandran	X			
Sonoma Clean Power Authority	Geof Syphers	X			
Valley Clean Energy	Mitch Sears	X			

DocuSigned by:



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Chair

DocuSigned by:



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Attest by: Secretary

**GOAL LINE STORAGE
PROJECT PARTICIPATION SHARE AGREEMENT**

among

**CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS
PUBLIC UTILITIES COMMISSION CLEANPOWERSF**

and

REDWOOD COAST ENERGY AUTHORITY

and

CITY OF SAN JOSÉ, ADMINISTRATOR OF SAN JOSÉ CLEAN ENERGY

and

SILICON VALLEY CLEAN ENERGY

and

SONOMA CLEAN POWER

and

VALLEY CLEAN ENERGY

and

CALIFORNIA COMMUNITY POWER

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**GOAL LINE STORAGE
PROJECT PARTICIPATION SHARE AGREEMENT**

PREAMBLE

This Project Participation Share Agreement (“**Agreement**”) is entered into as of _____ (the “**Effective Date**”), by and among the City and County of San Francisco acting by and through its Public Utilities Commission, CleanPowerSF, Redwood Coast Energy Authority, a California joint powers authority, City of San José, a California municipality, Silicon Valley Clean Energy, a California joint powers authority, Sonoma Clean Power, a California joint powers authority, and Valley Clean Energy, a California joint powers authority (each individually a “**Project Participant**” and collectively referred to as the “**Project Participants**”) and California Community Power (“CCP”), a California joint powers authority. CCP and the Project Participants are sometimes referred to herein individually as a “**Party**” and jointly as the “**Parties**.” All capitalized terms used in this Agreement are used with the meanings ascribed to them in Article 1 to this Agreement.

RECITALS

WHEREAS CCP is a Joint Powers Authority, was formed for the purpose of developing, acquiring, constructing, owning, managing, contracting for, engaging in, or financing electric energy generation and storage projects, and for other purposes; and

WHEREAS, the Project Participants have participated with CCP in the negotiation of an agreement for purchase of the certain energy storage products of Goal Line Storage Project (the “**Project**” as defined in Exhibit A of the ESSA), and CCP is to enter into an Energy Storage Service Agreement (“**ESSA**”), which is incorporated herein by this reference, with Goal Line BESS 1, LLC, a Delaware limited liability company (“**Project Developer**”), providing for purchase of the energy storage products, and associated rights, benefits, and credits from the Project on behalf of the Project Participants.

WHEREAS, pursuant to this Agreement, CCP shall cause to deliver to each Project Participant the Project Participant’s associated share of the energy storage products and associated rights, benefits, and credits of the Project.

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

**ARTICLE 1
DEFINITIONS**

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

“AC” means alternating current.

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

“Agreement” has the meaning set forth in the Preamble and any Exhibits, schedules, and any written supplements hereto.

“Amended Annual Budget” means the budget approved by the Project Committee and adopted by the CCP Board pursuant to Section 5.1(c) of this Agreement.

“Ancillary Services” means frequency regulation, spinning reserve, non-spinning reserve, regulation up, regulation down, black start, voltage support, and any other ancillary services that the Facility is capable of providing consistent with the Operating Restrictions set forth in Exhibit Q of the ESSA, as each is defined in the CAISO Tariff.

“Annual Budget” means the budget approved by the Project Committee and adopted by the CCP Board pursuant to Section 5.1(c) of this Agreement.

“Annual Excess Cycle Payment” means the payment, if any, to be made by CCP to Project Developer annually during the Delivery Term if Buyer dispatches the Facility for more than 200 cycles during a Contract Year, as calculated in accordance with Exhibit C of the ESSA.

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

“Billing Statement” has the meaning set forth in Section 9.2 of this Agreement.

“Buyer Liability Pass Through Agreement” or **“BLPTA”** means, for each Project Participant, the form set forth in Exhibit L of the ESSA, as executed by such Project Participant, countersigned by CCP, and delivered to the Project Developer.

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

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

“CAISO Balancing Authority Area” has the meaning set forth in the CAISO Tariff.

“CAISO Certification” means the certification and testing requirements for a storage unit set forth in the CAISO Tariff that are applicable to the Facility, including certification and testing for all Ancillary Services, PMAX, and PMIN associated with such storage units, that are applicable to the Facility.

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

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

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

“Capital Improvements” means any unit of property, property right, land or land right which is a replacement, repair, addition, improvement or betterment to the Project or any transmission facilities relating to, or for the benefit of, the Project, the betterment of land or land rights or the enlargement or betterment of any such unit of property constituting a part of the Project or related transmission facilities which is (i) consistent with Prudent Utility Practices and determined necessary and/or desirable by the CCP Board or (ii) required by any governmental agency having jurisdiction over the Project.

“CCP Board” means the Board of Directors of California Community Power.

“CCP Manager” means the General Manager of California Community Power.

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

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

“CEQA” means the California Environmental Quality Act, as amended or supplemented from time to time.

“Chairperson” has the meaning set forth in Exhibit D.

“Change of Control” has the meaning set forth in Section 1.1 of the ESSA.

“Charging Energy” means the Energy delivered to the Facility pursuant to a Charging Notice as measured at the Facility Metering Point by the Facility Meter, as such meter readings are adjusted by the CAISO for any applicable Electrical Losses.

“Charging Notice” means the operating instruction, and any subsequent updates, given by CCP’s SC or the CAISO to Project Developer, directing the Facility to charge at a specific MW rate for a specified period of time or amount of MWh; *provided*, any such operating instruction shall be in accordance with the Operating Restrictions.

“Commercial Operation” has the meaning set forth in Section 1.1 of the ESSA.

“Commercial Operation Date” or **“COD”** has the meaning set forth in Section 1.1 of the ESSA.

“Commercial Operation Delay Damages” has the meaning set forth in Section 1.1 of the ESSA.

“Communications Protocols” has the meaning set forth in Section 1.1 of the ESSA.

“Community Choice Aggregator” has the meaning set forth in California Public Utilities Code § 331.1.

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

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

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

“Contract Price” has the meaning set forth on the Cover Sheet of the ESSA.

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

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

“Coordinated Operations Agreement” means the agreement by and among CCP and all Project Participants for purposes of operating the Project.

“Costs” means, with respect to a Project Participant assuming all or a portion of a Defaulting Project Participant’s Entitlement Share pursuant to the process set forth in Section 12.8(b) or 12.8(c), brokerage fees, commissions and other similar third-party transaction costs and expenses reasonably incurred by such Project Participant in terminating any arrangement pursuant to which it has hedged its obligations; and all reasonable attorneys’ fees and expenses incurred by the Project Participant in connection with the Step-Up Allocation.

“CPUC” means the California Public Utilities Commission, or successor entity.

“Cured Payment Default” means a Payment Default that has been cured in accordance with Section 12.4 of this Agreement.

“Daily Delay Damages” has the meaning set forth in Section 1.1 of the ESSA.

“Damage Payment” means the amount to be paid by the ESSA Defaulting Party to the ESSA Non-Defaulting Party after a Terminated Transaction occurring prior to the Commercial Operation Date, in a dollar amount set forth in Section 11.3(a) of the ESSA.

“Day-Ahead Market” has the meaning set forth in the CAISO Tariff.

“Day-Ahead Schedule” has the meaning set forth in the CAISO Tariff.

“Defaulting Project Participant” has the meaning set forth in Section 12.1.

“Delivery Point” means the Facility PNode on the CAISO grid.

“Delivery Term” means the period of Contract Years set forth on the Cover Sheet of the ESSA beginning on the Commercial Operation Date, unless terminated earlier in accordance with the terms and conditions of the ESSA.

“Designated Fund” has the meaning set forth in Section 10.5.

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

“Discharging Energy” means the Energy delivered from the Facility to the Delivery Point pursuant to a Discharging Notice during any Settlement Interval or Settlement Period, as measured at the Facility Metering Point by the Facility Meter, as such meter readings are adjusted by the CAISO for any applicable Electrical Losses.

“Discharging Notice” means the operating instruction, and any subsequent updates, given by CCP’s SC or the CAISO to the Facility, directing the Facility to discharge Facility Energy at a specific MW rate for a specified period of time or to an amount of MWh.

“Effective Date” has the meaning set forth in the Preamble.

“Electrical Losses” means all transmission or transformation losses (a) between the Delivery Point and the Facility Metering Point associated with delivery of Charging Energy, and (b) between the Facility Metering Point and the Delivery Point associated with delivery of Facility Energy.

“Emission Reduction Credits” or **“ERCs”** means emission reductions that have been authorized by a local air pollution control district pursuant to California Division 26 Air Resources; Health and Safety Code Sections 40709 and 40709.5, whereby a district has established a system by which all reductions in the emission of air contaminants that are to be used to offset certain future increases in the emission of air contaminants shall be banked prior to use to offset future increases in emissions.

“**Energy**” means electrical energy, measured in kilowatt-hours or Megawatt-hours or multiple units thereof.

“**Energy Management System**” or “**EMS**” means the Facility’s energy management system.

“**Energy Storage Service Agreement**” or “**ESSA**” means the agreement between CCP and Project Developer for the purchase of energy storage products of Goal Line Storage Project, executed on _____.

“**ESSA Defaulting Party**” has the meaning set forth in Section 11.1(a) of the ESSA.

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

“**Entitlement Share**” means the percentage entitlement of each Project Participant as set forth in Exhibit B of this Agreement (entitled “Schedule of Project Participant Entitlement Shares and Step-Up Allocation Caps”) attributable to each such Project Participant, as may be amended pursuant to Section 4.2 or 12.8.

“**Entitlement Share Reduction Amount**” has the meaning set forth in Exhibit C.

“**Entitlement Share Reduction Compensation Amount**” has the meaning set forth in Exhibit C.

“**Entitlement Share Reduction Notice**” has the meaning set forth in Exhibit C.

“**Environmental Attributes**” shall mean any and all attributes under the RPS regulations or under any and all other international, federal, regional, state or other law, rule, regulation, bylaw, treaty or other intergovernmental compact, decision, administrative decision, program (including any voluntary compliance or membership program), competitive market or business method (including all credits, certificates, benefits, and emission measurements, reductions, offsets and allowances related thereto) that are attributable now, or in the future to the Facility and its displacement of conventional energy generation.

“**Estimated Monthly Project Cost**” has the meaning set forth in Section 8.1.

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

“**Expected Commercial Operation Date**” means the date set forth on the Cover Sheet of the ESSA.

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

“Facility Energy” means the Energy delivered from the Facility to the Delivery Point during any Settlement Interval or Settlement Period, as measured at the Facility Metering Point by the Facility Meter, as such meter readings are adjusted by the CAISO for any applicable Electrical Losses or Station Use.

“Facility Meter” has the meaning set forth in Section 1.1 of the ESSA.

“Facility Metering Point” means the location(s) of the Facility Meter shown in Exhibit R of the ESSA.

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

“Flexible Capacity” means, with respect to any particular Showing Month, the number of MWs of Product which are eligible to satisfy Flexible RAR.

“Flexible RAR” means the flexible capacity requirements established for load-serving entities by the CAISO pursuant to the CAISO Tariff, the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority.

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

“Full Capacity Deliverability Status” or **“FCDS”** has the meaning set forth in the CAISO Tariff.

“Full Capacity Deliverability Status Finding” means a written confirmation from the CAISO that the Facility is eligible for Full Capacity Deliverability Status.

“Gains” means, with respect to a Project Participant assuming all or a portion of a Defaulting Project Participant’s Entitlement Share pursuant to the process set forth in Section 12.8(b) or 12.8(c), an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from such Step-Up Allocation for the remaining Contract Term of the ESSA, determined in a commercially reasonable manner. Factors used in determining the economic benefit to such Project Participant may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of such Project Participant, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NP-15), all of which should be calculated for the remaining Contract Term, and include the value of Environmental Attributes and Capacity Attributes.

“GHG Regulations” means Title 17, Division 3 (Air Resources), Chapter 1 (Air Resources Board), Subchapter 10 (Climate Change), Article 5 (Emissions Cap), Sections 95800 to 96023 of the California Code of Regulations, as amended or supplemented from time to time.

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

parliamentary, regulatory, or judicial instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law, including CAISO; *provided*, “Governmental Authority” shall not in any event include any Party, except to the extent that the Party is acting solely in its governmental capacity.

“**Greenhouse Gas**” or “**GHG**” has the meaning set forth in the GHG Regulations or in any other applicable Laws.

“**Guaranteed Commercial Operation Date**” means the date set forth on the Cover Sheet of the ESSA, as such date may be extended pursuant to Exhibit B of the ESSA.

“**Guaranteed Construction Start Date**” means the date set forth on the Cover Sheet of the ESSA, as such date may be extended pursuant to Exhibit B of the ESSA.

