



Board of Directors Regular Meeting Agenda

Wharfinger Building, Bay Room (downstairs)
1 Marina Way, Eureka, CA 95501

Thursday, June 25 2026
3:30 PM

Meeting Information

Meeting Reports and Comments

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, including those received less than 72 hours prior to the Board's meeting, will be made available to the public at redwoodenergy.org.

Speakers wishing to distribute materials to the Board at the meeting must provide 13 copies to the Board Clerk.

How to Participate

This is a hybrid in-person and virtual meeting. When technical difficulties arise that prevent members of the public from offering comments, or if broadcasting is disrupted due to matters out of RCEA's control, this meeting will be discontinued unless otherwise allowed by law.

To participate in the meeting online, go to <https://us02web.zoom.us/j/81972368051>.

To participate by phone, call (669) 900-6833 or (253) 215-8782. Enter webinar ID: 819 7236 8051.

To speak during the public comment periods, raise your hand in the online Zoom webinar, or press star (*) 9 on your phone to raise your hand. Staff will ask you to unmute your phone or computer when it is your turn. You will have 3 minutes to speak.

Email written comments to PublicComment@redwoodenergy.org. Identify the agenda item number in the subject line. Comments will be included in the meeting record but not read aloud during the meeting.

Accessibility

Need help with accessibility? Any member of the public needing special accommodation to participate in this meeting or access the meeting materials should email LTaketa@redwoodenergy.org or call (707) 269-1700 at least 3 business days before the meeting. Assistive listening devices are available.

Open Session (Call to Order)

1. Roll Call | Remote Director Participation

- 1.1. Brown Act Teleconference Participation Rules

2. Reports from Member Entities

3. Oral & Written Communications

This time is provided for people to address the Board or submit written communications 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.

4. Staff Reports

- 4.1. Executive Director's Report

5. Consent Calendar

All matters in the Consent Calendar section are considered 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.

- 5.1. Adopt Minutes of May 28, 2026, RCEA Board of Directors Meeting.
- 5.2. Approve Disbursement Report for April 2026, and Financial Reports for This Fiscal Year Through April 2026.
- 5.3. Receive Regulatory and Legislative Policy Platform Engagement Report.
- 5.4. Receive Proposed Amendments to the Redwood Coast Energy Authority Conflict of Interest Code Due to Changed Board Membership and Agency Reorganization.
- 5.5. Approve the Updated Compensation Policy, Employee Performance Review Policy, and Anti-Harassment Policy and Transfer Authority for Future Updates and Approval of the Employee Performance Review Policy and Anti-Harassment Policy to the Executive Director.
- 5.6. Approve the General Counsel, Director of Engagement and Regional Climate Planning and Accounting Manager Job Descriptions.

6. Items Removed from Consent Calendar

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

Community Choice Energy (CCE) Business

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.

7. Old CCE Business

- 7.1. Energy Risk Management Semi-Annual Report

Accept Energy Risk Management Semi-Annual Report and provide feedback to staff on information presented to inform any further analysis or future Board actions.

8. New CCE Business – None

End of CCE Business | Resume RCEA Board Business

9. Old Business - None

10. New Business

10.1. Power Purchase Agreement Prepayment and Bond Financing

Authorize the following steps to establish pre-payment bond financing:

Authorize the Executive Director to take the necessary steps to finalize and execute Limited Assignment Agreements (LAAs) among RCEA, J. Aron & Company (a subsidiary of Goldman Sachs), and four sellers identified in existing Power Purchase Agreements (EDP Renewables, Humboldt Sawmill Company, Radial Power and Renewable Properties):

Adopt Resolution No. 2026-8 authorizing the execution and delivery of a Clean Energy Purchase Contract and certain other documents in connection with the issuance of California Community Choice Financing Authority Clean Energy Project Revenue Bonds; and certain other actions required to ensure the reduction in the cost of renewable energy therewith; and

Authorize the Executive Director to take any further steps necessary to fully execute the pre-pay transaction.

10.2. RCEA Annual Budget

Adopt recommended RCEA Fiscal Year 2026-2027 Annual Budget.

10.3. 2026 California Public Utility Commission Integrated Resource Plan Portfolio Options

Provide feedback to staff on the proposed 2026 Integrated Resource Plan portfolio.

11. Future Agenda Items

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

12. Adjournment

Next Regular Meeting

Thursday, July 23, 2026 | 3:30 PM

Wharfinger Building Bay Room (downstairs), 1 Marina Way, Eureka, CA 95501
Online and phone participation is available via Zoom.

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Staff Report

Agenda Item # 1.1

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Eileen Verbeck, Deputy Executive Director
Subject	Revised Member Teleconference Participation Rules

Background

When emergency Brown Act meeting law changes went into effect in 2020 due to the COVID-19 public health emergency, the RCEA Board of Directors, Community Advisory Committee (CAC) and the subcommittees of those bodies met online via teleconference using the Zoom platform with no physical, public meeting location. Since the pandemic, the Brown Act has been amended to codify modern teleconference meeting practices both during and outside of declared states of emergency. SB 707 (Durazo, 2025) sets out the latest Brown Act revisions which were signed into law on October 3, 2025.

Summary

RCEA Board Directors may attend up to two meetings per year from a remote location without making the location accessible to the public for the following, revised, “just cause” reasons:

1. Childcare or caregiving to child, parent, grandparent, grandchild, sibling, spouse, domestic partner;
2. Contagious illness that prevents in person attendance;
3. Mental or physical need not subject to reasonable accommodation provisions;
4. Travel while on official business of RCEA or another state or local agency;
5. Immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires remote participation;
6. Physical or family medical emergency; or
7. Military service obligations.

A vote is not necessary to request remote attendance for just cause, including for medical emergency remote attendance per SB 707 revisions. A brief description, protecting the Director’s (or family member’s) medical privacy, must be provided and the Director must publicly disclose whether anyone 18 years of age or older is present in the room at the remote location, and the general nature of the individual’s relationship with the Director.

At a future meeting, staff will recommend Board adoption of a revised Teleconferencing Policy capturing the latest Brown Act revisions and provide the Board an opportunity to pass a resolution enabling remote meeting participation for members who must travel at least 20 miles to the Wharfinger Building.



Staff Recommendation

None. Information only.

Required Distribution Information

The **Revised** Ralph M. Brown Act

[Link to California Government Code Sections 54950 - 54963¹](#), revised October 3, 2025, by SB 707 (Durazo, 2025).

Redwood Coast Energy Authority List of Physical Meeting Locations

Body	Date	Time	Location
Board of Directors	4 th Thursday of each month	3:30 p.m.	Wharfinger Building, 1 Marina Way, Eureka, CA 95501
Community Advisory Committee	2 nd Tuesday of odd-numbered months	6 p.m.	Jefferson Community Center Auditorium, 1000 B Street, Eureka, CA 95501
Finance Committee	As needed, dates TBD	TBD	RCEA Offices, 633 Third Street, Eureka, CA 95501

¹ [The Revised Ralph M. Brown Act, California Code, GOV 54950.5 - 54963:](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=5.&part=1.&chapter=9.&article=)
https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=5.&part=1.&chapter=9.&article=



Staff Report

Agenda Item # 4.1

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Elizabeth Burks, Executive Director
Subject	Executive Directors' Report

Summary

Executive Director Elizabeth Burks will provide updates on topics as needed.

RCEA Updates

Building Purchase

On June 4, 2026, RCEA became the official owner of 718 3rd Street, Eureka! In the coming months we will work on solicitations to begin the buildout of the warehouse for office use. This is a great step towards getting all RCEA staff under one roof.

Call Log Summary

In May 2026 there were 115 incoming phone calls. The top categories for phone calls were:

- Billing Inquiry: 29
- Rebate Inquiry: 22
- NEM Cash Out Request: 15
- Collections: 8

Billing and rebate inquiries continue to generate a lot of call volume. Billing inquiries are most often requests for assistance in understanding their statements.

Opt Outs

There were nine opt outs in May. Three of those spoke with RCEA staff before opting out.

There has been a total of 193 opt outs this fiscal year (as of 6/10/26).

NREN Update

Last month, the RCEA NREN team completed five home energy assessments, gave out 15 efficiency kits, and paid out \$5,951 in rebates to Humboldt County customers.

In 2026 so far, the RCEA NREN team completed 31 home energy assessments, gave out 97 efficiency kits, and paid out \$54,305 in rebates to Humboldt County customers.



In 2026, across the 17 NREN counties, NREN completed 103 home energy assessments, gave out 674 efficiency kits, and paid out \$96,856 in rebates to customers.

NREN Partner	Rebates		Efficiency Kits		Energy Assessments	
	May	YTD	May	YTD	May	YTD
RCEA	\$5,951	\$54,305	15	97	5	31
LAPC	\$240	\$2,523	70	236	7	22
MCOG	\$1,125	\$5,094	7	75	5	14
SBC	\$9,341	\$39,934	39	266	8	36
Total	\$16,657	\$96,856	131	674	25	103

NREN Engagement Opportunity

The CPUC requested that all Regional Energy Networks, including NREN, engage their communities to gather their input on how we can best measure success in serving equity communities and supporting market development for energy efficiency and electrification programs. We are seeking volunteers from the RCEA Board to participate remotely in a brief (1 hour) focus group with RCEA staff to collect responses for the CPUC. To avoid potential quorum conflicts, the focus group should be no more than five Board members, but we are happy to schedule multiple sessions if there is interest. We are also happy to engage with anyone individually if preferred. Once we have volunteers, staff will work to schedule the meeting.

Our NREN partners will be working with their respective communities, and we will also engage with the RCEA Community Advisory Committee at their July meeting.

California Climate and Energy Forum (CCEC)

Several Staff (including the Executive Director) will participate in the 2026 California Climate and Energy Forum from June 24-25. This forum is the primary gathering of Regional Energy Networks throughout the state and brings together several hundred local government staff, elected officials, and community organizations, to collaborate and learn from each other as they work to advance fair and equitable climate change and energy practices. The NREN team will host a panel discussion: “Community Partnerships in Rural Northern California.” Special thanks to RCEA Board Alternate Heidi More Guynup for attending and speaking on our panel.

Federal Policy

In addition to the items in the attached May Federal Activity Report attachment, on May 4, the California Energy Commission (CEC) issued a subpoena to Golden State Wind seeking details about its agreement with the U.S. Department of the Interior to relinquish its Morro Bay lease and avoid future U.S. offshore wind development, while investing in oil and gas projects outside California in exchange for \$120 million. The CEC is investigating due to a lack of transparency and concerns about the use of taxpayer funds.



Staff Recommendation

None. Information only.

Attachments

1. Community Outreach Events Summary
2. LEAN/Community Choice Energy Alliance Federal Activity Report – May 2026

Redwood Coast Energy Authority – Community Outreach & Events Summary



Each month, RCEA connects with community members across Humboldt County through events, presentations, and outreach efforts that build awareness of our programs and services. This summary provides a snapshot of our outreach reach, engagement highlights, and upcoming opportunities to connect with the community.

June 2026

AT A GLANCE

Events

We participated in a variety of community events, including the McKinleyville Chamber's Pony Express Days Festival, Oyster Fest, Juneteenth Celebration, and the Loleta Community Resource Center Food Pantry Distribution.

Attendees appreciated us being there and providing resource information and handouts.

Next Month

In July, we'll staff another table at Friday Night Market, the Arcata Farmer's Market, and Music in the Park in McKinleyville.



Federal Affairs Updates

Weekly Policy Brief



Community Choice
Energy Alliance

The National Voice for Affordable, Clean, & Reliable Power



CCA Federal Affairs Weekly Updates

06-04-26 Weekly Policy Brief
By Community Choice Energy Alliance

This Week in Washington:

1. House Appropriations Committee Releases FY27 Labor-HHS Appropriations Bill
2. House Appropriations Committee Advances FY27 Interior-Environment Spending Bill
3. House Approves Package of Geothermal Energy Bills
4. DOE Adds Sunset Dates to 29 Regulations
5. DOE Releases Updated Guidance on Energy Efficiency Rebate Program
6. Commissioner LaCerte Blames Big Tech for Anti-Data Center Sentiment
7. Trump Signs Executive Order on AI Cybersecurity

CONGRESSIONAL UPDATES

1. House Appropriations Committee Releases FY27 Labor-HHS Appropriations Bill

On June 4, the House Appropriations Committee released its FY27 spending bill to fund the Departments of Labor and Health and Human Services. The bill would provide \$189.3 billion in discretionary funding, a decrease of \$5.6 billion from the FY26 enacted level. **Notably, the spending bill would appropriate \$4.055 billion to the Low Income Home Energy Assistance Program (LIHEAP), a \$10 million increase from FY26.** The increase in LIHEAP funding stands in contrast to the President's budget request, which proposed eliminating the program. Although the Trump administration has sought to eliminate LIHEAP funding in every prior budget request, the program has consistently retained strong bipartisan support in¹¹

2. House Appropriations Committee Advances FY27 Interior-Environment Spending Bill

On June 3, the House Appropriations Committee advanced the FY27 Interior, Environment, and Related Agencies spending bill by a vote of 35-27 along party lines. The bill provides a total of \$38.9 billion, with the Interior Department's top-line funding set at \$15.24 billion.

Interior's portion reflects a 2% increase over FY26 levels, although several agencies would receive slight funding decreases under this bill. Notably, the U.S. Wildland Fire Service would be funded at \$1.164 billion, with a separate \$380 million suppression reserve fund. The **Environmental Protection Agency (EPA) would see its budget cut by 20%, or \$1.8 billion, to \$7.04 billion.** During the markup, Democrats on the panel offered a variety of amendments to the legislation, including one to add permitting certainty requirements for the Interior Department, all of which failed to be adopted. The committee did adopt two amendments from Rep. Mike Simpson (R-ID), a manager's amendment that makes technical bipartisan changes, and an amendment including a language that **requires a report to justify the newly proposed offshore wind inspection fees.** No date has been set for the spending bill's consideration by the full House. Final FY27 funding levels are expected to change as House and Senate appropriators negotiate a final compromise bill.

3. House Approves Package of Geothermal Energy Bills

On June 2, the House **passed "Geothermal Energy Advancement Act" (H.R. 5631) by voice vote under suspension of the rules , demonstrating the broad bipartisan support geothermal has received from this Congress.** H.R. 5631 included the "Geothermal Energy Opportunity (GEO) Act" (H.R. 301), which would require the Interior Department to process geothermal lease applications within 60 days; the "Streamlining Thermal Energy through Advanced Mechanisms (STEAM) Act" (H.R. 1077), which expedites National Environmental Policy Act reviews; the "Geothermal Cost-Recovery Authority Act of 2025" (H.R. 398) which would allow the Interior Department to collect fees for geothermal permitting and inspection processes; the "Geothermal Gold Book Development Act" (H.R. 5617), which directs Interior to create environmental guidelines for geothermal projects; the "Geothermal Royalty Reform Act" (H.R. 5638), which reforms royalty rules for cost allocation of geothermal facilities; and the "Geothermal Ombudsman for National Deployment and Optimal Reviews Act" (H.R. 5631), which would create a geothermal ombudsman and permitting task force within the Interior Department. The House separately passed the "CLEAN Act" (H.R. 1687) which would direct the Interior Department to increase the frequency of lease sales and impose deadlines for processing geothermal drilling permits, also by voice vote.