“**Installed Capacity**” means the lesser of (a) P_{MAX}, and (b) maximum dependable operating capacity of the Facility to discharge Energy for eight (8) hours of continuous discharge, as measured in MW AC at the Facility Meter Point by the Facility Meter and adjusted for Electrical Losses to the Delivery Point, that achieves Commercial Operation, as evidenced by a certificate substantially in the form attached as Exhibit I of the ESSA, as such capacity may be adjusted pursuant to Section 5 of Exhibit B of the ESSA.

“**Interconnection Agreement**” means the interconnection agreement entered into by Project Developer pursuant to which the Facility will be interconnected with the Transmission System, and pursuant to which Project Developer’s Interconnection Facilities and any other Interconnection Facilities will be constructed, operated, and maintained during the ESSA Contract Term.

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

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

“**Invoice Amount**” has the meaning set forth in Section 9.2.

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

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

“**Joint Powers Agreement**” means that certain Joint Powers Agreement dated January 29, 2021, as amended from time to time, under which CCP is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

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

“Late Payment Notice” means a notice issued by CCP to a Project Participant pursuant to Section 9.7.

“Late Payment Charge” has the meaning set forth in Section 9.7.

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

“Letter(s) of Credit” has the meaning set forth in Section 1.1 the ESSA.

“Local Capacity Area Resource” has the meaning set forth in the CAISO Tariff.

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

“Losses” means, with respect to a Project Participant assuming all or a portion of a Defaulting Project Participant’s Entitlement Share pursuant to the process set forth in Section 12.8(b) or 12.8(c), an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from such Step-Up Allocation for the remaining Contract Term of the ESSA, determined in a commercially reasonable manner. Factors used in determining economic loss to such Project Participant may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of the Project Participant, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NP-15), all of which should be calculated for the remaining Contract Term of the ESSA and must include the value of Environmental Attributes and Capacity Attributes.

“Marketable Emission Trading Credits” means emissions trading credits or units pursuant to the requirements of California Division 26 Air Resources; Health & Safety Code Section 39616 and Section 40440.2 for market-based incentive programs such as the South Coast Air Quality Management District’s Regional Clean Air Incentives Market, also known as RECLAIM, and allowances of sulfur dioxide trading credits as required under Title IV of the Federal Clean Air Act (42 U.S.C. § 7651b (a) to (f)).

“Month” means a calendar month.

“Monthly Costs” has the meaning set forth in Section 9.1.

“Monthly Capacity Payment” means the payment required to be made by CCP to Project Developer each month of the Delivery Term as compensation for the Product, as calculated in accordance with Exhibit C of the ESSA.

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

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

“**NERC**” means the North American Electric Reliability Corporation.

“**Net Qualifying Capacity**” or “**NQC**” has the meaning set forth in the CAISO Tariff.

“**Non-Defaulting Project Participant**” has the meaning set forth in Section 12.1.

“**Normal Vote**” has the meaning set forth in Exhibit D.

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

“**Operating Account**” means an account established by CCP for each Project Participant pursuant to Section 8.2.

“**Operating Cost**” means the share of the Annual Budget or Amended Annual Budget attributable to the applicable Month for a Billing Statement.

“**Operating Restrictions**” means those restrictions, rules, requirements, and procedures set forth in Exhibit Q of the ESSA.

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

“**Payment Default**” has the meaning set forth in Section 12.2.

“**Payment Default Termination Deadline**” has the meaning set forth in Section 12.6.

“**Performance Guarantees**” has the meaning set forth in Section 4.3(b) of the ESSA.

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

“**Permitted Transferee**” has the meaning set forth in Section 1.1 of the ESSA.

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

“**PMAX**” means the applicable CAISO-certified maximum operating level of the Facility.

“**PMIN**” means the applicable CAISO-certified minimum operating level of the Facility.

“PNode” has the meaning set forth in the CAISO Tariff.

“Product” has the meaning set forth in Section 3.1

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

“Project” shall be broadly construed to entail the aggregate of rights, liabilities, interests, and obligations of CCP pursuant to the ESSA, including but not limited to all rights, liabilities, interests, and obligations associated with the Product, all rights, liabilities, interests and obligations associated with the Facility, and including all aspects of the operation and administration of the Facility and the ESSA and the rights, liabilities, interests and obligations associated therewith.

“Project Committee” means the committee established in accordance with Section 6.1.

“Project Developer” means Goal Line BESS 1, LLC, a Delaware limited liability company, or assignee as permitted under the ESSA.

“Project Participants” means those entities executing this Agreement, as identified in the Preamble, together in each case with each entity’s successors or assigns.

“Project Revenue Rights” means all rights of a Project Participant under this Agreement to any revenue associated with the Facility Energy or Ancillary Services associated with the Facility.

“Project Rights” means all rights and privileges of a Project Participant under this Agreement, including but not limited to its Entitlement Share, its right to receive the Product from the Facility, and its right to vote on Project Committee matters.

“Project Rights and Obligations” means the Project Participants’ Project Rights and obligations under the terms of this Agreement.

“Proposed Entitlement Share Reduction Compensation Amount” has the meaning set forth in Exhibit C.

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

they may be amended or superseded from time to time, including the criteria, rules, and standards of any successor organizations.

“Qualifying Capacity” has the meaning set forth in the CAISO Tariff.

“RA Compliance Showing” means the (a) Local RAR compliance or advisory showings (or similar or successor showings), (b) RAR compliance or advisory showings (or similar or successor showings), and (c) Flexible RAR compliance or advisory showings (or similar successor showings), in each case, an entity is required to make to the CAISO pursuant to the CAISO Tariff, to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the Resource Adequacy Rulings, or to any Governmental Authority.

“RA Deficiency Amount” has the meaning set forth in Section 1.1 of the ESSA.

“RA Guarantee Date” means the date by which the Facility is expected to achieve Full Capacity Deliverability Status, which is the Commercial Operation Date.

“RA Shortfall Month” has the meaning set forth in Section 1.1 of the ESSA.

“Real-Time Market” has the meaning set forth in the CAISO Tariff.

“Receiving Party” has the meaning set forth in Section 18.2 of the ESSA.

“Reliability Network Upgrades” has the meaning set forth in the CAISO Tariff.

“Remedial Action Plan” has the meaning set forth in Section 2.4 of the ESSA.

“Replacement RA” has the meaning set forth in Section 1.1 of the ESSA.

“Resource Adequacy Benefits” means the rights and privileges attached to the Facility that satisfy any entity’s Resource Adequacy Requirements, as those obligations are set forth in any ruling issue by a Governmental Authority, including the Resource Adequacy Rulings and shall include Flexible Capacity, and any local, zonal or otherwise locational attributes associated with the Facility.

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

“Resource Adequacy Resource” has the meaning used in Resource Adequacy Rulings.

“Resource Adequacy Rulings” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-06-063, 16-06-045, 17-06-027, 18-06-030, 18-06-031, 19-02-022, 19-06-026, 19-10-021, 20-01-004, 20-03-016, 20-06-002, 20-06-031, 20-06-028, 20-12-006, 21-06-035 and any other existing or subsequent ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable

Governmental Authority, however described, as such decisions, rulings, Laws, rules or regulations may be amended or modified from time-to-time throughout the Contract Term.

“**Schedule**” has the meaning set forth in the CAISO Tariff, and “**Scheduled**” has a corollary meaning.

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

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

“**Scheduling Coordinator Services Agreement**” means the agreement between CCP and a Scheduling Coordinator that was approved by the CCP Board pursuant to Section 5.2(a)(xiii).

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

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

“**Shared Facilities**” means the gen-tie lines, transformers, substations, or other equipment, permits, contract rights, and other assets and property (real or personal), in each case, as necessary to enable delivery of Facility Energy to the Delivery Point, including the Interconnection Facilities and the Interconnection Agreement itself, if applicable, that are used in common with third parties or by the Project Developer for electric generation or storage facilities owned by Project Developer other than the Facility.

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

“**Site**” has the meaning set forth in Section 1.1 of the ESSA, as further described in Exhibit A of the ESSA.

“**Station Use**” means the Energy that is used within the Facility to power the lights, motors, temperature control systems, control systems and other electrical loads that are necessary for operation of the Facility.

“**Step-Up Allocation Cap**” has the meaning set forth in Section 12.8(a).

“**Step-Up Invoice**” means an invoice sent to a Non-Defaulting Project Participant as a result of a Defaulting Project Participant’s Payment Default, which invoice shall separately

identify any amount owed with respect to the monthly Billing Statement of the Defaulting Project Participant, as the case may be, pursuant to Section 12.7.

“Step-Up Invoice Amount” has the meaning set forth in Section 12.7.

“Step-Up Invoice Amount Cap” has the meaning set forth in Section 12.7.

“Step-Up Reserve Account” has the meaning set forth in Section 12.7(a)(i).

“Storage Level” means, at a particular time, the amount of electric Energy in the Facility available to be discharged as Facility Energy, expressed in MWh.

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

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

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

“Terminated Transaction” has the meaning set forth in Section 11.2(a) the ESSA.

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

“Transmission Provider” means any entity that owns, operates, and maintains transmission or distribution lines and associated facilities and/or has entitlements to use certain transmission or distribution lines and associated facilities for the purpose of transmitting or transporting the Facility Energy from the Delivery Point.

“Transmission System” means the transmission facilities operated by the CAISO, now or hereafter in existence, which provide energy transmission service downstream from the Delivery Point.

“Unanimous Vote” has the meaning set forth in Exhibit D.

“Uncontrollable Forces” means any Force Majeure event and any cause beyond the control of any Party, which by the exercise of due diligence such Party is unable to prevent or overcome, including but not limited to, failure or refusal of any other Person to comply with then existing contracts, an act of God, fire, flood, explosion, earthquake, strike, sabotage, epidemic or pandemic (excluding impacts of the disease designated COVID-19 or the related virus designated

SARS-CoV-2 impacts actually known by the Party claiming the Force Majeure Event as of the Effective Date), an act of the public enemy (including terrorism), civil or military authority including court orders, injunctions and orders of governmental agencies with proper jurisdiction or the failure of such agencies to act, insurrection or riot, an act of the elements, failure of equipment, a failure of any governmental entity to issue a requested order, license or permit, inability of any Party or any Person engaged in work on the Project to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers. Notwithstanding the foregoing, Uncontrollable Forces as defined herein shall also include events of Force Majeure pursuant to the ESSA, as defined therein.

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

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

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

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

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

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

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

(g) the terms “include” and “including” mean “include or including (as applicable) without limitation” and any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;

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

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

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

(k) the expression “and/or” when used as a conjunction shall connote “any or all of”;

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

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

(n) in the event of any conflict or inconsistency between the terms of this Agreement and the terms of the ESSA or the Coordinated Operations Agreement, the terms and provisions of this Agreement shall control.

ARTICLE 2

EFFECTIVE DATE AND TERM

2.1. Term.

(a) The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until the occurrence of all of the following: (i) the termination of the ESSA and (ii) the termination of the Buyer Liability Pass Through Agreement for all the Project Participants, and (iii) all Parties have met their obligations under this Agreement (“**Term**”).

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

ARTICLE 3

AGREEMENT

3.1. **Transaction.** Subject to the terms and conditions of this Agreement, the Project Participants authorize CCP to purchase all Facility Energy, Capacity Attributes, Ancillary Services, and Environmental Attributes associated with the Facility and any Replacement RA provided pursuant to the ESSA (collectively the “**Product**”), on behalf of the Project Participants. Pursuant to the procedures set forth in the Coordinated Operations Agreement, CCP shall cause Project Developer to deliver each Project Participant’s Entitlement Share of the Product to such Project Participant, including but not limited to (i) any revenue associated with the Facility Energy, Capacity Attributes, Ancillary Services, or Environmental Attributes associated with the Facility, and (ii) the Capacity Attributes and Environmental Attributes associated with the Facility or

otherwise provided to CCP pursuant to the ESSA. CCP shall administer the ESSA and oversee the operation of the Project. CCP shall not sell, assign, or otherwise transfer any Product, or any portion thereof, to any third party other than to the Project Participants, unless authorized by the Project Participants pursuant to this Agreement.

ARTICLE 4

ENTITLEMENT SHARE

4.1. Initial Entitlement Share. Each Project Participant's initial Entitlement Share as of the Effective Date shall be set forth in Column B of the Table provided in Exhibit B of this Agreement (entitled "Schedule of Project Participant Entitlement Shares and Step-Up Allocation Caps"). Any revisions to the Entitlement Share specified in Exhibit B pursuant to Section 4.2. or Section 12.8 shall be considered an element of the administration of this Agreement and shall not require the consent of the Parties hereto.

4.2. Change of Entitlement Share. Any Project Participant may reduce its Entitlement Share of the Project pursuant to the process set forth in Exhibit C.

4.3. Reduction of Entitlement Share to Zero. If any Project Participant's Entitlement Share is reduced to zero through any process specified in Exhibit C, such Project Participant shall remain a Party to this Agreement and shall be subject to all rights, obligations, and liabilities of this Agreement, including but not limited to any liabilities for Monthly Capacity Payments, Annual Excess Cycle Payments, Damage Payment or Termination Payment, as applicable, and any other damage payments or reimbursement amounts under the ESSA.

ARTICLE 5

OBLIGATIONS OF CCP; ROLE OF CCP BOARD AND CCP MANAGER

5.1. Obligations of CCP.

(a) CCP shall take such commercially reasonable actions or implement such commercially reasonable measures as may be necessary or desirable for the utilization, maintenance, or preservation of the rights and interests of the Project Participants in the Project including, if appropriate, such enforcement actions or other measures as the Project Committee or CCP Board deems to be in the Project Participants' best interests. To the extent not inconsistent with the ESSA or other applicable agreements, CCP may also be authorized by the Project Participants to assume responsibilities for planning, designing, financing, developing, acquiring, insuring, contracting for, administering, operating, and maintaining the Project to effectuate the conveyance of the Product to Project Participants in accordance with Project Participants' Entitlement Shares.

(b) To the extent such services are available and can be carried forth in accordance with the ESSA, CCP shall also provide such other services, as approved by the Project Committee or CCP Board, as may be deemed necessary to secure the benefits and/or satisfy the obligations associated with the ESSA.

(c) Adoption of Annual Budget. The Annual Budget and any amendments to the Annual Budget shall be prepared and approved in accordance with this Section 5.1(c).

(i) The CCP Manager will prepare and submit to the Project Committee a proposed Annual Budget at least ninety (90) days prior to the beginning of each Contract Year during the term of this Agreement. The proposed Annual Budget shall be based on the prior Contract Year's actual costs and shall include reasonable estimates of the costs CCP expects to incur during the applicable Contract Year in association with the administration of the ESSA, including the cost of insurance coverages that are determined to be attributable to the Project by action of the CCP Board. Upon approval of the proposed Annual Budget by a Normal Vote of the Project Committee, the CCP Manager shall present the proposed Annual Budget to the CCP Board. The CCP Board shall adopt the Annual Budget no later than thirty (30) days prior to the beginning of such Contract Year and shall cause copies of such adopted Annual Budget to be delivered to each Project Participant.

(ii) At any time after the adoption of the Annual Budget for a Contract Year, the CCP Manager may prepare and submit to the Project Committee a proposed Amended Annual Budget for and applicable to the remainder of such Contract Year. The proposal shall (A) explain why an amendment to the Annual Budget is needed, (B) compare estimated costs against actual costs, and (C) describe the events that triggered the need for additional funding. Upon approval of the proposed Amended Annual Budget by a Normal Vote of the Project Committee, the CCP Manager shall present the proposed Amended Annual Budget to the CCP Board. Upon adoption of the Amended Annual Budget by the CCP Board, such Amended Annual Budget shall apply to the remainder of the Contract Year and the CCP Board shall cause copies of such adopted Amended Annual Budget to be delivered to each Project Participant.

(iii) Reports. CCP will prepare and issue to Project Participants the following reports each quarter of a year during the Term:

(A) Financial and operating statement relating to the Project.

(B) Variance report comparing the costs in the Annual Budget versus actual costs, and the status of other cost-related issues with respect to the Project.

(d) Records and Accounts. CCP will keep, or cause to be kept, accurate records and accounts of the Project as well as of the operations relating to the Project, all in a manner similar to accepted accounting methodologies associated with similar projects. All transactions of CCP relating to the Project with respect to each Contract Year shall be subject to an annual audit. Each Project Participant shall have the right at its own expense to examine and copy the records and accounts referred to above on reasonable notice during regular business hours.

(e) Information Sharing. Upon CCP's request, each Project Participant agrees to coordinate with CCP to provide such information, documentation, and certifications that are reasonably necessary for the design, financing, refinancing, development, operation, administration, maintenance, and ongoing activities of the Project, including information required to respond to requests for such information from any federal, state, or local regulatory body or other authority.

(f) Consultants and Advisors Available. CCP shall make available to the Project Committee all consultants and advisors, including financial advisors and legal counsel that

are retained by CCP, and such consultants, counsel and advisors shall be authorized to consult with and advise the Project Committee on Project matters. CCP agrees to waive any conflicts of interest or any other applicable professional standards or rules as required by consultants, counsel, and advisors to advise the Project Committee on Project matters.

(g) Deposit of Insurance Proceeds. CCP shall promptly deposit any insurance proceeds received by CCP from any insurance obtained pursuant to this Agreement or otherwise associated with the Project into the Operating Accounts of the Project Participants based on each Project Participants' Entitlement Shares.

(h) Liquidated and Other Damages. Any amounts paid to CCP, or applied against payments otherwise due by CCP pursuant to the ESSA or each Project Participant's respective BLPTA, by the Project Developer shall be deposited on a pro rata share, based on each Project Participant's Entitlement Share into each Project Participant's Operating Account. Liquidated Damages include, but are not limited to Daily Delay Damages, RA Deficiency Amount, Damage Payment, and Termination Payment.

(i) Charging and Discharging Energy. Subject to the direction of the Project Committee, CCP shall reasonably coordinate, schedule, and do all other things necessary or appropriate, except as otherwise prohibited under this Agreement, to provide for the delivery of Charging Energy from the grid to the Point of Delivery to enable CCP to exercise its rights and obligations in connection with Charging Energy in accordance with the requirements of the ESSA. Subject to the direction of the Project Committee, CCP shall reasonably coordinate, schedule, and do all other things necessary or appropriate, except as otherwise prohibited under this Agreement, to provide for the delivery of Discharging Energy from the Point of Delivery to the grid to enable CCP to maximize the value of the ESSA to the Project Participants in accordance with the requirements of the ESSA.

(j) Resale of Product. Any Project Participant may direct CCP to remarket such Project Participant's Entitlement Share of the Product, or such Project Participant's Entitlement Share of any part of the Product. If CCP incurs any expenses associated with the remarketing activities pursuant to this Section 5.1(j), then CCP shall include the total amount of such expenses as a Monthly Cost on the Project Participant's next Billing Statement. Prior to offering the Project Participant's Entitlement Share of the Product, or the Project Participant's Entitlement Share of any part of the Product to any third party, CCP shall first offer the Product or portion of the Product to the other Project Participants. The amount of compensation paid to the selling Project Participant shall be negotiated and agreed to between the selling Project Participant and the purchasing Project Participant or third party. Any payments for any resold Product pursuant to this Section 5.1(j) shall be transmitted directly from the purchasing Project Participant or purchasing third party to the reselling Project Participant. Any such resale to a third party shall not convey any rights or authority over the operation of the Project, and the Project Participant shall not make a representation to the third party that the resale conveys any rights or authority over the operation of the Project.

(k) Uncontrollable Forces. CCP shall not be required to provide, and CCP shall not be liable for failure to provide, the Product, Replacement RA, or other service under this Agreement when such failure, or the cessation or curtailment of, or interference with, the

service is caused by Uncontrollable Forces or by the failure of the Project Developer, or its successors or assigns, to obtain any required governmental permits, licenses, or approvals to acquire, administer, or operate the Project; provided, however, that the Project Participants shall not thereby be relieved of their obligations to make payments under this Agreement except to the extent CCP is so relieved pursuant to the ESSA, and provided further that CCP shall pursue all applicable remedies against the Project Developer under the ESSA and distribute any remedies obtained pursuant to Section 5.1(h).

(l) Insurance. Within one hundred and eighty days (180) of the Effective Date of this Agreement, CCP shall secure and maintain, during the Term, insurance coverage as follows:

(i) Commercial General Liability. CCP shall maintain, or cause to be maintained, commercial general liability insurance, including products and completed operations and personal injury insurance, in a minimum amount of One Million Dollars (\$1,000,000) per occurrence, and an annual aggregate of not less than Two Million Dollars (\$2,000,000), endorsed to provide contractual liability in said amount, specifically covering CCP's obligations under this Agreement and including each Project Participant as an additional insured.

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

(iii) Workers' Compensation Insurance. CCP, if it has employees, shall also maintain at all times during the Term workers' compensation and employers' liability insurance coverage in accordance with statutory amounts, with employer's liability limits of not less than One Million Dollars (\$1,000,000.00) for each accident, injury, or illness; and include a blanket waiver of subrogation.

(iv) Business Auto Insurance. CCP shall maintain at all times during the Term business auto insurance for bodily injury and property damage with limits of One Million Dollars (\$1,000,000) per occurrence. Such insurance shall cover liability arising out of CCP's use of all owned (if any), non-owned and hired vehicles, including trailers or semi-trailers in the performance of the Agreement and shall name each Project Participant as an additional insured and contain standard cross-liability and severability of interest provisions.

(v) Public Entity Liability Insurance. CCP shall maintain public entity liability insurance, including public officials' liability insurance, public entity reimbursement insurance, and employment practices liability insurance in an amount not less than One Million Dollars (\$1,000,000) per claim, and an annual aggregate of not less than One Million Dollars (\$1,000,000) and CCP shall maintain such coverage for at least two (2) years from the termination of this Agreement.

(m) Evidence of Insurance. Within ten (10) days after the deadline for securing insurance coverage specified in Section 5.1(l), and upon annual renewal thereafter, CCP shall deliver to each Project Participant certificates of insurance evidencing such coverage with insurers with ratings comparable to A-VII or higher, and that are authorized to do business in the State of

California, in a form evidencing all coverages set forth above. Such certificates shall specify that each Project Participant shall be given at least thirty (30) days prior Notice by CCP in the event of cancellation or termination of coverage. Such insurance shall be primary coverage without right of contribution from any insurance of each Project Participant. Any other insurance maintained by CCP not associated with this Agreement is for the exclusive benefit of CCP and shall not in any manner inure to the benefit of Project Participants. The general liability, auto liability and worker's compensation policies shall be endorsed with a waiver of subrogation in favor of each Project Participant for all work performed by CCP, its employees, agents and sub-contractors.

5.2. Role of CCP Board.

(a) The rights and obligations of CCP under the ESSA shall be subject to the ultimate control at all times of the CCP Board. The CCP Board, shall have, in addition to the duties and responsibilities set forth elsewhere in this Agreement, the following duties and responsibilities, among others:

(i) Dispute Resolution. The CCP Board shall review, discuss and attempt to resolve any disputes among CCP, any of the Project Participants, and the Project Developer relating to the Project, the operation and management of the Facility, and CCP's rights and interests in the Facility.

(ii) ESSA. The CCP Board shall have the authority to review, modify, and approve, as appropriate, all amendments, modifications, and supplements to the ESSA.

(iii) Capital Improvements. The CCP Board shall review, modify, and approve, if appropriate, all Capital Improvements undertaken with respect to the Project and all financing arrangements for such Capital Improvements. The CCP Board shall approve those budgets or other provisions for the payments associated with the Project and the financing for any development associated with the Project.

(iv) Committees. The CCP Board shall exercise such review, direction, or oversight as may be appropriate with respect to the Project Committee and any other committees established pursuant to this Agreement.

(v) Budgeting. Upon the submission of a proposed Annual Budget or proposed Amended Annual Budget, approved by a Normal Vote of the Project Committee, the CCP Board shall review, modify, and approve each Annual Budget and Amended Annual Budget in accordance with Section 5.1(c) of this Agreement.

(vi) Early Termination of ESSA. The CCP Board shall review, modify, and approve the recommendations of the Project Committee, made pursuant to Section 6.4(b)(ii) of this Agreement, as to an early termination of the ESSA pursuant to Section 11.2 of the ESSA.

(vii) Assignment by Project Developer. The CCP Board shall review, modify, and approve the recommendations of the Project Committee, made pursuant to Section 6.4(b)(iii) of this Agreement, as to any assignment by Project Developer pursuant to Section 14.1 of the ESSA other than any assignment pursuant to Sections 14.2 or 14.3 of the ESSA.

(viii) Buyer Financing Assignment. The CCP Board shall review, modify, and approve the recommendations of the Project Committee, made pursuant to Section 6.4(b)(iv) of this Agreement, as to an assignment by CCP to a financing entity.

(ix) Change of Control. The CCP Board shall review, modify, and approve the recommendations of the Project Committee, made pursuant to Section 6.4(b)(v) of this Agreement, as to any Change of Control requiring CCP's consent, as specified in Section 14.1 of the ESSA.

(x) Supervening Authority of the Board. The CCP Board has complete and plenary supervening power and authority to act upon any matter which is capable of being acted upon by the Project Committee or which is specified as being within the authority of the Project Committee pursuant to the provisions of this Agreement.

(xi) Other Matters. The CCP Board is authorized to perform such other functions and duties, including oversight of those matters and responsibilities addressed by the Project Committee or CCP Manager as may be provided for under this Agreement and under the ESSA, or as may otherwise be appropriate.