ADMINISTRATION UPDATE

4. DOE Adds Sunset Dates to 29 Regulations

On May 28, the Department of Energy (DOE) issued a direct final rule to add sunset provisions to 29 federal regulations. The rule would **add a conditional expiration date to these regulations, including rules on nuclear energy and used fuel, greenhouse gas reporting programs, DOE contractor employee programs, and the Office of Science financial**¹²

assistance program. However, the expiration date for each regulation could be extended by up to five years by DOE. The sunset rule follows an April 2025 Executive Order that directed federal agencies to add sunset provisions to regulations governing energy production. In the *Federal Register* notice, DOE argued that the sunset provisions are necessary to repeal outdated regulations and increase freedom, economic growth, and innovation. The move has already been criticized by opponents who argue the direct final rule skips the necessary procedural steps, including meaningful public input, required to sunset federal regulations. However, the notice states that if significant adverse comments are received within 30 days of publication, DOE will withdraw the rule and move forward with a proposed rule.

5. DOE Releases Updated Guidance on Energy Efficiency Rebate Program

The Department of Energy (DOE) has issued new guidance for the High-Energy Efficiency Home Rebate (HEEHR) program. The program, initially created under the Inflation Reduction Act (IRA), is designed to provide rebates to individuals who purchase high efficiency electric appliances and heat pumps for their homes. **Under the updated guidance, the program restricts the use of rebates for “fuel switching”—the replacement of gas-powered appliances and equipment with electric alternatives—even though such upgrades are an eligible use of funds under the IRA. Rebates remain available for replacing existing electric appliances with more energy-efficient electric models.** Almost \$4.5 billion had been allocated to the program under IRA, however, the funds had been paused under the Trump administration as DOE reviewed the program. **12 states and Washington, DC have already established HEEHR programs prior to the pause and are being given three months to update their program to comply with the new guidance and resubmit for DOE review.**

6. Commissioner LaCerte Blames Big Tech for Anti-Data Center Sentiment

Federal Energy Regulatory Commission (FERC) member David LaCerte blamed Big Tech for the growing anti-data center sentiment among the American public. On the June 1 episode of the podcast *POLITICO Energy*, Commissioner LaCerte argued that developers were slow to respond to the constraints of the power grid as they sped to construct more data center facilities and struggled to communicate the benefits of AI development with the public. **Commissioner LaCerte’s comments come as FERC is preparing to release rules this month for connecting these data centers to the power grid. These proposed rules are almost ready, according to Commissioner LaCerte.** During the conversation, Commissioner LaCerte also addressed FERC’s frustrations with PJM Interconnection’s slow pace for increasing power generation. Although stopping short of calling for PJM to be broken up, Commissioner LaCerte stated that some Commissioners are supporting reforms for PJM.

7. Trump Signs Executive Order on AI Cybersecurity

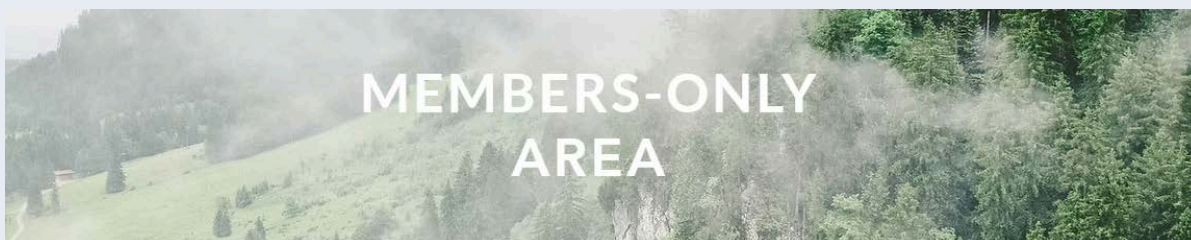
On June 2, President Trump signed an Executive Order (EO) to address potential cybersecurity threats from emerging AI technologies. The order, “Promoting Advanced Artificial Intelligence Innovation and Security,” **asks AI developers to submit their advanced models to a government review 30 days prior to public release, to provide federal agencies the opportunity to determine any threats the AI models may pose.** President Trump had¹³ previously planned to sign a similar EO on May 21 that asked AI developers to submit their

models for review 90 days prior to release but canceled over concerns that the order would slow innovation and harm U.S. competitiveness with China. The final version of the EO maintains many of the same provisions as the discarded draft, such as ordering the Treasury Department to create a “cybersecurity clearinghouse” to partner AI developers with critical infrastructure owners to fix any cybersecurity vulnerabilities the advanced AI models create. The order would also create a process for the National Security Agency, Cybersecurity and Infrastructure Security Agency, and Department of War to determine and classify the national security implications of advanced AI models.

Additional Resources

Log in to [CCEA's Members-Only Portal](#) to access:

- A detailed Members Directory
- Federal Policy Committee documents and materials (*log in to read all weekly and monthly reports, policy briefs, and additional resources*)
- CCEA's curated national CCA database (*for Terawatt members only*)



Community Choice Energy Alliance Partners with Meguire Whitney to Advance Federal Policy and Advocacy for CCAs



A Stronger Voice for CCAs

[Visit our Website](#)



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Board of Directors Draft Meeting Minutes

Wharfinger Building, Bay Room (downstairs)
1 Marina Way, Eureka, CA 95501

Thursday, May 28 2026
3:30 PM

Attendance

Present

Natalie Arroyo	Meredith Matthews (Alt. Director)
Scott Bauer	Elise Scafani
Carlos Diaz	Jack Tuttle
Michael Gerace, Chair	Frank Wilson
Skip Jorgensen	

Absent

Jason Ramos	
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Staff and Others Present

Name	Title
Ken Beals	Information Technology Technician
Lori Biondini	Business Planning & Finance Director
Elizabeth Burks	Executive Director
Faith Carlson	Regulatory & Legislative Manager
Ronnie Chaussé	Finance Specialist
Nancy Diamond	RCEA Legal Counsel
Jocelyn Gwynn	Power Resources Senior Manager
Cash Long	Development Director, Paradigm Energy, LLC
Lori Taketa	Board Clerk
Eileen Verbeck	Deputy Executive Director

Open Session (Call to Order)

Chair Gerace called a meeting of the Board of Directors of the Redwood Coast Energy Authority to order at the above location and date at 3:30 p.m. Notice of this meeting was posted on May 22, 2026.

2. Reports from Member Entities

Director Arroyo invited people to attend the Harbor District Community Advisory Committee informational workshop on the Humboldt Bay heavy lift marine terminal at the Arcata Community Center.

4. Staff Reports

4.1. Executive Director's Report

Four board and three staff members traveled to PG&E's Diablo Canyon nuclear power plant on the San Luis Obispo coast. The plant's 150-acre footprint is sited on 15,000 acres and is separated from residents by 7 miles, unlike the former King Salmon nuclear site. The plant provides 9% of California's power and 17% of the state's carbon-free power. The federal government granted the facility a 20-year license extension. Matching California licensing legislation will be introduced. Participating directors were impressed by the site's magnitude, engineering and scale of energy production and expressed a desire to learn more about nuclear energy and feasible replacement energy when the plant ceases operation.

RCEA efforts to increase visibility in the community are accelerating with summer events and the Sponsoring Our Communities Program. Sponsored community projects include the Eureka Friday Night Market and Blue Lake Rancheria's Pathways to Trust educational event (which was also sponsored by the Northern Rural Energy Network) about working with tribal partners.

Climate Action Plan participating city managers report that their jurisdictions may not be able to honor funding commitments for the Regional Climate Action Plan (RCAP) Administrator position this year due to budget shortfalls.

Martha Walden of 350 Humboldt supported funding the RCAP administrator position and not adding that position's work to other staff positions. Ms. Walden requested transparency of RCAP working group meetings with inclusion of an at-large representative.

Colin Fiske of the Coalition for Responsible Transportation Priorities stated that local environmental groups will advocate to local governments to fund their share of the RCAP administrator position.

Matt Simmons, Environmental Protection Information Center climate attorney, supported funding the administrator position and pointed to co-benefits of implementing the Climate Action Plan. The Chair closed the public comment period.

5. Consent Calendar

- 5.1. Approve Minutes of April 23, 2026, RCEA Board of Directors Meeting.
- 5.2. Approve Disbursement Report for March 2026, and Financial Reports for This Fiscal Year Through March 2026
- 5.3. Approve Payment of California Community Power Annual Dues of \$178,049 and Joint Action and Special Projects Participation Fees of \$667,682 for Fiscal Year 2026-27.

- 5.4. Approve Payment of California Community Choice Association Annual Dues of \$135,790 for Fiscal Year 2026-27.
- 5.5. Award Professional Services Agreement to CLEAResult for Commercial Direct-Install Implementation Services for the Northern Rural Energy Network for a Not-to-Exceed Value of \$409,170 and Authorize the Executive Director to Execute All Applicable Documents.

Executive Director Burks requested discussion of item 5.5. There were no other requests for consent calendar item discussion.

M/S: Bauer, Arroyo: Approve Consent Calendar items 5.1 through 5.4.

The motion passed with a unanimous voice vote. Ayes: Arroyo, Bauer, Diaz, Gerace, Jorgensen, Matthews, Scafani, Tuttle, F. Wilson. Noes: None. Absent: Ramos. Abstain: None.

6. Items Removed from Consent Calendar

Executive Director Burks corrected the total not-to-exceed value of the professional services agreement.

M/S: Scafani, Diaz: Award Professional Services Agreement to CLEAResult for Commercial Direct-Install Implementation Services for the Northern Rural Energy Network for a Not-to-Exceed Value of \$479,048 and Authorize the Executive Director to Execute All Applicable Documents.

The motion passed with a unanimous voice vote. Ayes: Arroyo, Bauer, Diaz, Gerace, Jorgensen, Matthews, Scafani, Tuttle, F. Wilson. Noes: None. Absent: Ramos. Abstain: None.

7. Old Business

7.1. CC Power Fish Lake Geothermal Power Purchase Agreement Amendment 1

Power Resources Senior Manager Gwynn presented details about the Fish Lake geothermal project, including RCEA's annual offtake which will be enough to power about 500 homes, and the value of the project's round-the-clock energy generation and resource adequacy in meeting state mandated procurement targets. The amendment updates the project's commercial operation date, adjusts the contract price to cover increased tariff costs, increases the potential project capacity, and revises the project's delivery point into California from Nevada. The directors inquired about the project's water source and about geothermal power production in general. There were no public comments on this agenda item.

M/S: Scafani, Jorgensen: Approve RCEA's Continued Participation in California Community Power's Fish Lake Geothermal Power Purchase Agreement Under Amendment 1.

The motion passed with a unanimous vote. Ayes: Bauer, Diaz, Gerace, Jorgensen, Matthews, Ramos, Scafani, Tuttle, F. Wilson, M. Wilson. Noes: None. Absent: Ramos. Abstain: None.

8. New Business

The Chair reordered New Business discussion items to accommodate online participants.

8.3. Paradigm Wind Power Purchase Agreement (Information only)

8.4. Senior Power Resources Manager Gwynn and Paradigm Energy's Cash Long described the coming power purchase agreement for the 4-megawatt Paradigm Wind repower project in Kern County's Tehachapi Wind Resource Area. The project will replace 8 existing turbines with 6 larger turbines and will require no ground-level changes. The project is expected to come online early next year and will generate enough power for about 2,000 homes, often during periods when solar energy is unavailable. The project was recommended despite a slightly negative net present value over the 15-year contract term, due to its low development risk and resource diversity benefits. The Paradigm project would be the first wind project in RCEA's long-term power portfolio. The project may provide resource adequacy depending on grid upgrades by utility Southern California Edison and the California Independent System Operator. RCEA would receive this resource adequacy at the same contract price in exchange for covering the interconnection study fees. The board discussed the consistency of the Tehachapi wind resource, the area's peak wind season, future potential battery storage, and low risk of bird deaths with new, slower-moving turbines. There were no public comments on this agenda item.

8.1 Budget Strategies for Fiscal Year 2026-2027

Executive Director Burks led a discussion to determine changes the Board was willing to make given upcoming budget challenges. Business Planning and Finance Director Biondini described forecasted power purchase and sales and operational factors leading to an anticipated \$9.4 million operating loss for the next fiscal year. Potential strategies to address budget challenges include selling renewable energy certificates (RECs), reducing customer programs, delayed hiring for approved staff positions and strategic plan update work, and increasing retail generation rates to maintain cash reserves above \$26 million thereby avoiding fees and a more drastic rate increase later. Some directors expressed reluctance to increase customer rates in the current economy while others expressed openness to considering a rate increase as a last resort. They discussed the challenges of selling RECs in a depressed market and considered offering a lower baseline product to mitigate customer opt-outs due to a rate increase. The group discussed other cost saving measures such as having in-house staff update the strategic plan rather than using consultant support, and the potential positive budget impacts of power purchase agreement prepayment and a low-cost loan for the office building purchase.

The Coalition for Responsible Transportation Priorities, the Environmental Protection Information Center, Humboldt Waterkeeper, 350 Humboldt and Redwood Coalition for Climate and Environmental Responsibility submitted a letter requesting hiring and funding a Regional Climate Action Plan Administrator and Director of Engagement and Regional Climate Planning, member agency funding of the RCAP administrator position, convening a Brown Act Regional Climate Committee as soon as possible and continued RCEA funding of programs implementing RCAP measures.

Colin Fiske of the Coalition for Responsible Transportation Priorities reiterated the importance of funding the Engagement and Climate Planning Director position and member agency funding of the RCAP administrator to meet climate targets by agreed upon deadlines. Mr. Fiske reminded the Board that RCEA's customer programs and 100% carbon free portfolio are included in Climate Action Plan measures and cutbacks will affect full implementation of those measures.

EPIC Climate Attorney Matt Simmons supported offering a lower-priced option to encourage customers not to opt out and enrolling new customers into RePower+ by default. Mr. Simmons reminded the group

that electrification rebates such as for eBikes and electric vehicles represent an investment in growing customer electricity sales.

Member of the public Wendy Ring stated that local governments have authority to lower over 30% of regional greenhouse gas emissions. Dr. Ring supported funding the RCAP administrator position and stated that finding RCAP implementation to be economically infeasible threatens the County General Plan's and RCAP's CEQA status as a qualified plan. Dr. Ring supported RCEA funding of the RCAP staff position, pointed to state funding for new and used electric vehicle rebates, and requested that RCAP working group meetings be open to the public. The Chair closed the public comment period.