(xii) Periodic Audits. The CCP Board or the Project Committee may arrange for the annual audit by certified accountants, selected by the CCP Board and experienced in electric generation or electric utility accounting, of the books and accounting records of CCP, the Project Developer to the extent authorized under the ESSA, and any other counterparty under any agreement to the extent allowable, and such audit shall be completed and submitted to the CCP Board as soon as reasonably practicable after the close of the Contract Year. CCP shall promptly furnish to the Project Participant copies of all audits. No more frequently than once every calendar year, each Project Participant may, at its sole cost and expense, audit, or cause to be audited the books and cost records of CCP, and/or the Project Developer to the extent authorized under the ESSA.

(xiii) Scheduling Coordinator Services Agreement. Upon a recommendation by Normal Vote of the Project Committee pursuant to Section 6.4(b)(vi), the CCP Board shall review, modify, and approve, or delegate the authority to approve, a Scheduling Coordinator Services Agreement or amendment thereto.

(b) Pursuant to Section 5.06 of the Joint Powers Agreement, this Agreement modifies the voting rules of the CCP Board for purposes of approving or acting on any matter identified in this Agreement, as follows:

(i) Quorum. A quorum shall consist of a majority of the CCP Board members that represent Project Participants.

(ii) Voting. Each CCP Board member that represents a Project Participant shall have one vote for any matter identified in this Agreement. Any CCP Board member representing a CCP member that is not a Project Participant shall abstain from voting on any matter identified in this Agreement. A vote of the majority of the CCP Board members representing Project Participants that are in attendance shall be sufficient to constitute action, provided a quorum is established and maintained.

5.3. Role of CCP Manager.

(a) In addition to the duties and responsibilities set forth elsewhere in this Agreement, the CCP Manager is delegated the following authorities and responsibilities:

(i) Request for Tax Documentation. Respond to any requests for tax-related documentation by the Project Developer.

(ii) Request for Financial Statements. Provide the Project Developer with Financial Statements as may be required by the ESSA.

(iii) Request for Information by Project Participant. Respond to any request by a Project Participant for information or documents that are reasonably available to allow the Project Participant to respond to requests for such information from any federal, state, or local regulatory body or other authority.

(iv) Coordinate Response to a Request for Confidential Information. Upon a request or demand by any third person that is not a Party to the ESSA or a Project Participant, for Confidential Information as described in Section 18.2 of the ESSA, the CCP Manager shall notify the Project Developer and coordinate the response of CCP and Project Participants.

(v) Invoices. The CCP Manager shall review each invoice submitted by Project Developer and shall request such other data necessary to support the review of such invoices.

ARTICLE 6

PROJECT COMMITTEE

6.1. Establishment and Authorization of the Project Committee. The Project Committee is hereby established and duly authorized to act on behalf of the Project Participants as provided for in this Section 6 for the purpose of (a) providing coordination among, and information to, the Project Participants and CCP, (b) making any recommendations to the CCP Board regarding the administration of the Project, and (c) execution of the Project Committee responsibilities set forth in Section 6.4.

6.2. Project Committee Membership. The Project Committee shall consist of one representative from each Project Participant. The CCP Manager shall be a non-voting member of the Project Committee. Within thirty (30) days after the Effective Date, each Project Participant shall provide notice to each other of such Project Participant's representative on the Project Committee. Alternate representatives may be appointed by similar written notice to act on the Project Committee, or on any subcommittee established by the Project Committee, in the absence of the regular representative. An alternate representative may attend all meetings of the Project Committee but may vote only if the representative for whom they serve as alternate for is absent. No Project Participant's representative shall exercise any greater authority than permitted by the Project Participant which they represent.

6.3. Project Committee Operations, Meetings, and Voting. Project Committee operations, meetings, and voting shall be in accordance with the procedures and requirements specified in Exhibit D.

6.4. Project Committee Responsibilities. The Project Committee shall have the following responsibilities:

(a) General Responsibilities of the Project Committee.

(i) Provide a liaison between CCP and the Project Participants with respect to the ongoing administration of the Project.

(ii) Exercise general supervision over any subcommittee established pursuant to Section 6.5.

(iii) Oversee, as appropriate, the completion of any Project design, feasibility, or planning studies or activities.

(iv) Review, discuss, and attempt to resolve any disputes among the Project Participants relating to this Agreement or the ESSA.

(v) Perform such other functions and duties as may be provided for under this Agreement, the ESSA, or as may otherwise be appropriate or beneficial to the Project or the Project Participants.

(b) Recommendations to the CCP Board by a Normal Vote.

(i) Budgeting. Review, modify, and approve by a Normal Vote each proposed Annual Budget and proposed Amended Annual Budget for submission to the CCP Board for final approval.

(ii) Early Termination of ESSA. Review, modify, and approve by a Normal Vote a recommendation to the CCP Board regarding an early termination of the ESSA pursuant to Section 11.2 of the ESSA.

(iii) Assignment by Project Developer. Review, modify, and approve by a Normal Vote a recommendation to the CCP Board regarding any assignment by Project Developer pursuant to Section 14.1 of the ESSA other than any assignment pursuant to Sections 14.2 or 14.3 of the ESSA.

(iv) Buyer Financing Assignment. Review, modify, and approve by a Normal Vote a recommendation to the CCP Board regarding an assignment by CCP to a financing entity.

(v) Change of Control. Review, modify, and approve by a Normal Vote a recommendation to the CCP Board regarding any Change of Control requiring CCP's consent, as specified in Section 14.1 of the ESSA.

(vi) Scheduling Coordinator. Review, modify, and approve by a Normal Vote a recommendation to the CCP Board regarding the selection of a Scheduling Coordinator and the form of the Scheduling Coordinator Services Agreement, including any amendments thereto. Such Scheduling Coordinator Services Agreement shall: (i) require that the scheduling and dispatch of the Project is in accordance with the criteria set forth in Exhibit C of the Coordinated Operations Agreement; (ii) include the Scheduling Coordinator responsibilities specified in Exhibit D of the Coordinated Operations Agreement; and (iii) address requirements relating to CAISO settlements, the Operating Restrictions, and communications and reporting from the Scheduling Coordinator to the Project Participants.

(c) Actions Delegated to the Project Committee by this Agreement Subject to a Unanimous Vote.

(i) Project Design. Review, modify, and approve by a Unanimous Vote any recommendations to the Project Developer on the design of the Project.

(ii) Extension of Guaranteed Construction Start Date and Guaranteed Commercial Operation Date. Review and confirm that requirements of Exhibit B of the ESSA have been satisfied, such that the Guaranteed Construction Start Date and/or Guaranteed Commercial Operation Date has been extended.

(iii) Event of Default. Direct CCP to exercise its rights under the ESSA if an Event of Default has occurred under Section 11.1 of the ESSA or under the Scheduling Coordinator Services Agreement.

(d) Actions Delegated to the Project Committee by this Agreement Subject to a Normal Vote.

(i) Make recommendations to the CCP Manager, the CCP Board, the Project Participants or to the Project Developer, as appropriate, with respect to the development, operation, and ongoing administration of the Project.

(ii) Review, develop, and, if appropriate, modify and approve rules, procedures, and protocols for the administration of the Project, including rules, procedures, and protocols for the management of the costs of the Facility and the scheduling, handling, tagging, dispatching, and crediting of the Product, the handling and crediting of Environmental Attributes associated with the Facility and the control and use of the Facility.

(iii) Review, develop, and, if appropriate, modify rules, procedures, and protocols for the monitoring, inspection, and the exercise of due diligence activities relating to the operation of the Facility.

(iv) Review, and, if appropriate, modify or otherwise act upon, the form or content of any written statistical, administrative, or operational reports, Facility-related data and storage information, technical information, facility reliability data, transmission information, forecasting, scheduling, dispatching, tagging, parking, firming, exchanging, balancing, movement, or other delivery information, and similar information and records, or matters pertaining to the

Project which are furnished to the Project Committee by the CCP Manager, the Project Developer, experts, consultants or others.

(v) Review, formulate, and, if appropriate, modify, or otherwise act upon, practices and procedures to be followed by Project Participants for, among other things, the production, scheduling, tagging, transmission, delivery, firming, balancing, exchanging, crediting, tracking, monitoring, remarketing, sale, or disposition of the Product, including the control and use of the Facility, and the supply, scheduling, and use of Charging Energy.

(vi) Review and act upon any matters involving any arrangements and instruments entered into by the Project Developer or any affiliate thereof to, among other things, secure certain performance requirements, including, but not limited to, the ESSA, the Development Security or the Performance Security and any other letter of credit delivered to, or for the benefit of, CCP by the Project Developer and take such actions or make such recommendations as may be appropriate or desirable in connection therewith.

(vii) Review, and, if appropriate, recommend, modify, or approve policies or programs formulated by CCP or Project Developer for determining or estimating storage resources or the values, quantities, volumes, or costs of the Product from the Facility.

(viii) Review, and where appropriate, recommend the implementation of metering technologies and methodologies appropriate for the delivery, accounting for, transferring and crediting of the Product to the Point of Delivery (directly or through the Facility).

(ix) Review, to the extent permitted by this Agreement, the ESSA, or any other relevant agreement relating to the Project, modify and approve or disapprove the specifications, vendors' proposals, bid evaluations, or any other matters with respect to the Facility.

(x) Review and approve any Remedial Action Plan submitted by Project Developer to CCP pursuant to Section 2.4 of the ESSA.

(xi) Review and approve the submission of the written acknowledgement of the Commercial Operation Date in accordance with Section 2.2 of the ESSA.

(xii) Review and approve the return of the Development Security to Project Developer in accordance with Section 8.7 of the ESSA.

(xiii) Review and approve the return of any unused Performance Security to Project Developer in accordance with Section 8.8 of the ESSA.

(xiv) Review Progress Reports provided by Project Developer to CCP pursuant to Section 2.3 of the ESSA and participate in any associated regularly scheduled meetings with Project Developer to discuss construction progress.

(xv) Direct CCP to collect any liquidated damages owed by Project Developer to CCP under the ESSA, and to the extent authorized by ESSA, draw upon the Development Security or Performance Security.

(xvi) Review invoices received by CCP from the Project Developer and, if appropriate, direct CCP to dispute an invoice pursuant to Section 8.5 of the ESSA.

(xvii) Review invoices received by CCP from the Scheduling Coordinator and, if appropriate, direct CCP to collect any damages owed by the Scheduling Coordinator to CCP under the Scheduling Coordinator Services Agreement or to take any action permitted by law to enforce its rights under the Scheduling Coordinator Services Agreement, including but not limited to bringing any suit, action or proceeding at law or in equity as may be necessary or appropriate to recover damages and/or enforce any covenant, agreement, or obligation against the Scheduling Coordinator.

6.5. Subcommittees. The CCP Manager may establish as needed subcommittees including, but not limited to, auditing, legal, financial, engineering, mechanical, weather, geologic, diurnal, barometric, meteorological, operating, insurance, governmental relations, environmental, and public information subcommittees. The authority, membership, and duties of any subcommittee shall be established by the CCP Manager; provided, however, such authority, membership or duties shall not conflict with the provisions of the ESSA or this Agreement.

6.6. Representative's Expenses. Any expenses incurred by any representative of any Project Participant or group of Project Participants serving on the Project Committee or any other committee in connection with their duties on such committee shall be the responsibility of the Project Participant which they represent and shall not be an expense payable under this Agreement.

6.7. Inaction by Committee. It is recognized by CCP and Project Participants that if the Project Committee is unable or fails to agree with respect to any matter or dispute which it is authorized to determine, resolve, approve, disapprove or otherwise act upon after a reasonable opportunity to do so, or within the time specified herein or in the ESSA, then CCP may take such commercially reasonable action as CCP determines is necessary for its timely performance under any requirement pursuant to the ESSA or this Agreement, pending the resolution of any such inability or failure to agree, but nothing herein shall be construed to allow CCP to act in violation of the express terms of the ESSA or this Agreement.

6.8. Delegation. To secure the effective cooperation and interchange of information in a timely manner in connection with various administrative, technical, and other matters which may arise from time to time in connection with administration of the ESSA, in appropriate cases, duties and responsibilities of the CCP Board or the Project Committee, as the case may be under this Section 6, may be delegated to the CCP Manager by the CCP Board upon notice to the Project Participants.

ARTICLE 7

OPERATING COMMITTEE

7.1. Operating Committee. The Operating Committee is established through the Coordinated Operations Agreement, as may be subsequently amended.

7.2. Operating Committee Responsibilities. In addition to any specific roles and responsibilities identified in the Coordinated Operations Agreement, the Project Committee may, through a Normal Vote, assign additional tasks to the Operating Committee as long as such

additional tasks are within the scope of the Operating Committee's authority set forth in the Coordinated Operations Agreement.

ARTICLE 8

OPERATING ACCOUNT

8.1. Calculation of Estimated Monthly Project Cost.

(a) No later than one hundred and eighty (180) days after the Effective Date, the CCP Manager shall present to the Project Committee a proposed Estimated Monthly Project Cost, which shall be equal to a forecast of expected Monthly Capacity Payments over an entire Contract Year, divided by twelve (12). The Project Committee shall review, and, if appropriate, recommend, modify, or approve through a Normal Vote, the proposed Estimated Monthly Project Cost.

8.2. Operating Account. CCP shall establish an Operating Account for each Project Participant that is accessible to and can be drawn upon by both CCP and the applicable Project Participant. Such Operating Accounts are for the purpose of providing a reliable source of funds for the payment obligations of the Project and, taking into account the variability of costs associated with the Project for the purpose of providing a reliable payment mechanism to address the ongoing costs associated with the Project.

(a) Operating Account Amount. The Operating Account Amount for each Project Participant shall be an amount equal to the Estimated Monthly Project Cost multiplied by three, the product of which is multiplied by such Project Participant's Entitlement Share ("**Operating Account Amount**").

(b) Initial Funding of Operating Account. By no later than three hundred and sixty-five (365) days after the Effective Date, each Project Participant shall deposit into such Project Participant's Operating Account an amount equal to that Project Participant's Operating Account Amount.

(c) Use of Operating Account. CCP shall draw upon each Project Participant's Operating Account each month in an amount equal to the Monthly Costs multiplied by such Project Participant's Entitlement Share. As required by Section 9.5, each Project Participant must deposit sufficient funds into such Project Participant's Operating Account by the deadline specified in Section 9.5.

(d) Final Distribution of Operating Account. Following the expiration or earlier termination of the ESSA, and upon payment and satisfaction of any and all liabilities and obligations to make payments of the Project Participants under this Agreement and upon satisfaction of all remaining costs and obligations of CCP under the ESSA, any amounts then remaining in any Project Participant's Operating Account shall be paid to the associated Project Participant.

ARTICLE 9

BILLING

9.1. **Monthly Costs.** The amount of Monthly Costs for a particular Month shall be the sum of the Project Participant's Entitlement Share multiplied by the Monthly Capacity Payments for the Product, as specified in Section 8.2 of the ESSA for such Month and to the extent such payment is made by CCP to the Project Developer, plus the Project Participant's Entitlement Share multiplied by the Annual Excess Cycle Payment that is included in the invoice for such Month, if any, plus the Project Participant's Entitlement Share multiplied by the Operating Cost for such Month and subtracting the Project Participant's Entitlement Share multiplied by the positive revenue associated with the sale of any Facility Energy or Ancillary Services net of any CAISO costs or Scheduling Coordinator costs for such Month, as shown in the following formula:

Monthly Cost = ((Project Participant's Entitlement Share) × (Monthly Capacity Payments)) + ((Project Participant's Entitlement Share) × (Annual Excess Cycle Payment)) + ((Project Participant's Entitlement Share) × (Operating Costs)) – ((Project Participant's Entitlement Share) × (revenue from sale of Facility Energy or Ancillary Services, net of any CAISO costs or Scheduling Coordinator costs))

9.2. **Billing Statements.** By no later than ten (10) calendar days after CCP receives an invoice from Project Developer for the prior Month of each Contract Year pursuant to Section 8.1 of the ESSA, CCP shall issue to each Project Participant a copy of the invoice and a "Billing Statement," which specifies such Project Participant's Monthly Costs, itemized by each part of such Monthly Cost. The amount of Monthly Costs attributable to a Project Participant, and specified in such Billing Statement, shall be the "**Invoice Amount.**"

9.3. **Disputed Monthly Billing Statement.** A Project Participant may dispute, by written Notice to CCP, any portion of any Billing Statement submitted to that Project Participant by CCP pursuant to Section 9.2, provided that the Project Participant shall pay the full amount of the Billing Statement when due. If CCP determines that any portion of the Billing Statement is incorrect, CCP will deposit the difference between such correct amount and such full amount, if any, including interest at the rate received by CCP on any overpayment into the Project Participant's Operating Account. If CCP and a Project Participant disagree regarding the accuracy of a Billing Statement, CCP will give consideration to such dispute and will advise all Project Participants with regard to CCP's position relative thereto within thirty (30) days following receipt of written Notice by Project Participant of such dispute.

9.4. **Payment Adjustments; Billing Errors.** If CCP or Project Developer determines that a prior invoice or Billing Statement was inaccurate, CCP shall credit against or increase as appropriate each Project Participant's subsequent Monthly Costs according to such adjustment. The accompanying Billing Statement shall describe the cause of such adjustment and the amount of such adjustment.

9.5. **Payment of Invoice Amount.** Each Project Participant shall deposit the Invoice Amount for the applicable Month into such Project Participant's Operating Account by no later than the twentieth (20th) calendar day of the following Month after the Billing Statement is issued, unless CCP has failed to issue the Billing Statement by the deadline specified in Section 9.2, in which case, each Project Participant shall deposit the Invoice Amount for the applicable Month by no later than thirty (30) days after the date on which CCP issues the Billing Statement to the Project Participant.

9.6. Withdrawal of Invoice Amount from Operating Account. No sooner than five (5) calendar days after CCP issues a Billing Statement to a Project Participant or a Step-Up Invoice to a Project Participant, CCP shall withdraw the Invoice Amount or the Step-Up Invoice Amount from each Project Participant's Operating Account. If the Monthly Cost attributable to such Project Participant is a negative number, CCP shall deposit such funds into the Operating Account of that Project Participant.

9.7. Late Payments.

(a) If any Project Participant fails to deposit the Invoice Amount into the Project Participant's Operating Account by the deadline specified in Section 9.5, then CCP will issue such Project Participant a Late Payment Notice within five (5) days of the deadline specified in Section 9.5 directing the Project Participant to immediately deposit the Invoice Amount into the Project Participant's Operating Account and informing the Project Participant that such Project Participant must pay a charge ("**Late Payment Charge**"). Upon issuing a Late Payment Notice to any Project Participant, CCP shall promptly provide Notice of such occurrence to all other Project Participants.

(b) The Late Payment Charge shall be equal to the Invoice Amount minus any partial payment that was deposited into such Project Participant's Operating Account multiplied by the Interest Rate specified in Section 8.2 of the ESSA for the period from the deadline specified in Section 9.5 until the date on which the Project Participant deposits the Invoice Amount plus the Late Payment Charge into such Project Participant's Operating Account. Upon payment, CCP shall withdraw the full amount of such Late Payment Charge from the Project Participant's Operating Account and deposit any such Late Payment Charge into the Operating Accounts of all other Project Participants on a pro rata share, based on such other Project Participants' Entitlement Shares.

ARTICLE 10
UNCONDITIONAL PAYMENT OBLIGATIONS; AUTHORIZATIONS; CONFLICTS;
LITIGATION.

10.1. Unconditional Payment Obligation. Beginning with the earliest of (i) the date CCP is obligated to pay any portion of the costs of the Project, (ii) the date of the COD, or (iii) the date of the first delivery of the Product to Project Participants and continuing through the term of this Agreement, Project Participants shall pay CCP the amounts of Monthly Costs set forth in the Billing Statements submitted by CCP to Project Participants in accordance with the provisions of Section 9, whether or not the Project or any part thereof has been completed, is functioning, producing, operating or operable or its output or the provision of Facility products are suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever, provided that the obligation of Project Participants to pay amounts associated with the Monthly Capacity Payment or Annual Excess Cycle Payment shall be limited to the amount of Monthly Capacity Payment or Annual Excess Cycle Payment charged by the Project Developer to CCP and paid by CCP to the Project Developer.

10.2. Authorizations. Each Project Participant hereby represents and warrants that no order, approval, consent, or authorization of any governmental or public agency, authority, or person, is required on the part of such Project Participant for the execution and delivery by the Project Participant, or the performance by the Project Participant of its obligations under this Agreement except for such as have been obtained.

10.3. Conflicts. Each Project Participant represents and warrants to CCP as of the Effective Date that, to the Project Participant's knowledge, the execution and delivery of this Agreement by the Project Participants and the Project Participants' performance hereunder will not constitute a default under any agreement or instrument to which it is a party, or any order, judgment, decree or ruling of any court that is binding on the Project Participant, or a violation of any applicable law of any governmental authority, which default or violation would have a material adverse effect on the financial condition of the Project Participant.

10.4. Litigation. Each Project Participant represents and warrants to CCP that, as of the Effective Date, to the Project Participant's knowledge, except as disclosed, there are no actions, suits or proceedings pending against the Project Participant (service of process on the Project Participant having been made) in any court that questions the validity of the authorization, execution or delivery by the Project Participant of this Agreement, or the enforceability on the Project Participant of this Agreement.

10.5. San José Clean Energy.

(a) The City of San José is a municipal corporation and is precluded under the California State Constitution and applicable law from entering into obligations that financially bind future governing bodies without an appropriation for such obligation, and, therefore, nothing in the Agreement shall constitute an obligation of future legislative bodies of the City of San José to appropriate funds for purposes of the Agreement; provided, however, that the City of San José has created and set aside a designated fund (being the San Jose Energy Operating Fund established pursuant to City of San Jose Municipal Code, Title 4, Part 63, Section 4.80.4050 *et. seq.*) ("**Designated Fund**") for payment of its obligations under this Agreement.

(b) Limited Obligations. The City of San José's payment obligations under this Agreement are special limited obligations of San José Clean Energy payable solely from the Designated Fund and are not a charge upon the revenues or general fund of the City of San José or upon any non- San José Clean Energy moneys or other property of the Community Energy Department or the City of San José.

10.6. Clean Power San Francisco. With regard to Clean Power San Francisco only, (1) obligations under this Agreement are special limited obligations of Clean Power San Francisco payable solely from the revenues of Clean Power San Francisco, and shall not be a charge upon the revenues or general fund of the San Francisco Public Utilities Commission or the City and County of San Francisco or upon any non-Clean Power San Francisco moneys or other property of the San Francisco Public Utilities Commission or the City and County of San Francisco, (2) cannot exceed the amount certified by the San Francisco City Controller for the purpose and period stated in such certification, and (3) absent an authorized emergency per the San Francisco City Charter or Code, no San Francisco City representative is authorized to offer or promise, nor is San

Francisco required to honor, any offered or promised payments under this Agreement for work beyond the agreed upon scope or in excess of the certified maximum amount without the San Francisco City Controller having first certified the additional promised amount.

ARTICLE 11

PROJECT SPECIFIC MATTERS AND PROJECT PARTICIPANTS' RIGHTS AND OBLIGATIONS UNDER THE ESSA.

11.1. CCP Rights and Obligations under the ESSA. Notwithstanding anything to the contrary contained in this Agreement: (i) the obligation of CCP to cause the delivery of the Project Participants' Entitlement Shares of the Product during the Delivery Term of this Agreement is limited to the Product which CCP receives from the Facility (or the Project Developer, as applicable); (ii) the obligation of CCP to pay any amount to Project Participants hereunder or to give credits against amounts due from Project Participants hereunder is limited to amounts CCP receives in connection with the transaction to which the payment or credit relates (or is otherwise available to CCP in connection with this Agreement for which such payment or credit relates); (iii) any purchase costs, operating costs, energy costs (including costs related to Charging Energy), capacity costs, Facility costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges for which CCP is responsible under the ESSA shall be considered purchase costs, operating costs, energy costs, capacity costs, Facility costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges incurred by CCP and payable by Project Participants as provided in this Agreement; (iv) CCP shall carry out its obligations and exercise its rights under the ESSA in a commercially reasonable manner; (v) all remedies provided to CCP pursuant to the ESSA or the Scheduling Coordinator Services Agreement shall be provided to Project Participants in accordance with Section 5.1(h); and (vi) any Force Majeure under the ESSA or other event of force majeure affecting the delivery of Product pursuant to applicable provisions of the ESSA shall be considered an event caused by Uncontrollable Forces affecting CCP with respect to the delivery of the Product hereunder and CCP forwarding to Project Participants notices and information from the Project Developer concerning an event of Force Majeure upon receipt thereof shall be sufficient to constitute a Notice that Uncontrollable Forces have occurred pursuant to Section 5.1 of this Agreement. Any net proceeds received by CCP from the sale of the Product by the Project Developer to any third-party as a result of a Force Majeure event or failure by CCP to accept delivery of Product pursuant to the ESSA and any reimbursement received by CCP for purchase of Replacement RA shall be remitted by CCP to the Project Participants in accordance with their respective Entitlement Shares.

ARTICLE 12

NONPERFORMANCE AND PAYMENT DEFAULT.