Board direction to staff when drafting the fiscal year 2026-27 budget included: funding the new Director of Engagement and Regional Climate Planning position; lowering cash reserves to a minimum before considering minimal rate increases; reducing the strategic planning budget to staff implementation levels; and reducing customer rebate programs minimally.

8.5. RCEA Office Building Purchase

Deputy Executive Director/Director of Operations Verbeck described the property which RCEA is in contract to purchase, the current tenant lease, planned improvements, staff move-in plans and reduction of RCEA's rented office space expenses. The cash purchase is included in this fiscal year's budget projections. Staff are applying for a low-interest loan to reimburse RCEA for the purchase cost and to pay for renovations. The potential loan/reimbursement was not reflected in next fiscal year's budget. If granted, the loan would positively affect RCEA's financial outlook in upcoming fiscal years, and rental income from the current tenant would cover the loan interest. The directors discussed how building ownership could impact grant-covered costs and congratulated staff for skillfully navigating office space negotiations. There was no public comment on this item.

M/S: Matthews, Tuttle:

Adopt Resolution No. 2026-5, Accepting Real Property Interests in Assessor's Parcel Number 001-135-007, 718 3rd Street, Eureka, CA.

Approve the expenditure of \$3,800,000 plus closing fees and costs for the acquisition of real property at 718 3rd Street, Eureka, CA, APN 001-135-007.

The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Diaz, Gerace, Jorgensen, Matthews, Scafani, Tuttle, F. Wilson. Noes: None. Absent: Ramos. Abstain: None.

Closed Session

10.1. Public Employment, pursuant to Government Code Section 54957(b): General Counsel.

There were no public comments on this closed session item. The Board adjourned to closed session at 5:59 p.m. and reconvened the open session at 6:34 p.m. Chair Gerace stated there were no closed session reports and adjourned the meeting at 6:34 p.m.

Lori Taketa
Clerk of the Board

DRAFT



Staff Report

Agenda Item # 5.2

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Lori Biondini, Business Planning and Finance Director
Subject	Profit & Loss, Balance Sheet and Monthly Disbursements Reports

Summary

The attached Disbursements Report lists RCEA's checks, debits, and electronic payments made during the period identified on the report. The Business Planning and Finance Director certifies that the disbursements were drawn in payment of demands conforming to RCEA's adopted Financial Policy and budget.

The Financial Reports (Profit & Loss Budget vs. Actual and Balance Sheet) are presented to keep the Board apprised of current agency receipts and spending relative to budget line items.

Alignment with RCEA's Strategic Plan

Agency financial tracking and reporting are necessary administrative functions supporting RCEA strategic plan goal implementation.

Financial Impact

The disbursements presented were drawn in payment of demands included within the adopted budget.

Staff Recommendation

Approve Disbursement Reports for April 2026, and Financial Reports for This Fiscal Year Through April 2026.

Attachments

1. Disbursements Report for April 1 through April 30, 2026
2. Profit & Loss Budget vs. Actual Report, July 2025 through April 2026
3. Balance Sheet as of April 30, 2026

Redwood Coast Energy Authority Disbursements Report As of April 30, 2026

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	04/08/2026	ACH	Pitney Bowes-Rental	Mailstation Lease 04/13/26-06/12/26	-72.07
Bill Pmt -Check	04/10/2026	ACH	Baker Tilly Advisory Group, LP	Mar 2026 RCAM IRA Compliance Management	-704.23
Bill Pmt -Check	04/10/2026	ACH	CA Community Power	2026 RA Report-Gridwell Consulting	-7,333.33
Bill Pmt -Check	04/10/2026	ACH	CalCCA	Operational Member Dues Qrtly FY 25-26 Q4	-32,958.75
Bill Pmt -Check	04/10/2026	ACH	Sonoma Clean Power Authority	Mar 2026 - Flex RA	-261,000.00
Bill Pmt -Check	04/10/2026	ACH	Viridity Energy Solutions, Inc.	Mar 2026 - Tierra Buena RA	-32,448.00
Liability Check	04/10/2026	ACH	Ascensus	4/10/26 Payroll	-15,509.80
Liability Check	04/10/2026	ACH	Ascensus	4/10/26 Payroll	-13,164.91
Liability Check	04/10/2026	ACH	EDD	4/10/26 Payroll	-8,290.93
Liability Check	04/10/2026	ACH	Internal Revenue Service	4/10/26 Payroll	-35,546.98
Bill Pmt -Check	04/10/2026	ACH	Choice Digital Corp	NREN Rebate Funding- 3 Rebates 4/9/26	-850.00
Check	04/10/2026	22286	NREN Customer	Rebate NREN Equipment Res	-100.00
Check	04/10/2026	22287	NREN Customer	Rebate NREN Heat Pump HVAC	-2,197.00
Check	04/10/2026	22288	NREN Customer	Rebate NREN Equipment Res	-800.00
Check	04/10/2026	22289	NREN Customer	Rebate NREN Equipment Res	-150.00
Bill Pmt -Check	04/10/2026	22290	Adventures Edge	April 2026: 1 E-Bike Voucher	-400.00
Bill Pmt -Check	04/10/2026	22291	Amazon.com	Monthly billing - Mar 2026	-1,286.26
Bill Pmt -Check	04/10/2026	22292	AT&T	RCAM Router charges - 02/19-03/18/26	-163.00
Bill Pmt -Check	04/10/2026	22293	Bithell, M.	March 2026 Mileage	-17.40
Bill Pmt -Check	04/10/2026	22294	Braun Blaising & Wynne, P.C.	Legal Services - Feb 2026	-2,522.66
Bill Pmt -Check	04/10/2026	22295	Briceland Volunteer Fire Department	RRGP Training & Classes Nov. 2025	-8,000.00
Bill Pmt -Check	04/10/2026	22296	City of Eureka-Water	Water service 917 & 633 3rd. St.	-375.72
Bill Pmt -Check	04/10/2026	22297	Concoby, M.	Travel Reimbursement: TEA Symposium	-97.92
Bill Pmt -Check	04/10/2026	22298	Donald Dame	CCE Consulting services- Mar 2026	-218.75
Bill Pmt -Check	04/10/2026	22299	EAN Services, LLC	Staff travel vehicle rentals March 2026	-245.30
Bill Pmt -Check	04/10/2026	22300	Engel, R.	Travel Reimbursement: CC Power Mtg	-103.31
Bill Pmt -Check	04/10/2026	22301	Humboldt Bay Coffee Co.	Office Coffee- 633 3rd St.	-64.10
Bill Pmt -Check	04/10/2026	22302	North Coast Cleaning Services, Inc.	March 2026	-1,090.00
Bill Pmt -Check	04/10/2026	22303	PG&E- EV	Maple Ln Garberville: 2/26/26-3/26/26	-80.29
Bill Pmt -Check	04/10/2026	22304	PG&E-Office Utility	633 3rd Street: 2/13-3/16/26	-1,302.68
Bill Pmt -Check	04/10/2026	22305	PG&E CCA	Feb 2026 CCE Charges	-21,893.41
Bill Pmt -Check	04/10/2026	22306	Revolution Bicycles, Inc.	2 e-bike Vouchers March 2026	-1,200.00
Bill Pmt -Check	04/10/2026	22307	Rise Energy	RCAM Electrical maintenance and diagnostic	-6,000.00
Bill Pmt -Check	04/10/2026	22308	Shred Aware	Shredding services - Mar 2026	-68.95
Bill Pmt -Check	04/10/2026	22309	Stephens Electrical, Inc	RRGP Solar & Battery Project: Hoopa FD	-4,750.00
Bill Pmt -Check	04/10/2026	22310	Taketa, L.	March 2026 Purchase Reimbursement	-12.17
Bill Pmt -Check	04/10/2026	22311	Times Printing Company	March 2026 mailers and postage	-2,788.74
Bill Pmt -Check	04/10/2026	22312	Ubeo Business Services	633+ 917 3rd St Printer Charges: 3/06-04/05/26	-230.17
Paycheck	04/10/2026	ACH	Employees	Payroll	-86,910.13
Bill Pmt -Check	04/13/2026	ACH	The Energy Authority	CISO040826 Mar 2026	-61,949.75
Bill Pmt -Check	04/15/2026	ACH	The Energy Authority	Monthly TEA Invoice #TEA22026 Mar 2026	-1,608,396.48
Check	04/17/2026	ACH	VISA- Commercial Card	Statement Date 3/31/26 BL Acct 1901	-21,154.94
Bill Pmt -Check	04/20/2026	ACH	Choice Digital Corp	NREN Program Inspection Pre-Funding	-5,000.00
Bill Pmt -Check	04/20/2026	ACH	Choice Digital Corp	NREN Res Rebate Pre-Funding	-10,000.00
Check	04/21/2026	Debit	Columbia Bank	Service Charge	-99.53
Check	04/21/2026	Debit	Columbia Bank	Service Charge	-306.40
Liability Check	04/24/2026	ACH	Ascensus	424/26 Payroll	-14,188.80
Liability Check	04/24/2026	ACH	Ascensus	4/24/26 Payroll	-13,426.14

Redwood Coast Energy Authority

Accrual Basis

Disbursements Report As of April 30, 2026

Type	Date	Num	Name	Memo	Amount
Liability Check	04/24/2026	ACH	CICCS Coalition for Controlling Insurance	April 2026 Premiums	-68.68
Liability Check	04/24/2026	ACH	EDD	4/24/26 Payroll	-8,924.97
Liability Check	04/24/2026	ACH	Internal Revenue Service	4/24/26 Payroll	-37,807.26
Liability Check	04/24/2026	ACH	Keenan	May 2026 Premiums	-51,491.73
Liability Check	04/24/2026	ACH	Principal Life Insurance Company	May 2026 Premiums	-122.16
Bill Pmt -Check	04/24/2026	ACH	CA Dept. of Tax & Fee Administration	Electrical Energy Surcharge Return Q1 2026	-41,584.00
Bill Pmt -Check	04/24/2026	ACH	CalPine Corporation	Mar 2026 Data management	-68,542.94
Bill Pmt -Check	04/24/2026	ACH	EDPR CA Solar Park LLC II	Mar 2026-Contract Energy	-844,596.37
Bill Pmt -Check	04/24/2026	ACH	Frontier Energy, Inc.	March 2026 NREN database development	-129,764.37
Bill Pmt -Check	04/24/2026	ACH	Humboldt Sawmill Co.	Mar 2026 Electricity Charge	-687,734.86
Bill Pmt -Check	04/24/2026	ACH	John Winzler	Office Lease - 633 3rd St.	-8,144.97
Bill Pmt -Check	04/24/2026	ACH	Leapfrog Power, Inc	Mar 2026 RA Invoice	-36,740.00
Bill Pmt -Check	04/24/2026	ACH	Mendocino Council of Governments	NREN Implemetation Task Orders Q2 2026	-169,135.15
Bill Pmt -Check	04/24/2026	ACH	Snow Mountain Hydro, LLC	Mar 2026 Electricity	-102,038.14
Bill Pmt -Check	04/24/2026	ACH	Wex Health, Inc	Monthly COBRA Payment	-26.20
Liability Check	04/24/2026	ACH	Colonial Life	May 2026 Premiums	-3,598.89
Bill Pmt -Check	04/24/2026	WIRE	Foster Clean Power A, LLC	Mar 2026 Contract Energy	-31,421.36
Bill Pmt -Check	04/24/2026	WIRE	Foster Clean Power B, LLC	Mar 2026 Contract Energy	-41,902.15
Bill Pmt -Check	04/24/2026	WIRE	PG&E Voluntary Allocation	Dec 2025 Forecast Price- VA	-66,346.82
Check	04/24/2026	22313	NREN Customer	Rebate NREN Equipment Res	-150.00
Check	04/24/2026	22314	NREN Customer	Rebate NREN Equipment Res	-100.00
Check	04/24/2026	22315	NREN Customer	Rebate NREN Equipment Res	-800.00
Check	04/24/2026	22316	NREN Customer	Rebate NREN Equipment Res	-800.00
Check	04/24/2026	22317	CCE Customer	Rebate CCE EV	-2,000.00
Check	04/24/2026	22318	CCE Customer	Rebate CCE EV	-2,000.00
Bill Pmt -Check	04/24/2026	22319	Access Humboldt	Bold Day of Giving Sponsorship & Advertising	-5,000.00
Bill Pmt -Check	04/24/2026	22320	Adventures Edge	April 2026- 2 e-bike vouchers	-800.00
Bill Pmt -Check	04/24/2026	22321	Alzheimer's Association	2026 Walk to End Alzheimer's Sponsorship	-1,000.00
Bill Pmt -Check	04/24/2026	22322	AM Conservation Group, Inc.	April 2026- NREN RESKits & delivery	-35,573.13
Bill Pmt -Check	04/24/2026	22323	AT&T	RCAM data charges: 04/07-05/06/26	-331.95
Bill Pmt -Check	04/24/2026	22324	Bohn, Juliette	Per Diem- 2026 CalCCA Conference	-196.00
Bill Pmt -Check	04/24/2026	22325	Burks, E.	Per Diem- 2026 CalCCA Conference	-110.00
Bill Pmt -Check	04/24/2026	22326	Carter Properties	917 3rd Street Office Lease - May 2026	-2,450.00
Bill Pmt -Check	04/24/2026	22327	Concoby, M.	Per Diem- 2026 CalCCA Conference	-110.00
Bill Pmt -Check	04/24/2026	22328	CPH Sponsored Programs Foundation	Feb 2026 RCAM O&M	-6,122.00
Bill Pmt -Check	04/24/2026	22329	Engel, R.	Per Diem- 2026 CalCCA Conference	-110.00
Bill Pmt -Check	04/24/2026	22330	Eureka Concert and Film Center	Cinema Sponsorship March 2026-Feb 2027	-3,500.00
Bill Pmt -Check	04/24/2026	22331	Gwynn, J.	Per Diem- 2026 CalCCA Conference	-110.00
Bill Pmt -Check	04/24/2026	22332	Hand Therapy Center	Ergonomic evaluations for 3 employees	-750.00
Bill Pmt -Check	04/24/2026	22333	Humboldt Crabs Baseball, Inc	2026 Sponsorship and Advertising	-2,100.00
Bill Pmt -Check	04/24/2026	22334	Humboldt Senior Resource Center	Meals in Motion Sponsor- 3 months	-2,500.00
Bill Pmt -Check	04/24/2026	22335	iPROMOTEu.com, Inc	RCEA Promo: Qty 100 Branded Power Chargers	-621.41
Bill Pmt -Check	04/24/2026	22336	Kegley, Erin B.	Per Diem- 2026 CalCCA Conference	-174.00
Bill Pmt -Check	04/24/2026	22337	Kullmann, S.	Travel Reimbursement: AEC Symposium	-601.34
Bill Pmt -Check	04/24/2026	22338	Law Offices of Nancy Diamond	March 2026 Legal Services	-6,121.25
Bill Pmt -Check	04/24/2026	22339	Law Offices of Nancy Diamond	VOID: Per Diem- 2026 CalCCA Conference	0.00
Bill Pmt -Check	04/24/2026	22340	Law Offices of Susie Berlin	Feb & March 2026 Regulatory Services	-8,585.00
Bill Pmt -Check	04/24/2026	22341	McKinleyville Chamber of Commerce	2026 Annual Membership Dues	-284.00