12.1. Nonperformance by Project Participants. If a Project Participant fails to perform any covenant, agreement, or obligation under this Agreement or shall cause CCP to be in default with respect to any undertaking entered into for the Project or to be in default under the ESSA ("**Defaulting Project Participant**"), CCP may, in the event the performance of any such obligation remains unsatisfied after thirty (30) days' prior written notice thereof to such Project Participant and a demand to so perform, take any action permitted by law to enforce its rights under this Agreement, including but not limited to termination of such Project Participant's rights under

this Agreement including any rights to its Entitlement Share of the Product, and/or bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to recover damages and/or enforce any covenant, agreement or obligation against such Project Participant with regard to its failure to so perform. Any Project Participant that is not the Defaulting Project Participant (**“Non-Defaulting Project Participant”**) may submit Notice directly to the CCP Board, if such Non-Defaulting Project Participant determines that CCP is or may not be fully taking appropriate actions to enforce CCP’s rights under this Agreement against a Defaulting Project Participant. The CCP Board shall consider such Notice and direct CCP to take appropriate action, if any.

12.2. **Payment Default.** If any Project Participant fails to deposit the Invoice Amount into the Project Participant’s Operating Account by the deadline specified in Section 9.5, and if such Participant has not deposited the Invoice Amount plus the Late Payment Charge into such Project Participant’s Operating Account within ten (10) calendar days of the issuance of the Late Payment Notice to such Project Participant by CCP, then such occurrence shall constitute a **“Payment Default.”**

12.3. **Payment Default Notice.** Upon the occurrence of a Payment Default, CCP shall issue a Notice of Payment Default to the Project Participant notifying such Project Participant that as a result of a Payment Default, it is in default under this Agreement and has assumed the status of a Defaulting Project Participant and that such Defaulting Project Participant’s Project Revenue Rights have been suspended and that such Defaulting Project Participant’s Project Rights are subject to termination and disposal in accordance with Sections 12.6 and 12.8 of this Agreement. CCP shall provide a copy of such Notice of Default to all other Project Participants within five (5) calendar days after the issuance of the written Notice of Payment Default by CCP to the Defaulting Project Participant.

12.4. **Cured Payment Default.** If after a Payment Default, the Defaulting Project Participant cures such Payment Default within forty-five (45) calendar days after the issuance of the Late Payment Notice by CCP, the Defaulting Project Participant’s Project Revenue Rights shall be reinstated and its Project Rights shall not be subject to termination and disposal as provided for in Sections 12.6 and 12.8. In order to cure a Payment Default, the Defaulting Project Participant must deposit the full amount of any unpaid Invoice Amounts and any associated Late Payment Penalties into its Operating Account.

12.5. **Suspension of Project Participant’s Project Revenue Rights and Treatment of Capacity Attributes.**

(i) Upon the occurrence of a Payment Default, the Defaulting Project Participant’s Project Revenue Rights shall be suspended until such time as such Defaulting Project Participant cures the Payment Default pursuant to the requirements of Section 12.4. Any revenue associated with the Facility Energy or Ancillary Services associated with the Facility shall be deposited by CCP into the Step-Up Reserve Account, as specified in Section 12.7.

(ii) For any Month where the funds remaining in a Defaulting Project Participant’s Operating Account are sufficient to pay the entire Invoice Amount, CCP shall withdraw the Invoice Amount from such Defaulting Project Participant’s Operating Account and shall cause the delivery of the Defaulting Project Participant’s Entitlement Share of the Capacity

Attributes and Environmental Attributes associated with the Facility or otherwise provided for pursuant to the ESSA. For any Month where the funds remaining in a Defaulting Project Participant's Operating Account are less than the amount necessary to pay the entire Invoice Amount, CCP shall withdraw all remaining funds from the Defaulting Project Participant's Operating Account, and to the extent reasonably possible, in CCP's sole discretion, CCP shall cause the delivery of a quantity of Capacity Attributes and Environmental Attributes proportionate to the portion of the Invoice Amount that the remaining funds were sufficient to pay for. For any Month where the Defaulting Project Participant's Operating Account has no funds remaining, the Defaulting Project Participant shall have no right to any such Capacity Attributes or Environmental Attributes associated with the Facility or otherwise provided for under the ESSA.

12.6. Termination and Disposal of Project Participant's Project Rights. If a Defaulting Project Participant has not cured a Payment Default within forty-five (45) calendar days after the payment deadline specified in Section 9.5 by CCP ("**Payment Default Termination Deadline**"), then all Project Rights and Obligations pursuant to this Agreement shall be terminated and disposed in accordance with Sections 12.6 and 12.8 of this Agreement; provided, however, that the Defaulting Project Participant shall be liable for all outstanding payment obligations accrued prior to the Payment Default Termination Deadline and shall remain subject to all rights, obligations, and liabilities of this Agreement, including but not limited to any liabilities for Damage Payment or Termination Payment, as applicable, and any other damage payments or reimbursement amounts under the ESSA. CCP shall provide to the Defaulting Project Participant a separate monthly invoice of any such payment obligations of such Defaulting Project Participant. CCP shall immediately notify the other Project Participants of such termination of the Defaulting Project Participant's Project Rights and Obligations.

12.7. Step-Up Invoices.

(a) Upon the occurrence of a Payment Default, CCP shall, concurrently with the Late Payment Notice issued pursuant to Section 9.7(a), issue a Step-Up Invoice to each Non-Defaulting Project Participant that specifies such Non-Defaulting Project Participant's pro rata payment obligation, calculated based on the Entitlement Share of such Non-Defaulting Project Participant, of the amount of the Payment Default for the Defaulting Project Participant (the "**Step-Up Invoice Amount**"); provided, however, that a Non-Defaulting Project Participant's Step-Up Invoice Amount shall not exceed twenty-five percent (25%) of such Non-Defaulting Project Participant's Invoice Amount for the same month for which the Payment Default occurred (the "**Step-Up Invoice Amount Cap**").

(i) Each Non-Defaulting Project Participant shall deposit the Step-Up Invoice Amount into such Non-Defaulting Project Participant's Operating Account by the later of the twentieth (20th) calendar day of the following Month or thirty (30) days after the date on which CCP issues the Step-Up Invoice to the other Project Participants. No sooner than five (5) calendar days after CCP issues the Step-Up Invoice, CCP may withdraw the amount of the Step-Up Invoice from each Project Participant's Operating Account and deposit such funds in a separate account ("**Step-Up Reserve Account**"), which shall be accessible only by CCP, and which CCP may in its sole discretion draw upon in order to ensure that CCP can meet the payment obligations of the ESSA. CCP first shall withdraw all funds from a Defaulting Project Participant's Operating Account before withdrawing funds from the Step-Up Reserve Account.

(ii) Application of Moneys Received from a Defaulting Project Participant. If a Defaulting Project Participant cures a Payment Default on or before the Payment Default Termination Deadline, any funds remaining in the Step-Up Reserve Account shall be deposited into the Operating Accounts of the other Project Participants on a pro rata share, based on the Entitlement Share of such other Project Participant. If a Defaulting Project Participant fails to cure a Payment Default and the Defaulting Project Participant's Project Rights and Obligations are terminated and disposed of in accordance with Section 12.8, any funds remaining in the Step-Up Reserve Account shall be deposited into the Operating Accounts of the Non-Defaulting Project Participants on a pro rata share, based on the Entitlement Share, subject to the Step-Up Invoice Amount Cap, of such other Project Participant. If any Non-Defaulting Project Participant has not deposited the full amount of its share of the Step-Up Invoice Amount into its Operating Account by the deadline specified in Section 12.7(a)(i), then such occurrence shall be a Late Payment as specified in Section 9.7(a) and is subject to a Late Payment Charge pursuant to Section 9.7(b), and any such Non-Defaulting Project Participant shall not be entitled to its share of any moneys received from the Defaulting Project Participant or any funds remaining in the Step-Up Reserve Account in accordance with this Section 12.7(a)(ii) until such Non-Defaulting Project Participant has deposited the full amount of its Step-Up Invoice Amount and the Late Payment Charge into its Operating Account.

12.8. Step-Up Allocation of Project Participant's Project Rights. In the event that a Defaulting Project Participant's Project Rights are terminated pursuant to Section 12.6, then such Defaulting Project Participant's Entitlement Share shall be allocated to the other Project Participants ("Step-Up Allocation") pursuant to the process set forth in this Section 12.8.

(a) Step-Up Allocation Cap. If a Defaulting Project Participant's Entitlement Share is allocated to the Non-Defaulting Project Participants pursuant to this Section 12.8, no individual Non-Defaulting Project Participant shall be obligated to assume an allocation that exceeds that Project Participant's Step-Up Allocation Cap set forth in Column E of the Table in Exhibit B of this Agreement. Each Non-Defaulting Project Participant's initial Step-Up Allocation Cap shall be equal to the Non-Defaulting Project Participant Entitlement Share as of the Effective Date and set forth in Column B of the Table in Exhibit B of this Agreement, multiplied by one hundred and twenty-five percent (125%). If a Project Participant modifies its Entitlement Share pursuant to Section 4.2 of this Agreement, then that Project Participant's Step-Up Allocation Cap shall be equal to the Project Participant's Entitlement Share as modified pursuant to Section 4.2 multiplied by one hundred and twenty-five percent (125%). Upon a modification of a Project Participant's Entitlement Share pursuant to Section 4.2, the CCP Manager shall cause the Step-Up Allocation Cap specified in Column E of the Table in Exhibit B of this Agreement to be modified in accordance with this Section 12.8(a). For avoidance of doubt, if a Project Participant's Entitlement Share is increased pursuant to Section 12.8(b) or (c), then such Project Participant's Step-Up Allocation Cap shall not be modified.

(b) Step-Up Allocation Share. If a Defaulting Project Participant's Project Rights are terminated pursuant to Section 12.6, then such Defaulting Project Participant's Entitlement Share shall be allocated to each Non-Defaulting Project Participant based on such Non-Defaulting Project Participant's pro rata share, calculated based on its Entitlement Share of the entire project minus the Entitlement Share of the Defaulting Project Participant, unless such allocation would cause any individual Non-Defaulting Project Participant to exceed its Step-Up

Allocation Cap, in which case Section 12.8(c) shall apply. Upon allocation of a defaulting Project Participant's Entitlement Share pursuant to this Section 12.8(b), the CCP Manager shall cause each affected Project Participant's Entitlement Share specified in Column D of the Table in Exhibit B to be modified in accordance with this Section 12.8.

(c) Voluntary Allocation of Project Rights in Excess of the Step-Up Allocation Caps. If the allocation of a Defaulting Project Participant's Entitlement Share pursuant to Section 12.8(b) would cause any Non-Defaulting Project Participant's Entitlement Share to exceed its Step-Up Allocation Cap, then no allocation shall occur pursuant to Section 12.8(b). In such case, the CCP Manager shall oversee the offering of the total amount of the Defaulting Project Participant's Entitlement Share to the Non-Defaulting Project Participants on a voluntary basis. The initial offering shall be to each Non-Defaulting Project Participant on a pro rata share, based on such Non-Defaulting Project Participant's Entitlement Share. Each Project Participant may accept or reject the portion of the Defaulting Project Participant's Entitlement Share. If any portion of the Defaulting Project Participant's Entitlement Share remains unclaimed after the initial offering, then the remaining portion shall be offered to any Non-Defaulting Project Participant that accepted its full share of the Defaulting Project Participant's Entitlement Share in the initial offering on a pro rata share, based on such Non-Defaulting Project Participant's Entitlement Share as a percentage of the total Entitlement Shares of all Project Participants that are participating in the subsequent round of offerings. The CCP Manager shall conduct subsequent offering rounds until either the total amount of the Defaulting Project Participant's Entitlement Share is accepted by one or more of the Non-Defaulting Project Participants or some portion of the Defaulting Project Participant's Entitlement Share remains, but all Non-Defaulting Project Participants have rejected such remaining amount.

(d) Step-Up Allocation Damage Payment. A Defaulting Project Participant shall owe to each Non-Defaulting Project Participant that assumes any portion of the Defaulting Project Participant's Entitlement Share pursuant to the process set forth in Section 12.8(b) or 12.8(c) a "**Step-Up Allocation Damage Payment**" equal to the Costs and Losses, on the one hand, netted against its Gains, on the other. If the Non-Defaulting Project Participant's Costs and Losses exceed its Gains, then the Step-Up Allocation Damage Payment shall be an amount owing to such Non-Defaulting Project Participant. If the Non-Defaulting Project Participant's Gains exceed its Costs and Losses, then the Step-Up Allocation Damage Payment shall be zero dollars (\$0). A Defaulting Project Participant shall not be entitled to any Step-Up Allocation Damage Payment or any other damages otherwise authorized under this Agreement from any other Project Participant. The Step-Up Allocation Damage Payment does not include consequential, incidental, punitive, exemplary, or indirect or business interruption damages. Each Non-Defaulting Project Participant that assumes any portion of the Defaulting Project Participant's Entitlement Share pursuant to the process set forth in Section 12.8(b) or 12.8(c) shall calculate, in a commercially reasonable manner, the Step-Up Allocation Damage Payment for the Defaulting Project Participant's Entitlement Share assumed by the Non-Defaulting Project Participant as of the effective date of such Step-Up Allocation. Third parties supplying information for purposes of the calculation of Gains or Losses may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. If the Defaulting Project Participant disputes the Non-Defaulting Project Participant's calculation of the Step-Up Allocation Damage Payment, in whole or in part, the Defaulting Project Participant shall, within five (5) Business Days of receipt of the Non-Defaulting Project Participant's calculation of the Step-Up Allocation

Damage Payment, provide to the Non-Defaulting Project Participant a detailed written explanation of the basis for such dispute. Disputes regarding the Step-Up Allocation Damage Payment shall be determined in accordance with Article 16. Each Party agrees and acknowledges that (i) the actual damages that the other Project Participant would incur in connection with a Step-Up Allocation would be difficult or impossible to predict with certainty, (ii) the Step-Up Allocation Damage Payment described in this Section 12.8(d) is a reasonable and appropriate approximation of such damages, and (iii) the Step-Up Allocation Damage Payment described in this Section 12.8(d) is the exclusive remedy of a Project Participant in connection with a Step-Up Allocation pursuant to the process set forth in Sections 12.8(b) or 12.8(c) against a Defaulting Project Participant but shall not otherwise act to limit any of the Non-Defaulting Project Participant's rights or remedies under this Agreement.

(e) Remarketing of Unclaimed Defaulting Project Participant's Entitlement Share. If after the process set forth in Section 12.8(c), some portion of the Defaulting Project Participant's Entitlement Share remains unclaimed, the CCP Manager, in their discretion or as directed by the Non-Defaulting Project Participants, may take any action to generate revenue from such unclaimed Entitlement Share in order to meet CCP's payment obligation under the ESSA. For avoidance of doubt, the CCP Manager shall not be limited by the requirements of Section 4.2 or 5.1(j) of this Agreement in remarketing or generating revenue base on the unclaimed share.

12.9. Elimination or Reduction of Payment Obligations. Notwithstanding anything to the contrary in this Agreement, upon termination of a Defaulting Project Participant's Project Rights pursuant to Section 12.6 and the disposal of such Defaulting Project Participant's Project Rights and Obligations pursuant to Section 12.8, such Defaulting Project Participant's obligation to make payments under this Agreement (notwithstanding anything to the contrary herein) shall not be eliminated or reduced; provided, however, such payment obligations for the Defaulting Project Participant may be eliminated or reduced to the extent permitted by law, through an amendment to this Agreement, which shall be subject to the consent and approval of all Parties to this Agreement.

ARTICLE 13

LIABILITY

13.1. Project Participants' Obligations Several. No Project Participant shall be liable under this Agreement for the obligations of any other Project Participant or for the obligations of CCP incurred on behalf of other Project Participants. Each Project Participant shall be solely responsible and liable for performance of its obligations under this Agreement, except as otherwise provided for herein. The obligation of Project Participants to make payments under this Agreement is a several obligation and not a joint obligation with those of the other Project Participants.

13.2. No Liability of CCP or Project Participants, Their Directors, Officers, Etc.; CCP, The Project Participants' and CCP Manager's Directors, Officers, Employees Not Individually Liable. Except as provided for under Section 13.5 herein, the Parties agree that neither CCP, Project Participants, nor any of their past, present or future directors, officers, employees, board members, agents, attorneys or advisors (collectively, the "**Released Parties**") shall be liable to any other of the Released Parties for any and all claims, demands, liabilities, obligations, losses,

damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses) or disbursements of any kind or nature whatsoever in law, equity or otherwise (including, without limitation, death, bodily injury or personal injury to any person or damage or destruction to any property of Project Participants, CCP, or third persons) suffered by any Released Party as a result of the action or inaction or performance or non-performance by the Project Developer under the ESSA. Except as provided for under Section 13.5 herein, each Party shall release each of the other Released Parties from any claim or liability that such Party may have cause to assert as a result of any actions or inactions or performance or non-performance by any of the other Released Parties under this Agreement (excluding gross negligence and willful misconduct, which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order). Notwithstanding the foregoing, no such action or inaction or performance or non-performance by any of the Released Parties shall relieve CCP or any Project Participants from their respective obligations under this Agreement, including, without limitation, the Project Participants' obligation to make payments required under Section 9.5 of this Agreement and CCP's obligation to make payments under Section 8.2 of the ESSA. The provisions of this Section 13.2 shall not be construed so as to relieve the CCP or the Project Developer from any obligation or liability under this Agreement or the ESSA.

13.3. Extent of Exculpation; Enforcement of Rights. The exculpation provision set forth in Section 13.2 hereof shall apply to all types of claims or actions including, but not limited to, claims or actions based on contract or tort. Notwithstanding the foregoing, any Party may protect and enforce its rights under this Agreement by a suit or suits in equity for specific performance of any obligations or duty of any other Party, and each Party shall at all times retain the right to recover, by appropriate legal proceedings, any amount determined to have been an overpayment, underpayment or other monetary damages owed by the other Party in accordance with the terms of this Agreement.

13.4. No General Liability of CCP. The undertakings under this Agreement by CCP shall not constitute a debt or indebtedness of CCP within the meaning of any provision or limitation of the Constitution or statutes of the State of California, and shall not constitute or give rise to a charge against its general credit.

13.5. Indemnification. Each Party shall indemnify, defend, protect, hold harmless, and release the other Parties, their directors, board members, officers, employees, agents, attorneys and advisors, past, present or future, from and against any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses) or disbursements of any kind or nature whatsoever in law, equity or otherwise, which include, without limitation, death, bodily injury, or personal injury to any person or damage or destruction to any property of Project Participants, CCP, or third persons, that may be imposed on, incurred by or asserted against any Party arising by manner of any breach of this Agreement, or the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement on the part of any Party or any Party's directors, board members, officers, employees, agents and advisors, past, present or future.

ARTICLE 14

NOTICES

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

14.2. Acceptable Means of Delivering Notice. Each Notice required, permitted, or contemplated hereunder shall be deemed to have been validly served, given or delivered as follows: (a) if sent by United States mail with proper first class postage prepaid, five (5) Business Days following the date of the postmark on the envelope in which such Notice was deposited in the United States mail; (b) if sent by a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement with such carrier made for the payment of such fees, the next Business Day after the same is delivered by the sending Party to such carrier; (c) if sent by electronic communication (including electronic mail or other electronic means) at the time indicated by the time stamp upon delivery and, if after 5:00 pm, on the next Business Day; or (d) if delivered in person, upon receipt by the receiving Party. Notwithstanding the foregoing, Notices of outages or other scheduling or dispatch information or requests, may be sent by electronic communication and shall be considered delivered upon successful completion of such transmission.

ARTICLE 15

ASSIGNMENT

15.1. General Prohibition on Assignments. No Party may assign this Agreement, or its rights or obligations under this Agreement, without the prior written consent of all other Parties, in each Party's sole discretion.

ARTICLE 16

GOVERNING LAW AND DISPUTE RESOLUTION

16.1. Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced, and performed in accordance with the laws of the state of California, without regard to principles of conflicts of Law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. The Parties agree that any suit, action, or other legal proceeding by or against any Party with respect to or arising out of this Agreement shall be brought in the federal or state courts located in the State of California in a location to be mutually chosen by all Parties, or in the absence of mutual agreement, the County of San Francisco.

16.2. Dispute Resolution. In the event of any dispute arising under this Agreement, within ten (10) days following the receipt of a Notice from either Party identifying such dispute, the Parties shall meet, negotiate, and attempt, in good faith, to resolve the dispute quickly and informally without significant legal costs. If the Parties are unable to resolve a dispute arising hereunder within thirty (30) days after Notice of the dispute, the Parties may pursue all remedies available to them at Law or in equity.

ARTICLE 17

MISCELLANEOUS

17.1. Entire Agreement; Integration; Exhibits. This Agreement, together with the Exhibits attached hereto constitutes the entire agreement and understanding by and among the Parties with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits attached hereto are integral parts hereof and are made a part of this Agreement by reference. The headings used herein are for convenience and reference purposes only. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission, or other event of negotiation, drafting or execution hereof.

17.2. Amendments. This Agreement may only be amended, modified, or supplemented by an instrument in writing executed by duly authorized representatives of all Parties; *provided*, this Agreement may not be amended by electronic mail communications. Any revisions to the Entitlement Share specified in Exhibit B pursuant to Section 4.2. or Section 12.8 shall be considered an element of the administration of this Agreement and shall not require the consent of the Parties hereto.

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

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

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

17.6. Electronic Delivery. This Agreement may be duly executed and delivered by a Party by electronic format (including portable document format (.pdf)). Delivery of an executed counterpart in .pdf electronic version shall be binding as if delivered in the original. The words “execution,” “signed,” “signature,” and words of like import in this Agreement shall be deemed to include electronic signatures or electronic records, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law.

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

17.8. Forward Contract. The Parties acknowledge and agree that this Agreement constitutes a “forward contract” within the meaning of the U.S. Bankruptcy Code, and that the Parties are “forward contract merchants” within the meaning of the U.S. Bankruptcy Code. Each

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

17.9. City of San Francisco Standard Provisions.

(a) False Claims. Pursuant to San Francisco Administrative Code § 21.35, any Party to this Agreement who submits a false claim shall be liable to the City and County of San Francisco for the statutory penalties set forth in that section. A Party will be deemed to have submitted a false claim to the City and County of San Francisco if the Party: (a) knowingly presents or causes to be presented to an officer or employee of the City and County of San Francisco a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City and County of San Francisco; (c) conspires to defraud the City and County of San Francisco by getting a false claim allowed or paid by the City and County of San Francisco; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City and County of San Francisco; or (e) is a beneficiary of an inadvertent submission of a false claim to the City and County of San Francisco, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City and County of San Francisco within a reasonable time after discovery of the false claim.

(b) Political Activity. In performing its responsibilities under this Agreement, CCP shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City and County of San Francisco for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure.

(c) Non-discrimination Requirements.

(i) Non-discrimination in Contracts. CCP shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. CCP shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. CCP is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

(ii) Non-discrimination in the Provision of Employee Benefits. San Francisco Administrative Code 12B.2. CCP does not as of the date of this Agreement, and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

(d) Consideration of Criminal History in Hiring and Employment Decisions. CCP agrees to comply fully with and be bound by all of the provisions of Chapter 12T, “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code, including the remedies provided, and implementing regulations, as may be amended from time to time. The requirements of Chapter 12T shall only apply to CCP’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law. MacBride Principles – Northern Ireland. Pursuant to San Francisco Administrative Code § 12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride principles.

(e) MacBride Principles – Northern Ireland. Pursuant to San Francisco Administrative Code § 12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

(f) Tropical Hardwood and Virgin Redwood Ban. The City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood product, virgin redwood or virgin redwood product. If this order is for wood products or a service involving wood products: (a) Chapter 8 of the Environment Code is incorporated herein and by reference made a part hereof as though fully set forth. (b) Except as expressly permitted by the application of Sections 802(B), 803(B), and 804(B) of the Environment Code, CCP shall not provide any items to the City in performance of this Agreement which are tropical hardwoods, tropical hardwood products, virgin redwood or virgin redwood products. (c) Failure of CCP to comply with any of the requirements of Chapter 8 of the Environment Code shall be deemed a material breach of contract.

17.10. City of San José Standard Provisions.

(a) Nondiscrimination/Non-Preference. The Parties shall not, and shall not cause or allow its subcontractors to, discriminate against or grant preferential treatment to any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity or national origin. This prohibition applies to recruiting, hiring, demotion, layoff, termination, compensation, fringe benefits, advancement, training, apprenticeship and other terms, conditions, or privileges of employment, subcontracting and purchasing. The Parties will inform all subcontractors of these obligations. This prohibition is subject to the following conditions: (i) the prohibition is not intended to preclude Parties from providing a reasonable accommodation to a person with a disability; (ii) the City of San José’s Compliance Officer may require the Parties to file, and cause any Party’s subcontractor to file, reports demonstrating compliance with this section. Any such reports shall be filed in the form

and at such times as the City's Compliance Officer designates. They shall contain such information, data and/or records as the City's Compliance Officer determines is needed to show compliance with this provision.

(b) Conflict of Interest. The Parties represent that they are familiar with the local and state conflict of interest laws, and agrees to comply with those laws in performing this Agreement. The Parties certify that, as of the Effective Date, are unaware of any facts constituting a conflict of interest or creating an appearance of a conflict of interest. The Parties shall avoid all conflicts of interest or appearances of conflicts of interest in performing this Agreement. The Parties have the obligation of determining if the manner in which it performs any part of this Agreement results in a conflict of interest or an appearance of a conflict of interest, and a Party shall immediately notify the City of San José in writing if it becomes aware of any facts giving rise to a conflict of interest or the appearance of a conflict of interest. A Party's violation of this Section 17.10(b) is a material breach.