**Redwood Coast Energy Authority
Disbursements Report
As of April 30, 2026**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
Bill Pmt -Check	04/24/2026	22342	Michael Gerace	VOID: Per Diem- 2026 CalCCA Conference	0.00
Bill Pmt -Check	04/24/2026	22343	Mission Linen & Uniform Service	April 2026 mat service and janitorial supplies	-224.59
Bill Pmt -Check	04/24/2026	22344	Novotny, F.	Per Diem- 2026 CalCCA Conference	-110.00
Bill Pmt -Check	04/24/2026	22345	NYLEX.net, Inc.	Onsite network support services - May 2026	-4,909.00
Bill Pmt -Check	04/24/2026	22346	Optimum Business-633	633 3rd St: Phone & Internet 04/1/26-04/30/26	-1,103.24
Bill Pmt -Check	04/24/2026	22347	PG&E- EV	March 2026 REVNet	-2,077.26
Bill Pmt -Check	04/24/2026	22348	PG&E-Office Utility	03/09-04/6/2026 utilities for 917 3rd Street	-396.60
Bill Pmt -Check	04/24/2026	22349	PG&E - ACV	RCAM site utilities 3/02/26- 4/01/26	-227.88
Bill Pmt -Check	04/24/2026	22350	PG&E CCA	Mar 2026 CCE Charges	-21,904.68
Bill Pmt -Check	04/24/2026	22351	Ramirez, M.	Per Diem- 2026 CalCCA Conference	-174.00
Bill Pmt -Check	04/24/2026	22352	Special District Risk Managment P&L	Additional Insured Certs and added property	-68.65
Bill Pmt -Check	04/24/2026	22353	Stitch Witch	Staff logo wear	-491.66
Bill Pmt -Check	04/24/2026	22354	The Ink People	North Coast Open Studios 2026- 1/2 pg. ad	-650.00
Bill Pmt -Check	04/24/2026	22355	Yakovleva, Vera A.	Per Diem- 2026 CalCCA Conference	-110.00
Bill Pmt -Check	04/24/2026	22356	Fidelity National Title	Increased Deposit:Escrow 718 Third St. Eureka	-27,000.00
Liability Check	04/24/2026	22357	Ameritas Life Insurance Corp.- Vision	May 2026 Premiums	-503.80
Liability Check	04/24/2026	22358	Ameritas Life Insurance Corp. - Dental	May 2026 Premiums	-3,041.36
Paycheck	04/24/2026	ACH	Employees	Payroll	-91,073.34
Bill Pmt -Check	04/27/2026	ACH	The Energy Authority	CISO042226-APR26	-76,487.17
TOTAL					<u>-4,929,013.33</u>

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
 July 2025 through April 2026

	<u>Jul '25 - Apr 26</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
Total 4 GRANTS AND DONATIONS	2,500.00	1,887.00	132.49%
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	8,553,370.34	11,086,774.00	77.15%
Total 5100 · Revenue - program related	766,540.77	577,000.00	132.85%
Total 5300 · Revenue - Interest Earned	1,087,715.96	500,000.00	217.54%
Total 5400 · Revenue-nongovernment agencies	385,608.54	425,000.00	90.73%
Total 5500 · Revenue - Electricity Sales	49,649,247.15	55,895,669.00	88.83%
Total 5 REVENUE EARNED	60,442,482.76	68,484,443.00	88.26%
Total Income	60,444,982.76	68,486,330.00	88.26%
Gross Profit	60,444,982.76	68,486,330.00	88.26%
Expense			
Total 6 WHOLESALE POWER SUPPLY	38,775,327.05	49,327,598.00	78.61%
Total 7 PERSONNEL EXPENSES	4,317,654.36	5,364,096.00	80.49%
Total 8.1 FACILITIES AND OPERATIONS	966,165.08	1,773,801.00	54.47%
Total 8.2 COMMUNICATIONS AND OUTREACH	190,715.51	291,246.00	65.48%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	140,042.02	150,000.00	93.36%
Total 8410 · Contracts - Program Related Ser	5,104,476.90	6,874,697.00	74.25%
8420 · Accounting	198,060.63	228,000.00	86.87%
8430 · Legal	151,255.73	249,000.00	60.75%
8450 · Wholesale Services - TEA	826,738.69	1,077,248.00	76.75%
8460 · Procurement Credit - TEA	108,193.62	143,178.00	75.57%
8470 · Data Management - Calpine	683,609.55	779,435.00	87.71%
8480 · Customer Billing - PG&E	218,774.71	256,634.00	85.25%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	7,431,151.85	9,758,192.00	76.15%
Total 8.6 INCENTIVES & REBATES	327,478.93	1,682,655.00	19.46%
Total 9 NON OPERATING COSTS	88,700.47	129,200.00	68.65%
Total Expense	52,097,193.25	68,326,788.00	76.25%
Net Ordinary Income	8,347,789.51	159,542.00	5,232.35%
Net Income	8,347,789.51	159,542.00	5,232.35%

Redwood Coast Energy Authority
Balance Sheet
As of April 30, 2026

	Apr 30, 26
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	300.00
1060 · Umpqua Checking Acct 0560	592,153.10
1071 · Umpqua Deposit Cntrl Acct 8215	4,890,012.29
1075 · Umpqua Reserve Account 2300	28,151,564.34
1077 · JP Morgan Chase Act 74999	386,207.84
1078 · CA CLASS Reserve Fund 0001	13,400,398.75
Total Checking/Savings	47,420,636.32
Total Accounts Receivable	2,761,387.99
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-9,257,338.47
1103 · Electricity Receivable	14,582,764.80
1120 · Inventory Asset	21,822.24
1205 · Prepaid Insurance	-5,139.24
1210 · Retentions Receivable	110,033.92
1499 · Undeposited Funds	62.50
Total Other Current Assets	5,452,205.75
Total Current Assets	55,634,230.06
Total Fixed Assets	10,463,617.82
Other Assets	
1700 · Security Deposits	795,497.15
1800 · Deferred Outflow of Resources	196,000.00
Total Other Assets	991,497.15
TOTAL ASSETS	67,089,345.03
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	4,553,208.32
Total Credit Cards	20,416.52
Other Current Liabilities	
2002 · Deposits Refundable	1,573,220.01
2011 · NEM Escrow Liability	398,318.37
2013 · Unearned Revenue	6,560,665.83
Total 2100 · Payroll Liabilities	238,652.54
Total 2200 · Accrued Expenses	12,864.97
Total Other Current Liabilities	8,783,721.72
Total Current Liabilities	13,357,346.56
Total Long Term Liabilities	5,654,458.96
Total Liabilities	19,011,805.52
Equity	
3900 · Fund Balance	39,729,805.37
Net Income	8,347,734.14
Total Equity	48,077,539.51
TOTAL LIABILITIES & EQUITY	67,089,345.03



Staff Report

Agenda Item # 5.3

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Faith Carlson, Regulatory and Legislative Policy Manager
Subject	RCEA Regulatory and Legislative Report

Summary

The RCEA Board of Directors adopted the RCEA 2026 Policy Platform in January 2026 to serve as a guide for RCEA's staff regulatory and legislative engagement based on the principles set forth in RCEA's RePower Humboldt strategic plan. In accordance with the procedures as described in the Platform, staff keeps the Board apprised of legislative stances taken by RCEA through periodic reports summarizing RCEA's legislative engagement. This update covers staff actions since April 2026. Federal activity is reported monthly via the Federal Activity report included with the Executive Director's report. Only previously unreported Federal Activity is included below.

Staff Regulatory and Legislative Engagement

By law, RCEA abides by the mandates and regulations of several governing institutions within the state of California, including the California Energy Commission, California Public Utilities Commission, California Independent System Operator (CAISO), California Air Resources Board, and others.

RCEA engages with governing bodies through a few advocacy groups, both for regulatory and legislative issues. The key advocacy groups RCEA participates in are California Community Choice Association (CalCCA), Joint CCAs, and Community Choice Energy Alliance (CCEA). These groups track, draft and submit comments on, and engage in stakeholder groups on issues brought to their attention by their membership.

A summary of tracked legislation and CalCCA positions on various bills from this session is attached, as well as a list of key regulatory topics in which CalCCA or Joint CCAs engage. In the reporting period, RCEA has met with its legislative delegation virtually.

In addition to advocacy through CalCCA, RCEA staff have conducted the following advocacy in alignment with the Policy Platform:

- RCEA, along with Ava Community Energy, MCE, Peninsula Clean Energy and San Jose Clean Energy filed a protest to the CPUC regarding proposed Joint Investor-Owned Utility (IOU) updates to the Technical Assistance Program Handbook, which identifies how IOUs conduct



technical assistance for transportation electrification. The protest asked the CPUC to conditionally approve the updates to the Program Handbook, under the condition that the IOUs clarify the scope of CCA coordination within the TA services, including how relevant CCA offerings such as programs that affect customer load and operating costs, will be incorporated into customer guidance; and define the scope of pre-energization support, including evaluation of project design approaches that minimize infrastructure requirements, cost, and timing.

- RCEA and Sonoma Clean Power jointly filed comments to CAISO on the 2025-2026 Draft Transmission Planning Process. The comments request that CAISO include additional policy driven transmission projects to free up more transmission plan deliverability, which is necessary to connect Resource Adequacy resources to the grid; support solutions for Path 15 and Path 26 congestion; support staging and expansion of the new Humboldt to Collinsville 500kV line; support the development or expansion of interties allowing for imports of out of state geothermal to Northern California; and support a study of charging deliverability for energy only resources.
- RCEA staff have been engaging the CPUC and CEC around load forecasting and its relationship to procurement share. Despite RCEA's year-over-year load decrease, the CEC has forecasted RCEA at a similar rate of increase to regions in the North Bay. The CPUC has ordered RCEA conduct procurement based on this forecasted load increase, which is unlikely to be realized load based on RCEA's own forecasts. In recent conversations with RCEA, the CEC has indicated that they are working to increase the granularity of the forecasting model and are searching for new data sources to better align their forecast with observed trends for RCEA's service territory.
- RCEA submitted support for the State Building Trades' request for \$35 million across 2026-2028 for CADEMO to Senate pro Tempore Senator Limón and Assembly Speaker Assemblymember Rivas.
- RCEA submitted comments to the CEC supporting the use of Proposition 4 funding for the port of Humboldt Bay.
- Federal advocacy:
 - TERAS (Tribal Energy Resilience and Sovereignty) project funding: Tribal partners have led outreach efforts with RCEA supporting and sharing information as requested.

Equity Impacts

This report reflects regulation and legislation that is intended to improve CCAs' abilities to tailor services to meet the needs of their local communities which are often unique in their constituent marginalized populations.

Alignment with RCEA's Strategic Plan

RCEA's Policy Platform is guided by RCEA's Strategic Plan. Whenever making advocacy decisions for a given proceeding or issue, RCEA staff references the Policy Platform, and if the topic is not well defined within the platform, consults the Board.

Financial Impact

Budgeted staff and legal costs.



Staff Recommendation

Receive Regulatory and Legislative Policy Platform Engagement Report.

Attachments

1. Tracked Legislation
2. CalCCA and Joint CCA Regulatory Engagement

CalCCA Legislative Positions

Bill Number	Position	Summary
AB 1761 (Rogers) Electricity: calculation methodology: data disclosure.	Sponsor	Supports energy affordability by improving transparency and certainty into how the Power Charge Indifference Adjustment (PCIA), a charge on nearly all energy bills, is calculated
AB 1787 (Schultz) Electrical corporations: rates: dynamic rate option.	Oppose	Requires the CPUC to require IOUs to offer an optional dynamic rate tariff to customers if the CPUC has approved upgrades to the IOU’s smart meter infrastructure and related information management and billing systems on or after January 1, 2026. <i>The bill imposes new customer meter data requirements, as well as new CPUC oversight of CCA bill comparisons for optional rate tariffs, both of which affect CCA billing operations. The bill also restricts Net Billing Tariff customers from participating in optional dynamic rates.</i>
AB 2111 (Papan) Electricity: transmission planning and transmission facilities.	Support	Modernizes California’s transmission planning framework by requiring planners to evaluate multiple plausible future eventualities — including electrification growth, data center demand, and climate-driven grid stress — instead of relying on a single load forecast to drive long-lived transmission investment decisions that may not reflect the range of conditions the grid will face. The bill also directs planning agencies to assess the full system cost impacts of different transmission and resource strategies over longer time horizons so that grid investments are robust across a range of possible futures. This bill is sponsored by Sonoma Clean Power, another CCA. RCEA supported the bill individually prior to CalCCA’s support.
AB 2234 (Papan) California Environmental Quality Act: geothermal exploratory projects.	Support	Geothermal exploration projects definition would be modified slightly for the purposes of CEQA.
AB 2266 (Schultz) Electricity: load- serving entities.	Support if Amended	Consolidates and simplifies various compliance requirements by requiring the CPUC to use the same capacity valuation method when setting RA and procurement obligations for load-serving entities on or after January 2030, consolidating compliance reporting for RA, RPS, and IRP into one report, requiring the CPUC to finalize any reporting requirements or templates for RA, RPS, and IRP a

		<p>minimum of 20 calendar days before the report is due, and requiring the CPUC to report in its annual RA report if the CAISO had to order backstop procurement due to differences in reliability valuation of different resource types between the CPUC and CAISO.</p> <p><i>CalCCA is requesting amendments to remove RA from the process for consolidating procurement programs into a single reporting process due to their different reporting cycles. Additionally, CalCCA is requesting amendments to ensure that the capacity methodology ultimately selected by the CPUC does not create cost shifts among LSEs or prioritize or discriminate against any resource types.</i></p>
<p>AB 2313 (Berman) Gas corporations: gas distribution service line replacements: alternatives.</p>	Support	<p>Would require the CPUC to require each gas corporation to offer a Gas Distribution Service Line Replacement Alternatives Program, on or before January 1, 2028, and cease gas service to avoid the gas distribution service line replacement, as specified. Customers would be provided with a home electrification incentive up to the average avoided cost for service line replacement.</p>
<p>AB 2369 (Rogers) Electricity: energy storage: energy-only resources.</p>	Support	<p>Would allow for Resource Adequacy (RA) deliverability of resources to be time variable. <i>As it stands now, deliverability (or RA eligibility) is assessed during peak hours. If a resource is not deliverable in those hours, it is deemed deliverable in no hours.</i> The bill would allow a resource to be assessed in all hours and granted deliverability (and therefore RA eligibility) only for those hours where deliverability exists, if deliverability is not available on peak. For instance, a resource could be deliverable from 11pm-8am only, and Energy Only the remainder of the day. This would only apply where 24/7 deliverability is not available for that resource/where transmission constraints exist. Sonoma Clean Power is the bill sponsor.</p>
<p>AB 2383 (Zbur) Electricity: large energy use facilities.</p>	Oppose Unless Amended	<p>Would require the CPUC to establish a new class of large load retail customers and identifies specific requirements for the new rate schedule that the author has identified to shield non-participating customers from rate increases. The bill initially lumped CCAs into the same CPUC generation tariff requirements as IOUs, which would give the CPUC jurisdiction over these large load contracts, and CalCCA has been working extensively with the author and Committee staff to address our concerns.</p>
<p>SB 1138 (Padilla)</p>	Sponsor	<p>Supports energy affordability by lowering the cost to consumers of California's Resource Adequacy (RA)</p>

<p>Load-serving entities: resource adequacy requirements.</p>		<p>program by allowing load-serving entities (LSEs) to transact RA load obligations on an hourly basis to align with the new slice-of-day RA program. California’s RA program, which ensures there is enough electricity supply to meet customer demand, recently transitioned to a new “Slice-of-Day (SOD)” compliance framework. The new SOD framework requires LSEs, such as CCAs, investor-owned utilities (IOUs), and energy service providers (ESPs), to procure enough RA to meet load obligations each hour, rather than monthly. While this aligns resources more precisely with load, under current rules LSEs can only buy or sell RA products for the whole month, even though obligations are unique to each hour. This mismatch forces LSEs to purchase more RA than they need to meet their obligations, creating artificial market scarcity and unnecessarily driving up RA demand (and prices). It’s akin to having to buy a crate of oranges when you only need a few slices. These unnecessary costs fall directly on California ratepayers, totaling tens of millions of dollars annually.</p>
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CalCCA and Joint CCA Regulatory Engagement

*Items in **bold** have not previously been reported to the Board.

CalCCA Managed Cases		
<i>Key Agency</i>	<i>Topic</i>	<i>Summary</i>
CPUC	California Advanced Electric Rate Design	<p>The proceeding aims to modernize electric rate design to better reflect cost causation, improve affordability, and support efficient grid use amid rising costs and changing system conditions. The proceeding will evaluate reforms to residential and non-residential rate structures, including time-of-use periods, fixed and demand charges, and marginal cost methodologies, to ensure rates align with current grid cost drivers and promote equitable cost allocation across customers. It responds to increasing affordability pressures driven by wildfire-related costs and rapid load growth. The rulemaking will further</p> <p>consider rate design solutions for large-load customers such as data centers, and support electrification and GHG-reduction goals. CalCCA is working to ensure that any new rate designs, fixed charges, or program structures do not disadvantage CCA customers relative to bundled utility customers or create barriers to CCA participation in serving load, including for electrification and large commercial customers.</p>
CPUC	Climate Credit	<p>Stemming from the Greenhouse Gas (GHG) Cap and Trade program, the California Climate Credit is distributed twice a year to all ratepayers electric and natural gas bills. The California Industry Assistance Credit is an annual credit for eligible industrial facilities that are customers of the investor-owned electric utilities. The CPUC recently moved the residential electric climate credit for large IOU territories from April and October to August and September starting in 2026, and the gas Climate Credit from April to February in 2027. A future phase of the proceeding will consider implementation of the California Industry Assistance to minimize leakage of emissions.</p>
CPUC	Demand Response (DR)	<p>This rulemaking aims to enhance DR in California. Issues include: (1) updates to demand flexible rate systems and processes; (2) dual participation in DR programs and dynamic rates; (3) valuation methodologies and evaluation metrics for demand response; (4) CAISO market integration topics; and (5)</p>

		the impact of Resource Adequacy (RA) Slice-of-Day (SOD) implementation on DR valuation.
CPUC	Diablo Canyon Extension Operations	With the DCPD operations extension, PG&E continues to file annual applications with its DCPD forecasts of operating expenses and revenues through 2030 when the operating extension fully expires.
CPUC	Disconnections	Relates to rules and programs surrounding customer disconnection. Recent activity includes potential changes to customer disconnection caps and customer disconnection reduction pilot programs.
CPUC	Distribution: Distributed Energy Resources	Relates to rules surrounding distributed energy resources, such as cost effectiveness, data access, and equipment performance standards.
CPUC	Distribution: Energization Timelines	Implementation of SB 410 and AB 50, which focus on the establishment of reasonable average and maximum energization target time periods, and procedures for customers to report energization delays to the CPUC. Targets have been established. The next phase of the proceeding covers compliance reporting and penalties for non-compliance. A recent report found that assessing compliance towards the timelines will be challenging due to inconsistent IOU recordkeeping and data fields.
CPUC	Distribution: High Distributed Energy Resource Future	Streamlining of the distribution planning process to better reflect known loads and resources, equitable grid planning, and allow for data access. Also covers smart inverter use cases and cost recovery for grid modernization. Recent activity relates to the role and responsibilities of a Distribution System Operator, which can be compared to CAISO's role as a transmission Market Operator.
CPUC	Distribution: Rule 21 OIR	Rule 21 is a tariff that describes the interconnection, operating and metering requirements for certain generating and storage facilities seeking to connect to the electric distribution system.
CPUC	Energy Resource Recovery Account (ERRA)	Filed annually by each of the Investor-Owned Utilities (IOUs) as both a forecast of expected energy procurement-related revenue requirements and as a retroactive compliance review. Key issues include customer vintaging in the PCIA.
CPUC	General Rate Case (GRC)	In four-year cycles, IOUs submit GRC applications for authority to adjust rates and charges for electric and gas service. The revenue requirements include electric and gas distribution system costs, administrative expenses, and customer service costs. Key issues include PCIA resource vintaging and costs and CCA service fees.

CEC	Integrated Energy Policy Report (IEPR)	A biennial holistic report assessing energy issues facing the state. The preparation of this report includes the load forecasting process, which drives energy planning and procurement requirements for Load Serving Entities. Recent issues include the accuracy of load forecasts for data centers.
CPUC	Integrated Resource Planning (IRP)	Focuses on the implementation and reform of California’s Integrated Resource Planning program to ensure sufficient resource procurement and development and compliance with California’s greenhouse gas reduction and reliability goals. This process feeds into the state’s Transmission Planning Process at CAISO. This is currently focused on reforms to better align the IRP program with the Resource Adequacy (RA) and Renewables Portfolio Standards (RPS) programs through an initiative called the Renewable and Clean Power Procurement Program (RCPPP).
CAISO	Interconnection Process Enhancements (IPE), Congestion Revenue Rights (CRR), and Transmission Planning Process (TPP).	CAISO is responsible for bulk power systems, transmission operation, and California’s electricity market participation. Current reforms RCEA engages in are related to the acceleration of the interconnection study process for new resources, transmission capacity/transmission plan deliverability to resources for RA eligibility, congestion of transmission capacity, and transmission planning. CalCCA engages in additional issues at CAISO, however RCEA tracks those less closely at this time.
CEC	Load Management Standards (LMS)	Similar to demand flexibility, LMS requires IOUs and CCAs to maintain time-varying rates and are accessible to the public.
CPUC	Power Charge Indifference Adjustment (PCIA)	This rulemaking considers changes to the PCIA as well as rules and processes applicable to the Energy Resource Recovery Account annual forecast and compliance proceedings. In Track One, there was a recent change to the methodology related to the calculation of the PCIA. Previously, the PCIA was assessed primarily using a one-year average energy price. Now, the PCIA is assessed primarily via a three-year average. CalCCA has filed a case in the CA Court of Appeal, Third Division, regarding the Track One decision. Track Two addresses the treatment of pre-2019 banked Renewable Energy Credits. Track Three is currently in scoping, with data transparency and other proposals for reform of PCIA as likely issues. Tracks can occur in parallel or on a schedule not necessarily tied to numeral order.

CPUC	PG&E Helms Uprate Application	PG&E proposal to increase the capacity of the existing Helms pumped storage facility and allocation of costs and benefits.
CPUC	Provider of Last Resort (POLR)	If a Load Serving Entity, such as a CCA, ceases business operations, their customers will be returned to the Provider of Last Resort. This proceeding relates to the Financial Security Rating and monitoring needed to mitigate that risk. This proceeding has moved into Phase 2, which will delve into topics related to the feasibility of a non-IOU Provider of Last Resort.
CAISO and FERC	Regional Coordination	Regionalization generally means integrating elements of electricity markets across a particular region, such as the West, under the operation and management of a single Federal Energy Regulatory Commission (FERC) regulated regional entity. Energy markets, transmission planning, transmission system operation, reliability, and other elements can be regionalized individually or in combination. Pathways aims to expand participation across the West in the day-ahead and real-time energy markets currently managed by the California Independent System Operator. With the passage of AB 825, CAISO has been exploring proposals to fund the start-up costs of the regional organization.
CPUC and CEC	Renewable Portfolio Standard (RPS)	Program that required load serving entities to reach continuously escalating renewable energy procurement goals.
CPUC and CAISO	Resource Adequacy (RA)	Focuses on the implementation and reform of California’s Resource Adequacy program, which was designed in response to California’s energy crisis to ensure safe and reliable operation of the grid. A proposed decision was recently issued in the proceeding that declines to adopt hourly transactability, adopts CalCCA’s proposal to allow Energy Only resources to count for charging sufficiency requirements for off-site storage, and declines to modify the zero-dollar bidding requirement for CAISO capacity products. CalCCA also recently filed a comment related to modeling Planning Reserve Margin, or additional procurement buffer needed for system reliability.
CPUC	Rule 30	PG&E submitted an application for a new interconnection rule for new transmission level customers. This rule would apply to potential data centers or manufacturing. CalCCA is working to ensure fair treatment of CCAs under the potential new rule and access to load planning data.

Joint CCA Managed Cases		
Key Agency	Topic	Summary
CPUC	BioMAT	This program was sunset.
CEC, CPUC	Building Decarbonization	A suite of programs that aim to reduce Greenhouse Gas (GHG) emissions from buildings.
CPUC	De-Energization	Rulemaking related to utility power shutoffs, including Public Safety Power Shutoffs (PSPS).
CEC, CPUC	Demand Response and Energy Efficiency	This issue relates to demand response programming or energy efficiency programs.
CPUC	Microgrids	Rulemaking that addresses microgrid policy, including programs, rules, and rates.
CPUC	Net Billing Tariff (NBT)	Rulemaking related to the development and implementation of Net Billing Tariff (NBT) and related rates. A higher court recently ordered the CPUC to readdress the NBT decision.
CPUC	PG&E Billing Modernization	Proposal to increase rates to recover costs from the Billing Modernization Initiative.
CPUC	PG&E Safety Culture	This issue focuses on wildfire management related issues, including PG&E compliance, and proactive measures such as undergrounding.
CPUC and CEC	Renewable Financing	Issues tracked related to On-Bill Financing, Tariff-On-Bill, Go Green Financing, and other funding efforts.
CPUC	Senate Bill 1221 Implementation	Senate Bill that mandates the designation and establishment of neighborhood decarbonization zones.
CPUC	Self-Generation Incentive Program (SGIP)	SGIP which provides incentives for emerging distributed energy resources.
CPUC	SoCalGas Microgrid Tariff Application	Application to give SoCalGas the authority to administer the Microgrid Optional Tariff program which is applied to non-residential customers.
CEC, CPUC, and CARB	Transportation Electrification	CEC Clean Transportation Program, CPUC proceeding of Transportation Electrification Policy and Infrastructure (TEPI), and updates to CARB Low Carbon Fuel Standard (LCFS) implementation, targets, and compliance. Recently, there have been changes to reporting requirements for Vehicle to Grid Integration, reducing compliance burden to CCAs.

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Staff Report

Agenda Item # 5.4

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Eileen Verbeck, Deputy Executive Director Nancy Diamond, RCEA General Counsel
Subject	Conflict of Interest Code Biennial Review and Amendment Introduction

Background

The Political Reform Act requires every local government agency to review its Conflict of Interest Code biennially and to guarantee that the agency's officers, employees, members, and consultants as well as the jurisdiction's residents receive adequate notice and fair opportunity to comment on the proposed amendments.

RCEA's Conflict of Interest Code identifies designated positions within the agency which make or participate in the making of decisions that may foreseeably have a financial effect on their own financial interests. For each of these positions, the Conflict of Interest Code designates the types of investments, business decisions, investments in real property, or sources of income that must be disclosed each year on a Statement of Economic Interests (Form 700).

Summary

The Humboldt Bay Municipal Water District withdrew from participation in the Redwood Coast Energy Authority Joint Powers Agreement effective March 1, 2026. Thus, HBMWD representatives should be removed from the RCEA Conflict of Interest Code Designated Position list.

The Board of Directors approved an agency staff reorganization in March 2026 involving the following Designated Positions required to report economic interests in the Conflict of Interest Code:

- Engagement and Regional Climate Planning Director (position creation)
- Staff General Counsel (position creation)
- Infrastructure Planning and Operations Director (position elimination)

Staff is bringing the draft amended Conflict of Interest Code and Resolution at this meeting for discussion and direction. The Board will be asked to consider approval of the amended Conflict of Interest Code and any comments received on the proposed amendments at their July meeting. The approved amendment must be forwarded to the Code Reviewing Body for review and approval, in this case, the Humboldt County Board of Supervisors.



Equity Impacts

The biennial Conflict of Interest Code update is an administrative task supporting the transparency of agency financial decision maker economic interests in accordance with the California Political Reform Act of 1974, Government Code sections 81000-91014.

Alignment with RCEA's Strategic Plan

The Code update is an administrative duty that is unrelated to agency program strategies.

Financial Impact

Staff work related to this Conflict of Interest Code update is included within budgeted staff costs.

Staff Recommendation

Receive Proposed Amendments to the Redwood Coast Energy Authority Conflict of Interest Code Due to Changed Board Membership and Agency Reorganization.

Attachments

1. Draft Resolution No. 2026-6 Adopting an Amended Conflict of Interest Code
2. Attachment A: Proposed Amended RCEA Conflict of Interest Code (redlined version)

**RESOLUTION NO. 2026-6
OF THE REDWOOD COAST ENERGY AUTHORITY
ADOPTING AN AMENDED CONFLICT OF INTEREST CODE**

WHEREAS, California Government Code section 87300 requires all public agencies to adopt and promulgate a Conflict of Interest Code enumerating employee and consultant positions within the Authority who are involved in the making or participating in the making of decisions which may have a material effect on any financial interest of their own, identifying disclosure categories for such employees and consultants, and identifying disqualification requirements for such employees and consultants; and

WHEREAS, specified public officials identified in California Government Code section 87200, including Authority Board members and the Executive Director are subject to the conflict of interest disclosure and disqualification requirements set forth in Government Code sections 87200 et seq.; and

WHEREAS, Government Code section 87306.5 requires each local public agency to review its conflict of interest code biennially and, no later than October 1 of each even numbered year, amend it as necessary to reflect changed circumstances; and

WHEREAS, an amendment to RCEA’s Conflict of Interest Code is necessary due to changes in the RCEA membership and agency reorganization that occurred over the last two years.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Redwood Coast Energy Authority hereby adopts as its Conflict of Interest Code those provisions set forth in Appendix A, attached hereto and incorporated herein. This Conflict of Interest Code replaces the previously adopted RCEA Conflict of Interest Code.