(c) Environmentally Preferable Procurement Policy. Parties shall perform its obligations under this Agreement in conformance with San José City Council Policy 1-19, entitled "Prohibition of City Funding for Purchase of Single serving Bottled Water," and San José City Council Policy 4-6, entitled "Environmentally Preferable Procurement Policy," as those policies may be amended from time to time. The Parties acknowledge and agree that in no event shall a breach of this Section 17.10(c) be a material breach of this Agreement or otherwise give rise to an Event of Default or entitle the City of San José to terminate this Agreement.

(d) Gifts Prohibited. The Parties represent that they are familiar with Chapter 12.08 of the San José Municipal Code, which generally prohibits a City of San José officer or designated employee from accepting any gift. The Parties shall not offer any City of San José officer or designated employee any gift prohibited by Chapter 12.08. A Party's violation of this Section 17.10(d) is a material breach.

(e) Disqualification of Former Employees. The Parties represent that they are familiar with Chapter 12.10 of the San José Municipal Code, which generally prohibits a former City of San José officer and former designated employee from providing services to the City of San José connected with his/her former duties or official responsibilities. Parties shall not use either directly or indirectly any officer, employee or agent to perform any services if doing so would violate Chapter 12.10.

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

[Signatures on following page]

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

<p>California Community Power</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Approved as to form by Counsel</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p>Clean Power San Francisco</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Approved as to form by Counsel</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>
<p>Redwood Coast Energy Authority</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Approved as to form by Counsel</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p>San José Clean Energy</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Approved as to form by Counsel</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>

<p>Silicon Valley Clean Energy</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Approved as to form by Counsel</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p>Sonoma Clean Power</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Approved as to form by Counsel</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>
<p>Valley Clean Energy</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Approved as to form by Counsel</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	

EXHIBIT A
NOTICES

Party	<i>All Notices</i>	<i>Invoices</i>
California Community Power	California Community Power Tim Haines _____ _____ timhaines@powergridsymmetry.com	
Clean Power San Francisco	Clean Power San Francisco Barbara Hale, Assistant General Manager, Power San Francisco Public Utilities Commission 525 Golden Gate Ave, 13th Floor San Francisco, CA 94102 bhale@sfwater.org	
Redwood Coast Energy Authority	Redwood Coast Energy Authority Matthew Marshall, CEO Redwood Coast Energy Authority 633 3rd Street Eureka, CA 95501 mmarshall@redwoodenergy.org	
San José Clean Energy	San José Clean Energy Lori Mitchell, Director cc: Luisa Elkins, Senior Deputy City Attorney San José Clean Energy 200 E. Santa Clara Street, 14th Floor San José, CA 95113 Lori.Mitchell@sanjoseca.gov Luisa.Elkins@sanjoseca.gov	

Party	All Notices	Invoices
Silicon Valley Clean Energy	Silicon Valley Clean Energy Girish Balachandran, CEO Silicon Valley Clean Energy Authority 333 W. El Camino Real, Suite 330 Sunnyvale, CA 94087 girish@svcleanenergy.org	
Sonoma Clean Power	Sonoma Clean Power Geof Syphers, CEO Sonoma Clean Power 50 Santa Rosa Avenue, 5th Floor Santa Rosa, CA 95404 gsyphers@sonomacleanpower.org	
Valley Clean Energy	Valley Clean Energy Gordon Samuel Assistant General Manager & Director of Power Resource 604 2nd Street Davis, CA 95616 gordon.samuel@valleycleanenergy.org	

EXHIBIT B

SCHEDULE OF PROJECT PARTICIPANT ENTITLEMENT SHARES AND STEP-UP ALLOCATION CAPS

Dated: _____

A	B	C	D	E
Project Participant	Entitlement Share <i>As of Effective Date</i>	Entitlement Share <i>As Modified Pursuant to Section 4.2</i>	Entitlement Share <i>As Modified Pursuant to Section 12.8(b) or 12.8(c)</i>	Step-Up Allocation Cap <i>125% multiplied by Column B or C as applicable</i>
Clean Power San Francisco	21.50%			
Redwood Coast Energy Authority	4.00%			
San José Clean Energy	24.22%			
Silicon Valley Clean Energy	28.42%			
Sonoma Clean Power	17.36%			
Valley Clean Energy	4.50%			
Total	100%			

Instructions: If the CCP Manager modifies one or more Project Participant's Entitlement Share pursuant to Section 4.2, the CCP Manager shall prepare an updated Exhibit B that shows the prior Entitlement Share (Column B or D) in ~~strikeout~~ and specifies the new Entitlement Share values and the effective date of such modification in Column C. If the CCP Manager modifies one or more Project Participant's Entitlement Share pursuant to Section 12.8, the CCP Manager shall prepare an updated Exhibit B that shows the prior Entitlement Share (Column B or Column C) in ~~strikeout~~ and specifies the new Entitlement Share values and the effective date of such modification in Column D.

EXHIBIT C

PROCEDURE FOR VOLUNTARY REDUCTION OF PROJECT PARTICIPANT'S ENTITLEMENT SHARE

(a) Offer to Other Project Participants. A Project Participant proposing to reduce its Entitlement Share of the Project shall provide Notice to all other Project Participants and CCP specifying the quantity of the proposed reduction of Entitlement Share ("**Entitlement Share Reduction Amount**") and the first Month for which the Project Participant Proposes that the change of Entitlement Share would become effective (such Notice referred to as the "**Entitlement Share Reduction Notice**").

(i) Upon receiving an Entitlement Share Reduction Notice from any Project Participant, the CCP Manager shall promptly do all of the following:

(A) Establish Entitlement Share Reduction Compensation Amount. The CCP Manager shall secure at least one (1), but no more than three (3), valuations of the net present value of the Entitlement Share Reduction Amount over the remaining term of the ESSA from one or more qualified firm(s) with the requisite experience to determine such valuation. The valuation, or if more than one valuation is obtained, the average of all valuations received, shall be the "**Proposed Entitlement Share Reduction Compensation Amount**." The CCP Manager shall call a meeting of the Project Committee and present the Proposed Entitlement Share Reduction Compensation Amount to the Project Committee. The Project Committee shall by a Normal Vote either approve the Proposed Entitlement Share Reduction Compensation Amount or direct the CCP Manager to secure additional valuations. The Proposed Entitlement Share Reduction Compensation Amount approved by the Project Committee shall be the "**Entitlement Share Reduction Compensation Amount**." The Project Participant proposing to reduce its Entitlement Share may modify the quantity of the Entitlement Share Reduction Amount associated with its proposal or withdraw its proposal at any time prior to the initiation of the process set forth in paragraph (a)(i)(B).

(B) Oversee the Offering of the Entitlement Share Reduction Amount to Other Project Participants. The CCP Manager shall facilitate the offering of the Entitlement Share Reduction Amount to the other Project Participants through multiple rounds of offerings.

a) The initial offering shall be to each Project Participant on a pro rata share, based on such Project Participant's Entitlement Share. Each Project Participant may accept or reject the portion of the Entitlement Share Reduction Amount offered to the Project Participant through this process. If any portion of the Entitlement Share Reduction Amount remains after the initial offering, then the remaining portion shall be offered to any Project Participant that accepted the share of the Entitlement Share Reduction Amount offered in the initial offering on a pro rata share, based on such Project Participant's Entitlement Share as a percentage of the total Entitlement Shares of all Project Participants that accepted the portion of the Entitlement Share Reduction Amount offered to them in the initial offering.

b) The CCP Manager shall conduct subsequent offering rounds until either the total Entitlement Share Reduction Amount is accepted by one or more of the other Project Participants or some portion of the Entitlement Share Reduction Amount remains, but all Project Participants have rejected such amount.

c) Any Project Participant accepting a share of the offered Entitlement Share Reduction Amount shall either pay the offering Project Participant or be compensated by the offering Project Participant at the Entitlement Share Reduction Compensation Amount multiplied by the quantity of the portion being accepted.

d) Before a transfer of all or a portion of any Project Participant's Entitlement share to another Project Participant can become effective, the proposed transfer must be submitted to and approved by the Project Committee through a Normal Vote.

e) After acceptance and payment for such portion of the Entitlement Share Reduction Amount, and upon approval of such transfer by the Project Committee, the CCP Manager shall cause the Entitlement Share specified in Exhibit B to be modified accordingly, and such modification shall be considered an element of the administration of this Agreement and shall not require the consent of the Parties hereto.

(C) Oversee the Offering of the Entitlement Share Reduction Amount to CCP Members that are not Project Participants. If there is any portion of the Entitlement Share Reduction Amount that remains unaccepted after the process specified in paragraph (a)(i)(B) is complete, then the Project Participant proposing to reduce its Entitlement Share may request that the CCP Manager offer the remaining portion of the Entitlement Share Reduction Amount to CCP Members that are not Project Participants. If any CCP Member wishes to accept any or all of the remaining portion of the Entitlement Share Reduction Amount, such action shall require the CCP Member to become a Project Participant through an amendment to this Agreement, which shall be subject to the consent and approval of all Parties to this Agreement and the CCP Member becoming a Project Participant. The compensation amount associated with the CCP Member accepting the remaining portion of the Entitlement Share Reduction Amount shall be negotiated between the CCP Member and the offering Project Participant.

(D) Oversee the Offering of the Entitlement Share Reduction Amount to a Community Choice Aggregator that is not a CCP Member. If there is any portion of the Entitlement Share Reduction Amount that remains unaccepted after the process specified in both paragraphs (a)(i)(B) and (a)(k)(C) is complete, then the Project Participant proposing to reduce its Entitlement Share, may request that the CCP Manager offer the remaining portion of the Entitlement Share Reduction Amount to a community choice aggregator that is not a CCP Member. If any community choice aggregator wishes to accept any or all of the remaining portion of the Entitlement Share Reduction Amount, such action shall require the community choice aggregator to become a CCP Member, and subsequent to becoming a CCP Member, to become a Project Participant through an amendment to this Agreement that is subject to the consent and approval of all Parties to this Agreement and the community choice aggregator becoming a Project Participant. The compensation amount associated with the community choice aggregator accepting the remaining portion of the Entitlement Share Reduction Amount shall be negotiated between the community choice aggregator and the offering Project Participant.

EXHIBIT D

PROJECT COMMITTEE OPERATIONS, MEETINGS, AND VOTING

(a) Chairperson of Project Committee. The chairperson of the Project Committee (“**Chairperson**”) shall be the CCP Manager. The Chairperson shall be responsible for calling and presiding over meetings of the Project Committee in a manner and to the extent permitted by law.

(b) Conducting Meetings. Conducting of Project Committee meetings and actions taken by the Project Committee may be taken by vote given in an assembled meeting, by telephone, by video conferencing, or by any combination thereof, to the extent permitted by law.

(c) Calling of Meetings.

(i) The Chairperson may call a meeting of the Project Committee at their discretion.

(ii) The Chairperson shall promptly call a meeting of the Project Committee at the request of any representative of a Project Participant.

(d) Unanimous Votes. Certain actions, as designated in Section 6.4(c), require a unanimous affirmative vote by all Project Participants (“**Unanimous Vote**”). No such vote may be taken unless a representative from every Project Participant is present at the meeting of the Project Committee. If any Project Participant’s Entitlement Share is reduced to zero through the process specified in Exhibit C, such Project Participant shall not be required to be present or be entitled to vote in order for such vote to be a Unanimous Vote.

(e) Normal Votes. All actions not designated as requiring unanimous vote, shall proceed pursuant to the “**Normal Vote**” process set forth in this paragraph (e).

(i) Quorum. No Normal Vote of the Project Committee shall be taken unless a representative is present for at least fifty percent (50%) of the total number of Project Participants, without regard to each Project Participant’s Entitlement Share.

(ii) Initial Normal Vote. Unless a representative requests an Alternate Normal Vote, pursuant to paragraph (e)(iii), all actions requiring a Normal Vote, as specified in Section 6.4(b) or 6.4(d), shall require an affirmative vote of at least fifty-one percent (51%) of the total number of Project Participants, without regard to each Project Participant’s Entitlement Share.

(iii) Alternate Normal Vote. Any representative may request that any Normal Vote be taken on an Entitlement Share basis (referred to as an “**Alternate Normal Vote**”). If a representative requests an Alternate Normal Vote, then the following vote requirements shall apply:

(A) If any individual Project Participant has an Entitlement Share exceeding fifty percent (50%), then all actions for which an Alternate Normal Vote is taken shall require that the Project Participant with an Entitlement Share exceeding fifty percent (50%) plus any other Project Participant vote in the affirmative.

(B) If no individual Project Participant has an Entitlement Share exceeding fifty percent (50%), then all actions for which an Alternate Normal Vote is taken shall require an affirmative vote of Project Participants having Entitlement Shares aggregating at least fifty-one percent (51%) of the total Entitlement Shares.

APPROVAL DRAFT