Adopted this 23rd day of July, 2026.

ATTEST:

Michael Gerace, RCEA Board Chair

RCEA Clerk of the Board

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2026-6 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the 23rd day of July, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

**APPENDIX A
REDWOOD COAST ENERGY AUTHORITY
CONFLICT OF INTEREST CODE**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate Conflict of Interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec.18730) which contains the terms of a standard Conflict of Interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix of designated officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest code of the Redwood Coast Energy Authority.

Those individuals identified below filing under Section 87200 and designated positions shall file their statements with the Redwood Coast Energy Authority Clerk of the Board who will retain the statements and make them available for public inspection and reproduction (Gov. Code Section 81008).

Public Officials Who Manage Public Investments:

The following positions are NOT covered by the Conflict of Interest code because they must file under section 87200 and, therefore, are listed for informational purposes only:

- Governing Board Members excepting ~~Humboldt Bay Municipal Water District~~ and Tribal Council representatives
- Executive Director

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by section 87200.

Designated Positions

Disclosure Categories

Humboldt Bay Municipal Water District representatives to Governing Board	1, 2, 3, 4, 5
Tribal Council representatives to Governing Board	1, 2, 3, 4, 5
Community Advisory Committee Members	1, 2, 3, 4
Deputy Executive Director/ <u>Operations</u>	1, 2, 3, 4, 5
Director Business Planning and Finance	1, 2, 3
Director Demand-Side Management	1, 2, 4
Director Infrastructure Planning and Operations <u>Engagement & Regional Climate Planning</u>	1, 2, 3, 4, 5

Director Power Resources

1, 2, 3, 4

Designated Positions (continued)

Disclosure Categories

¹Consultants:

General Counsel

1, 2, 3, 4

Staff General Counsel

1, 2, 3, 4, 5

Disclosure Categories:

1. Investments and business positions in any business entity and sources of income, including gifts, loans and travel payments, of the type which within the previous 12 months has contracted with the Authority to provide services, supplies, materials, machinery or equipment.
2. All interests in real property located in the jurisdiction of any member agency of the Authority or within 2 miles of any land owned or used by the Authority.
3. Investments and business positions in business entities and sources of income (including receipt of gifts, loans and travel payments) if the business entity or source finances, owns, operates, manages or otherwise engages in the design development, construction, sale, or the acquisition of facilities that generate electricity for commercial sale including without limitation wind, solar, biomass, and hydroelectric.
4. Investments and business positions in business entities and sources of income (including receipt of gifts, loans and travel payments) if the business entity or source provides energy, environmental, engineering, geotechnical or research consulting services to assist in the designing, building, manufacture, sale, distribution, or servicing of equipment of the type that is used, or may be used, by 1) electric power suppliers, 2) providers of energy efficiency, energy conservation measures, demand response, fuel shifting programs, or 3) any entity that is, or within the prior 12 months has been, party to a proceeding before any local, state, or regional regulatory or judicial entity in which the Authority is also a party.
5. Investments and business positions in business entities and sources of income (including receipt of gifts, loans and travel payments) if the business entity or source provides information technology or telecommunications goods, products or services including

¹ Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitations: “The Executive Director may determine in writing that a particular consultant, although a ‘designated position,’ is hired to perform a range of duties that is limited scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of the disclosure requirements. The Executive Director’s determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict-of-Interest code.”

computer hardware or software companies, computer consultant services, IT training companies, or data processing firms.

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Staff Report

Agenda Item # 5.5

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Kristy Siino, HR Manager
Subject	Updated RCEA Personnel Policies

Summary

A classification and compensation study was completed by an outside consultant resulting in the Board approving a new salary schedule and instituting a 34-hour work week schedule. The changes to salary and schedule prompted staff to evaluate existing personnel policies to determine if updates were necessary. It was determined that three policies that require updates need separate Board approval: the RCEA Compensation Policy, the Employee Performance Review Policy, and the Anti-Harassment Policy.

Background

In December 2016, RCEA retained an outside consultant to create uniform policies for RCEA, including a compensation policy, employee performance review policy, and anti-harassment policy. These policies were provided to the Board for approval and ultimately gave the Board sole authority to update these policies as needed.

Staff recommends the Board pass the authority to edit and approve the Employee Performance Review policy and Anti-Harassment policy to the Executive Director. The Anti-Harassment policy is governed by state mandated requirements, and its core provisions are dictated by law. RCEA updates the policy as necessary to reflect required state regulations. Additionally, the Employee Review Policy is an internal administrative policy that provides a standardized framework for assessing staff performance. Typically, employee evaluation policies would remain at the discretion of the Executive Director to ensure that the policy is alignment with operational realities and should be adaptable to shifting priorities. Allowing the Executive Director to approve these policies will allow staff to more efficiently update internal procedures and stay current with mandated regulations.

The Compensation policy outlines the manner and methods through which RCEA compensates employees and plans salary schedule updates. As this policy directly impacts the budget, staff are recommending that authority to edit and update this policy remain with the Board.



Updates to the anti-harassment policy include the following:

- Broadens coverage of harassment to include virtual and electronic environments.
- Includes intimidation and bullying as standalone prohibited behaviors.
- Includes multiple reporting channels for employees to report concerns.
- Provides more information on the investigation process.
- Includes procedural updates to enhance transparency while protecting privacy.
- Updates to align with California law.

Updates to the compensation policy include the following:

- Establishes a defined labor market and benchmarking methodology and updates the list of comparable agencies.
- Changes the labor market survey from every two years to five years.
- Includes a process for annual compensation adjustments for Cost-of-Living Adjustments and clarifies that these adjustments are subject to budget capacity and Board review and approval.
- Provides more guidance on hiring ranges, promotional increases, merit-based increases and compensation adjustments.

Updates to the employee performance review policy include the following:

- Formalize the evaluation structure and frequency. Requires quarterly evaluations during probation and annual evaluations thereafter.
- Provides standardized evaluation criteria including performance, quality of work, communication, etc.
- Clarified the process requirements and includes a review by Human Resources before finalization.
- Outlines protections and procedures for employees on leave.

Equity Impacts

These changes align with the RCEA Racial Justice Plan's focus on integrating equity actions into job structures, staff work plans, and internal operations, and support RCEA's commitment to creating a workplace environment that is equitable, accountable, and inclusive.

Financial Impact

Budgeted staff costs.

Staff Recommendation

Approve the updated Compensation Policy, Employee Performance Review Policy, and Anti-Harassment policy and transfer authority for future updates and approval of the Employee Performance Review Policy and Anti-Harassment Policy to the Executive Director.



Attachments

1. Redline Updated Compensation Policy
2. Redline Updated Employee Evaluation Policy
3. Redline Updated Anti-Harassment Policy

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~~APPENDIX I~~ COMPENSATION POLICY (Board Approved December 12, 2016; REVISED June 25, 2026)

EMPLOYEE COMPENSATION POLICY

1. Purpose

The purpose of this policy is to define the compensation philosophy of ~~compensation for the~~ Redwood Coast Energy Authority (hereinafter ~~the Authority~~ RCEA) for regular employees, including the methodology used to determine salary ranges and salary changes, and to specifically define how salary increases for various job classifications are determined.

~~The Compensation Policy specifically~~ This policy addresses:

- ~~• Objectives of the Policy~~
- Statement of Compensation Policy
- Basis for Determination of Salary and Salary Changes
- ~~• Salary Surveys~~ Annual Cost of Living Adjustments
- Labor Market Surveys (Five-Year Benchmarking)
- Internal Alignment
- Review of Performance and Salary
- Procedures

~~Other topics, such as Specific clarification of P~~ performance Evaluations evaluations, Employee employee Classifications classifications, and ~~all matters pertaining to~~ employee benefits are addressed under in separate policies.

2. Definitions

a. Cost of Living Adjustment (COLA)

An annual, RCEA-wide (including the Executive Director) salary range adjustment based primarily on movements in the local area Consumer Price Index (CPI), RCEA fiscal capacity, and any Board-approved considerations regarding maintaining competitive compensation.

~~a. Average of the Salary Survey~~

~~b. The average of the salary survey is the average of the salary figures for all the agencies surveyed at the mid-point of the salary range.~~

~~c.b.~~ Labor Market Agencies

The Authority recognizes one labor market for all of its regular positions. The ~~labor~~ market includes ~~the following agencies:~~

1. City of Eureka
2. Clean Energy Alliance
3. Humboldt Bay Municipal Water District
4. Marin Clean Energy
5. Orange County Power Authority
6. Peninsula Clean Energy Authority
7. Pioneer Clean Energy
8. Silicon Valley Clean Energy Authority
9. Sonoma Clean Power Authority
- ~~4.10. Valley Clean Energy Alliance~~~~Humboldt Bay Municipal Water District~~

- ~~1.—~~
- ~~2. City of Eureka~~
- ~~3. County of Humboldt~~
- ~~4. North Coast Unified Air Quality Management District~~
- ~~5. HSU Schatz Energy Research Center~~
- ~~6. Valley Clean Energy~~
- ~~7. Pioneer Clean Energy~~
- ~~8. Trinity County Public Utility District~~
- ~~9. City of Ukiah Electric Utility~~
- ~~10. Sonoma Clean Power~~

The Board may modify this list at any scheduled regular meeting.

~~Additions and/or deletions to the recognized labor market may be made by the Board at a scheduled meeting of the Authority.~~

c. Benchmark Classification

A classification that is representative and comparable across surveyed agencies. Benchmark positions are the basis for establishing internal alignment and family relationships. The Executive Director determines the benchmark classifications to be used during each labor-market survey.

~~A benchmark classification is a position or classification which is regarded as representative or comparable from agency to agency and which will serve as the basis for the internal alignment of salaries of related agency classifications. The Executive Director shall determine the benchmark positions to be utilized in any survey.~~

d. Labor Market Survey (Five-Year Benchmarking)

A comprehensive survey of benchmark positions within the established labor market, performed once every five (5) years, with the initial survey conducted no earlier than five

(5) fiscal years after the effective date of this policy. Survey results will be shared publicly with the Board of Directors before salary range changes are adopted.

d. Salary Surveys

~~A periodic survey of the Labor Market Agencies will be conducted of the designated benchmark classifications at least every two (2) years. The results of the survey, including the collected raw survey data will be shared with the Authority board in a public meeting prior to adoption of changes to the Authority's salary ranges.~~

e. Merit Increase

A performance-based salary increase awarded to employees whose performance meets or exceeds established criteria for their classification.

f. Internal Alignment

Refers to how job roles and salary ranges compare to one another across the organization to ensure they are organized fairly and consistently based on responsibilities and level of work.

~~A salary increase granted to an employee on the basis of performance that meets or exceeds performance criteria for the job classification.~~

3. Statement of Policy

To attract and retain qualified employees, RCEA maintains compensation practices that are:

- Competitive within the relevant labor market
- Fiscally responsible
- Designed to reward strong performance
- Free from discrimination based on (but not limited to) race, creed, national origin, color, marital status, age, sex or sexual identity, or disability
- In order to attract and retain qualified employees at all levels of the organization, it is the policy of the Authority to maintain fair and competitive salary ranges consistent, within the economic constraints of the Authority, with the labor market in which we compete for talented employees.

- ~~i. Establish salary ranges that reflect the value of various jobs, as determined by periodic job evaluation and review, taking into account the duties and levels of responsibility of each job;~~
- ~~ii. Establish salary ranges consistent with the Authority's fiscal ability to maintain services consistent with projected revenues and Board direction;~~
- ~~iii. Survey other agencies who employ similar positions relative to salary and to adjust salary ranges when warranted by changing economic and competitive factors, including periodic salary surveys;~~
- ~~iv. Encourage superior performance by adjusting the salary of each employee on the basis of the quality of individual performance (merit) as determined by performance evaluations;~~

~~Ensure that compensation is not influenced by race, creed, national origin, color, marital status, age, sex or sexual identity, or disability~~**Basis for Determination of Salary and Salary Changes**

~~Salary levels will be based on:~~

~~The fair and competitive salary ranges adopted by the Authority Board consistent with the economic constraint of the Authority and the labor market. This will be determined by the Board and at its sole discretion after reviewing the local area's consumer price index, salary increases granted by the comparable Labor Market Agencies, and the Authority's ability to maintain organizational services at a level consistent with projected revenues and Board direction.~~

~~A periodic (every 2 years) salary survey of benchmark positions within the established labor market to determine if any classifications should be considered for a market adjustment in salary;~~

~~Internal Authority classification relationships, and;~~

~~All compensation increases within a classification's salary range will be based on merit.~~

a. Annual Cost of Living Adjustments

Each year, staff will prepare for the Board to review:

- Local area CPI
- Economic conditions
- Budget capacity
- Comparability with labor-market trends

Based on this review, the Board may adopt a salary range cost of living adjustment (COLA) for all employee classes. Individual salaries may be adjusted in accordance with the approved COLA and/or merit increases.

b. Five-Year Labor Market Survey

Every five (5) years, RCEA will conduct a comprehensive labor-market survey of benchmark classifications across the identified Labor Market Agencies. Survey outcomes may result in:

- Adjustments to salary ranges
- Revisions to benchmark classifications
- Realignment of internal salary relationships

Identified Labor Market Agencies that are outside of the RCEA regional area will have a cost of labor differential applied to normalize salaries for a more accurate comparison. The cost of labor reflects differences in pay practices of a geographic area (which is different than cost of living which reflects differences in consumer costs of a geographic area). Cost of labor differentials are based on differences in the supply and demand of labor as compared to that of RCEA. The differentials are based on data from the Economic Research Institute (ERI).

The Board may choose to adjust ranges without adjusting individual salaries or may apply adjustments selectively.

a. ~~Salary Surveys~~

~~The Authority has identified the Labor Market Agencies for benchmark classifications. The biennial salary survey shall identify the “average” level of salary for each benchmark classification paid by the labor market.~~

e. Internal Alignment

Each job classification has a minimum and maximum salary range established based on:

- External labor market data
- Internal job-to-job relationships
- Organizational structure

Internal alignment will be reviewed on a periodic basis to ensure that the relative positioning of job classifications and salary ranges remain consistent with organizational structure, duties, and responsibilities. The review shall include a comparison of job classifications and salary ranges across the organization, taking into account the relative level of responsibility, oversight, and scope of work. The purpose of the review is to confirm that pay levels remain appropriate and consistently structured.

Internal alignment shall be reviewed before any salary range changes are recommended to the Board of Directors.

Merit ~~A minimum and maximum salary range is established for each job classification based on external labor market data and on the internal alignment of job classifications throughout the Authority. The alignment of the job classification system will be maintained and reviewed on a regular and systemic basis.~~

~~f.~~ **Review of Performance and Salary**
~~f.~~

Merit-based salary changes reflect:

- Competence in performing assigned duties
- Achievement of job objectives
- Sustained performance

Merit increases are based on satisfactory or better performance as documented through the Authority's performance evaluation process and are not automatic or guaranteed. Merit increases, where applicable, shall only be granted on an annual basis. Evaluations shall be reviewed and approved according to the Performance Evaluation Policy.

~~While the performance of each employee is regularly reviewed, overall performance and salary level shall be appraised, in detail, at least once during every twelve (12) month period. The merit of employee performance as reported on such appraisals will determine salary increases to be granted.~~

~~Change in pay of an individual employee shall primarily reflect on competence in the performance of all assigned duties and sustained accomplishment of the objectives and tasks of the position. Performance will be evaluated by those in management having direct supervisory responsibility for the employee and shall be reviewed and approved in accordance with the procedures outlined in the Performance Evaluation Policy.~~

~~Specific situations which warrant review of performance and of salary include the following:~~

~~i.~~ **New Hire/Initial Hire Employees**

~~Before an applicant is hired or an employee promoted to a new or revised position, a job description must be prepared and the position must be evaluated, approved and placed in a salary range. Starting salary will be at the minimum established for the range, with the following exceptions:~~

- ~~Directors may appoint new employees up to and including 5% above the range minimum, subject to approval of the Executive Director.~~

- ~~• The Executive Director may authorize appointments up to and including the mid-point of the salary range in the event of a recruitment emergency or exceptional qualifications of a candidate.~~

~~During the initial employment period, or first twelve (12) months of employment, employees are eligible to receive up to a 5% increase based on the merit of their performance.~~

~~ii. Merit Increases~~

~~Employees are eligible to receive up to a 5% salary increase per year based on the merit of their performance as established in their annual performance evaluation. The merit increase consideration allows an individual employee's salary to increase within the range established for their job classification (i.e., no more than the maximum salary in the salary range.)~~

~~iii. Compensation Adjustments~~

~~Employees may receive additional compensation adjustments at such time that the Board determines that classifications and/or salary ranges should be adjusted based on survey data. However, the Board retains the jurisdiction to adjust salary ranges without modifying individual salaries, or to adjust individual salaries only for a portion of the classification (for example limiting the adjustment to employees who have been at the top step of the salary range for more than one year).~~

~~iv. Promotion~~

~~Employees promoted to a new position in a classification with a higher salary range will be compensated at least at the minimum salary in the new range.~~

~~A promoted employee begins a twelve (12) month probationary period in the new classification. During this period, employees are eligible to receive up to a 5% merit increase based on completion of probation and a performance review with satisfactory or better performance.~~

~~v. Out of Class Pay~~

~~Subject to the prior written authorization of the Executive Director, employees may be eligible for up to 5% out of class pay for performing the majority of their assigned duties at a level significantly above their current job classification for periods 60 or more days.~~

3. Salary Administration Guidelines

a. New Hire / Initial Hire

- Hiring normally occurs at the minimum of the salary range.
- Directors may appoint up to 5% above minimum with Executive Director approval.
- The Executive Director may authorize appointments up to the mid-point for candidates with exceptional qualifications or recruitment challenges.
- The Board of Directors, with the recommendation of the Executive Director, may authorize appointments above the midpoint for candidates with exceptional qualifications or recruitment challenges.
- DuringUpon successful completion of the the first 12-month probationary period of employment, employees may receive a merit increase of 5%.

b. Merit Increases

Employees may receive up to a 5% merit increase annually, not to exceed the maximum of the salary range.

Merit increases while on leave:

- Protected Leave: If a merit increase or other compensation adjustment would otherwise be granted based on performance and timing, such increase shall be proactively reviewed and approved during the leave period to ensure the employee is not disadvantaged due to the use of protected leave.
 - When an employee has not worked a sufficient portion of the evaluation period prior to the commencement of leave to permit a meaningful assessment of performance, any related merit increase may be deferred until the employee returns to active work status and has worked a sufficient period to allow for an equitable evaluation. In such cases, any merit increase shall be prospective and effective upon completion of the evaluation.
- Personal Leave of Absence: When an employee is on personal leave, RCEA may defer the performance evaluation and associated merit increase until the employee returns to active service and has completed a sufficient portion of the evaluation period.

Merit increases generally become effective upon the employee's return to work or on a revised evaluation anniversary date. RECA reserves the right to determine whether a merit increase will be granted, deferred, prorated, or denied based on operational needs, length and type of leave, performance considerations, and compliance with applicable law.

c. Compensation Adjustments

Adjustments may occur following either:

- Annual COLA
- Five-year labor market survey

The Board may approve adjustments to the salary range alone, or selective adjustments for certain employees or classifications.

d. Promotion

Promoted employees will be moved to the closest step of the new range, that is at least 5% above their current wage. If the adjustment to the new range would result in an increase of more than 5% above the employee's current salary, the employee will be placed at the first step of the range

Promoted employees will begin a 12-month probationary period and may receive a 5% merit increase based on successful completion.

e. Out of Class Pay (including Certified Skill Assignments)

The Executive Director, or designee, may temporarily assign an employee to perform work normally performed by another employee at a different level or salary. An employee temporarily assigned to perform work of a lower paid employee shall not have their salary reduced, and an employee temporarily assigned to perform work of a higher paid employee shall receive compensation equal to the lowest salary step for that position that would provide for an increase in pay for all time spent in the acting position in excess of four (4) consecutive work weeks and continuing only until such time as the employee is returned to their original job duties.

~~Temporary assignments to a higher paid class need to be in writing and approved by the Executive Director, or designee. Out-of-class assignments may include duties requiring the use of professional licenses or certifications that are not required for the employee's regular classification, including but not limited to electrician or mechanical trade credentials.~~

During Certified Skill Assignments, out-of-class pay will be determined on a case-by-case basis, commensurate with the level, scope, and duration of the duties assigned. The out-of-class adjustment may be structured as either a temporary salary increase, or a temporary stipend or differential.

All out-of-class assignments will be documented, including duration of the assignment, duties assigned, and approved compensation adjustment and approved by the Executive Director, or designee.

With prior written Executive Director authorization, employees performing the majority of duties significantly above their classification for 60+ days may receive up to 5% out-of-class pay.

5. Procedures for Approval of Salary Adjustments

a. Documentation Required

are used to document salary adjustment and on the reason for the adjustmentTo ensure that salary adjustments are based on an individual employee's current performance, proposed personnel actions that result in a change in compensation must include an explanation of the employee's performance in the space provided at the bottom of the Personnel Action Form (PAF).

b. Procedure

- i. Supervisors shall evaluate employee performance formally prior to any personnel action that affects salary positively, or negatively. The Personnel Action Form should be prepared and forwarded to the Director responsible for Human Resources for the Authority. It is important that proposed compensation increases are not discussed with the employee until after the Director responsible for Human Resources has reviewed the PAF for accuracy and consistency with the employee's salary, performance history, and policy.
- ii. The Director responsible for Human Resources will receive and review all Employee PAFs and initiate further discussion with the supervisor if necessary. If the PAF documents are in order, the supervisor will be authorized to schedule a meeting with the employee to discuss both their performance and the recommended salary adjustments and effective date.
- iii. The completed evaluation form, signed by the employee and supervisor shall be returned to Human Resources for processing and permanent placement in the employee's personnel file.

~~APPENDIX G~~ EMPLOYEE PERFORMANCE REVIEW POLICY (Board Approved December 12, 2016 REVISED: June 25, 2026)

Purpose

The purpose of this policy is to establish a consistent and equitable process for evaluating employee performance. Regular performance reviews support employee development, organizational accountability, succession planning, and alignment with the RCEA's mission, values, and operational goals. Performance evaluations are intended to promote continuous improvement and open communication between employees and supervisors.

Scope

This policy applies to all regular employees of RCEA, including exempt and non-exempt staff. Employees who are serving an initial probationary period shall receive performance evaluations every three (3) months during the probationary period. Following successful completion of probation, performance reviews shall be conducted annually unless otherwise specified by management or required due to changes in position, performance concerns, or organizational needs.

~~The Redwood Coast Energy Authority, requires annual performance evaluations of all employees in order to create and maintain an environment of workplace excellence and for accountability to the public we serve.~~

Statement of Procedure

Employees shall receive a formal written performance evaluation at least once during each twelve month period. The review period and due dates will be established by Human Resources.

Performance evaluations shall be completed by the employee's immediate supervisor using RCEA's approved evaluation form. Evaluations will assess, at a minimum:

- Achievement of assigned duties and responsibilities
- Quality and timeliness of work
- Communication and collaboration
- Compliance with Authority policies and procedures
- Professional conduct and accountability

Supervisors are expected to provide balanced, factual, and job related feedback and to document performance in a clear and objective manner. Supervisors shall submit the

review to Human Resources for review prior to presenting to the employee.

Immediately following HR's approval of the annual review, the supervisor shall schedule a follow up meeting with the employee to discuss goals, expectations, and development objectives for the upcoming performance cycle. Employees shall be given the opportunity to review their completed evaluation and provide written comments prior to placement in the personnel file. Employees will have two (2) working days to review and sign the evaluation. An employee's signature acknowledges receipt of the evaluation, not necessarily agreement with its contents.

If an employee declines to sign the evaluation, the supervisor shall note the refusal on the form before it is submitted to Human Resources. Completed and signed performance evaluations shall be submitted to Human Resources for processing and permanent placement in the employee's personnel file.

Performance evaluations may be used in support of personnel actions, including merit increases, corrective action, or professional development planning.

Evaluations During Leave Periods

Performance evaluations shall be conducted in a manner that is consistent, fair, and compliant with applicable federal, state, and local leave laws. Under no circumstances shall an employee be evaluated, rated, or disciplined based on the lawful use of leave. Human Resources shall be consulted regarding the timing and administration of performance evaluations impacted by any leave of absence to ensure compliance and consistency.

Protected Leave

An employee's use of legally protected leave, including but not limited to FMLA/CFRA, Pregnancy Disability Leave, military leave, or other statutorily protected leave, shall not negatively impact the employee's performance evaluation, eligibility for merit increases, or other employment benefits.

When an employee is on protected leave at the time a performance evaluation is scheduled, the evaluation shall be deferred and completed upon the employee's return to active work status, provided they have worked a sufficient portion of the evaluation period prior to the leave. The evaluation shall be based solely on the employee's performance during periods when the employee was actively working and shall not consider time spent on protected leave.

When an employee has not worked a sufficient portion of the evaluation period prior to the commencement of leave to permit a meaningful assessment of performance, the performance evaluation may be deferred until the employee has worked a sufficient period to allow for an equitable evaluation.

Commented [BB1]: @Kristy Siino Please update to match staff report and clarify that process includes a review by Human Resources before finalization.

Commented [KS1R2]: @Beth Burks Got it! Change made above

Personal Leave

When an employee is on personal leave at the time a performance evaluation is scheduled, the evaluation shall be deferred and completed upon the employee's return to active work status. Performance evaluations will be based on the employee's performance during periods of active work and will not be negatively impacted by the use of approved leave.

Extended personal leave may result in adjustments to evaluation timing, goals, or review periods, as appropriate, to ensure an accurate and equitable assessment.

Relationship to Compensation

Performance evaluations are a key factor in determining merit based compensation adjustments; however, they do not guarantee a salary increase or other employment benefit. Any merit increase or compensation adjustment is contingent upon individual performance, organizational considerations, and available funding, and shall be administered in accordance with RCEA's Employee Compensation Policy and subject to review and approval by Human Resources.

Policy Review

This policy may be reviewed and updated periodically to ensure consistency with organizational needs, employment law, and best practices. Revisions shall be approved in accordance with the Authority's policy adoption procedures.

~~Annual employee performance evaluations are shown to increase the effectiveness of employees in fulfilling the mission, values, and goals of their organization. Regular performance evaluations also assist employees in carrying out their assigned tasks and in selecting professional development activities which encourage personal and professional growth. Performance evaluations are also tools that organizational management may utilize for succession planning in that they identify employees who should be coached for future professional and management level positions. Employee evaluations are based on job expectations that are clearly defined by the supervisor in open communication with the employee.~~

~~The immediate supervisor shall have the responsibility for evaluating the employee's job performance throughout the year, and if the need arises, holding periodic coaching sessions with the employee to discuss ways to improve current job performance.~~

Annually based on the designated steps contained in this policy, the supervisor and employee will have face-to-face meetings to discuss the employee's assigned duties and performance, emphasizing strengths, and areas needing improvement in job performance. All such meetings should be utilized as a learning tool to identify areas of improvement which maximize the attainment of organizational goals and promote workplace excellence.

1. ~~Initial Employment Period:~~ All probationary employees shall be evaluated during their first twelve (12) months of employment, and annually thereafter, to ensure new employees are effectively performing their duties. This review will be part of the employee's evaluation during the initial employment period and shall serve as a basis for recommending continued employment after completion of the Initial Employment Period. During the initial employment period the immediate supervisor should meet with the employee to evaluate the employee's performance at least every two to three months. After the first three months, the supervisor shall provide the employee with a written evaluation and discuss the Page 2 findings with the employee. Prior to the completion of the initial employment period, the immediate supervisor will meet with the employee and discuss their performance and the results of the evaluation of their initial employment period, including any merit increase being recommended.

If the employee successfully completes the initial employment process, the employee will retain 'regular' employment status. A copy of the signed evaluation, and Status Change form showing the status change will be placed in the employee's personnel file. The employee shall be evaluated annually thereafter.

2. ~~Annual Evaluation for Regular:~~ All regular employees will be evaluated annually. Immediate supervisors are permitted some flexibility in scheduling the steps in the following process; however, all three steps must be completed for each employee no later than the employee's anniversary date of appointment in their current classification.

~~Steps in the Annual Performance Evaluation Process:~~

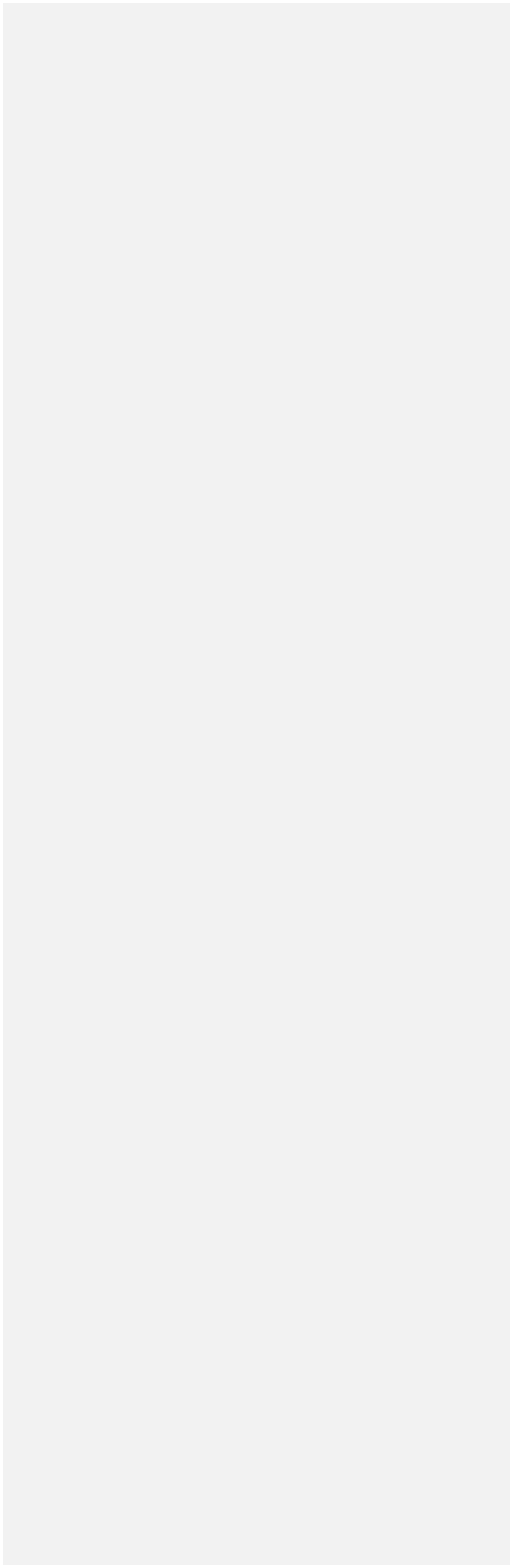
~~Step 1. Planning Period.~~ The Planning period will normally occur early in the work year. During the Planning Period, the immediate supervisor will meet with the employee to discuss the employee's job description, prepare a work plan with objectives and establish a professional development plan for the coming year.

~~Step 2. Mid-Year Review.~~ The Mid-Year Review will normally occur sometime in the Second or Third Quarter of the Work Year. During the Mid-Year Review meeting, the immediate supervisor and employee will meet to review and update

the work plan and objectives and revise, as necessary. The employee should bring supporting documentation of their accomplishments and the supervisor should bring supporting documentation of exceptional or unsatisfactory performance during the review period.

Step 3. End of Year Review. The End of Year Review will occur near the employee's anniversary hire date in their current position. During the End of Year Review meeting the immediate supervisor and the employee will meet to review and update the work plan and professional development plan, if needed. Prior to the meeting, the employee will provide a self-evaluation and, during the meeting the supervisor will provide their direct feedback regarding the employee's performance during the past year indicating what their recommendations will be in the End of Year Review. The supervisor will then complete the annual evaluation in a timely manner and provide the employee with a copy for their signature. If the employee declines to sign, the employee's decision will be noted on the form before it is placed in the employee's personnel file. Failure to perform timely performance evaluations on Page 3 subordinate employees by a supervisor may be grounds for the denial of the supervisor's annual merit increase by the Authority's Executive Director.

Immediately following the completion of the End of Year Review the immediate supervisor shall schedule a follow-up meeting with the Employee to schedule and begin the Planning Period steps in the next Annual Performance Review cycle.



APPENDIX ~~D-C~~ ANTI-HARASSMENT POLICY (Board

Approved ~~December 18, 2017~~March 26 June 25, 2026)

This policy applies to all phases of the employment relationship, including recruitment, testing, hiring, ~~upgrading,~~ promotion/demotion, transfer, layoff, termination, ~~rates of pay~~compensation, benefits, and selection for training. This policy applies to all ~~officers and employees of RCEA~~RCEA officials and personnel, including, ~~but not limited to,~~ full- and part-time employees, temporary employees, interns, supervisors, managers, directors, Board members, Committee members and persons working under contract for RCEA, and to anyone whom an employee interacts with in the course of RCEA business (including customers, visitors, vendors, and partners), with whom an employee comes into contact with.

RCEA is committed to maintaining a workplace where every employee is treated with respect. RCEA has zero tolerance for unlawful harassment, discrimination, retaliation, intimidation, bullying, or abusive conduct. Conduct need not violate a specific statute to violate this Policy; behavior that undermines a respectful, professional workplace may still be addressed under RCEA standards.

~~All such persons will be provided a copy of this policy when~~This Policy will be provided:

1. ~~When H~~ired or appointed;
2. ~~At any time~~When the ~~P~~olicy is amended;
3. ~~On~~Upon request; and,
4. To any person who files a complaint under this ~~policy~~Policy.

~~In addition, t~~his policy will be discussed at staff level meetings on a regular basis.

Definitions

Protected Classifications

RCEA prohibits harassment or discrimination based on any protected characteristic under applicable law, including those listed in the handbook's Harassment Policy section (Article X).

Protected characteristics may include, for example: race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, and any other protected classification under applicable law.

This includes harassment/discrimination based on perception that a person has a protected characteristic, or association with someone who has (or is perceived to have) a protected characteristic.

Harassment ~~Defined:~~

Harassment may consist of offensive verbal, physical, ~~or~~ visual, or written conduct when such conduct is based on or related to an individual's membership in ~~one of the above-described a~~ protected classifications, and when ~~and:~~

1. Submission to the offensive conduct is an explicit or implicit term or condition of employment; or
2. Submission to or rejection of the offensive conduct forms the basis for an employment decision affecting the employee; or
3. The offensive conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

Harassment can occur in person or through digital/remote methods, including email, chat/messages, video meetings, phones/texts, social media, shared documents, or any other communication method used for work.

Examples of what may constitute prohibited harassment include, but are not limited to, the following:

1. Kidding or joking about sex or membership in ~~one of the a~~ protected classifications;
2. Unwanted Hugs, pats, and-or similar physical contact;
3. Assault, impeding or blocking movement, or any physical interference with normal work or movement;
4. Cartoons, posters, e-mails, messages, and other materials referring to sex or ~~membership in one of the~~ protected class statusifications;
5. Threats intended to induce sexual favors;
6. Continued suggestions or invitations to social events outside the workplace after being told such suggestions are unwelcome;
7. Degrading words or offensive terms of a sexual nature or based on ~~the individual's membership in one of the~~ protected class statusifications;
8. Prolonged staring or leering at a person; and
8. Similar conduct directed at an individual on the basis of protected status
- Similar conduct directed at an individual on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status of any person or any other protected classification under applicable law.

Discrimination

Discrimination is an adverse employment action (for example: refusal to hire, termination, demotion, or denial of promotion) based on a protected characteristic or protected activity. (This Policy prohibits discrimination and provides reporting routes; other handbook sections also address [Equal Employment Opportunity](#).)

Retaliation

Retaliation is any adverse action taken because an individual:

- Reports or opposes conduct prohibited by this Policy;
- Files a complaint internally or externally;
- Participates in an investigation or proceeding; or
- Supports another individual's complaint.

Retaliation is strictly prohibited.

Intimidation or, Bullying, and Abusive Conduct Defined

RCEA prohibits workplace intimidation or bullying, including at offsite work-related locations such as trainings or events, regardless of protected class status.

Prohibited intimidation or bullying generally consists of severe or pervasive physical or verbal conduct that has or can reasonably be predicted to:

- Place an employee in reasonable fear of harm to person or property;
- Cause a substantially detrimental effect on physical or mental health; or
- Cause a substantial interference with the ability to work.

It may include intentional written, visual, verbal, or physical acts, including electronic conduct (email, texting, calls, internet, chat misuse, camera/video misuse).

~~— Prohibited intimidation or bullying generally consists of severe or pervasive physical or verbal act or conduct that has or can reasonably be predicted to:~~

~~place an employee in reasonable fear of harm to the employee's person or property;
cause an employee to reasonably experience a substantially detrimental effect on their physical or mental health; or,
cause an employee to reasonably experience a substantial interference with their ability to work.
It can include any intentional written, visual, verbal, or physical act, when the act or conduct has an effect as described above.~~

~~Intimidation or bullying comes in many shapes and sizes and can take many forms including, but not limited to, tormenting, taunting, abusive comments, using threatening gestures; pushing, shoving, punching, unwanted physical contact, or any use of violence; name-calling, yelling, sarcasm. Such conduct can also occur via use of electronic or telephonic communications such as the internet, email and chatroom misuse, text messaging or calls, or misuse of cameras and video equipment.~~

Internal Reporting Procedure:

Any employee who believes that they have been the victim of ~~harassment by coworkers, supervisors, clients or customers, visitors, vendors, or others that is prohibited by State or Federal law~~ conduct prohibited by the Policy should report it as soon as possible using any of

the following channels (whichever the employee feel most comfortable):

- immediately notify their supervisor, or, in the alternative, the
- Executive Director or;
- Human Resource Manager ; or
- Deputy Executive Director ; depending on which individual the employee feels most comfortable in contacting. Additionally, supervisors, managers and directors who observe or otherwise become aware of harassment, intimidation, or bullying that violates this policy have a duty to notify the Executive Director so that affirmative steps are taken to promptly investigate and remedy such prohibited conduct and prevent its recurrence. The attached complaint form may be used.

If the incident directly complaint involves the Executive Director, the employee should report the matter directly to the Chair of the Board of Directors or to the RCEA's General Counsel. Contact information for the Chair of the Board and/or General Counsel may be obtained in confidence from the Clerk of the Board.

Employees may use the **complaint form** at the end of this Appendix, but a report may also be made verbally or in writing.

Supervisor/Manager Duty to Report

Supervisors, managers, and directors who observe or otherwise become aware of conduct that may violate this Policy have a duty to promptly notify the Executive Director (or, if the Executive Director is implicated, the Chair of the Board or General Counsel) so that the matter can be addressed.

Interim Measures

RCEA may implement interim measures during an investigation as appropriate (for example: temporary changes in reporting relationships, schedules, work location, or directives to avoid contact). Interim measures are not disciplinary conclusions and do not imply wrongdoing.

External Reporting Procedure:

Employees may also file external complaints with:

- The California Civil Rights Department (CRD)
- The U.S. Equal Employment Opportunity Commission (EEOC).

For workplace complaints, CRD's website explains how to file, how long a person has to file, and when a "right-to-sue" notice is required before going to court.

RCEA encourages employees to report internally so concerns can be addressed promptly, but internal reporting is not required to access external agencies. Any employee who believes that they have been the victim of harassment by coworkers, supervisors, clients or customers, visitors, vendors, or others prohibited by state or federal law, may file a complaint with the

California Department of Fair Employment and Housing (DFEH) or the United States Equal Employment Opportunity Commission (EEOC).

Investigation:

–The Executive Director is the person designated by RCEA to investigate complaints of harassment under this Policy. The Executive Director may, however, delegate the an investigation at their discretion, including retaining the hiring of an outside investigator. The Executive Director and is encouraged to consult with General legal Counscounsel during the investigation process.

Investigation Standards

Immediately upon receiving an allegation of conduct prohibited by this policy, the Executive Director RCEA will conduct a fair, timely and, thorough, and impartial investigation that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected. The investigation will be proceed and conducted conclude as soon as feasible and should proceed and conclude quickly. However, expediency is not allowed to without compromise compromising the investigation's thoroughness or fairness.

At all times during the investigation, a minimum the investigator shall be impartial, neutral and avoid the perception of bias. At a minimum, the Executive Director shall:

- Provide a copy of this policy to the complaining party, the accused party and any other applicable persons;
- Authorize and implement an immediate, effective, thorough, and objective investigation of the complaint. Interviews will be held with Conduct and effective, thorough, and objective investigation, including interviews with:
 - (1) the complaining party;
 - (2) the accused party; and
 - (3) any other persons the investigator has reason to believe may have relevant knowledge concerning the complaint, which may include employees who have experienced similar conduct. During the investigation, the complaining party may specify the type of relief they feel is warranted from the accused party, which will be considered in evaluating the complaint and in determining the appropriate disciplinary action, if the charge is confirmed; relevant witnesses or other with reasonably relevant information;
- Review factual information gathered through the investigation process;
- Determine whether a violation of this policy has occurred, giving consideration to all the factual information and the totality of circumstances, including the nature of the conduct, and the context in which the alleged prohibited conduct occurred on the totality of circumstances;
- Promptly report the results and findings of the investigation to appropriate persons (and the determination as to whether this policy has been violated to appropriate persons, including the complaining party, the alleged harasser, ant and accused); the supervisor, the department head, and as appropriate, to all others directly concerned; and
- Take reasonable steps to protect the complaining party and/or other employees from against any retaliation as a result of the complaint or the investigation.

~~During the investigation, the complaining party may identify the type of relief they believe is warranted, which may be considered in determining appropriate outcomes if a violation is confirmed. In the event the prohibited conduct complaint is against the Executive Director, an investigator will be appointed by the Board of Directors and the Board will assume the role of the Executive Director throughout the process. Charges filed with the DFEH or EEOC are investigated by the DFEH or EEOC, respectively.~~

Internal Documentation Procedure:

When an allegation of prohibited conduct is made, the person ~~to whom~~receiving the complaint ~~is made~~ shall ~~immediately~~promptly prepare a report of the complaint documenting the date(s) of the occurrence(s), parties involved, allegations, and facts known to the reporting person and submit it to the Executive Director (or alternate authority if the Executive Director is implicated). ~~The person submitting t~~The report should ~~take care not to make~~avoid conclusory statements.

- ~~The investigator shall make and keep a written record of the investigation, including:~~
- ~~notes~~Notes of ~~interviews and verbal responses made to the investigator by the person complaining of prohibited conduct, witnesses interviewed during the investigation, the person against whom the complaint prohibited conduct was made, and any other person contacted by the investigator in connection with the investigation.~~from the complainant, accused, and witnesses; and
- ~~The investigator's notes shall be made at the time the verbal interview is in progress. Any other documentary evidence shall be retained as part of the record of the investigation.~~collected.

Based on the ~~investigated report record~~ and any other relevant information, ~~the Executive Director shall~~RCEA will determine, within a reasonable period of time, ~~determine~~ whether the ~~reported~~ conduct of the person against whom a complaint has been made constitutes ~~harassment, intimidation or bullying~~prohibited conduct under this Policy, considering. ~~In making that determination, the Executive Director shall look at the record as a whole and at the totality of circumstances, including the nature of the conduct in question; the context in which the conduct, if any, occurred; and the conduct of the person complaining of harassment. The determination of whether prohibited conduct occurred will be made on a case-by-case basis by the Executive Director.~~

Confidentiality:

All records and information relating to the investigation ~~and of any alleged prohibited conduct~~ and resulting ~~disciplinary~~corrective action shall be confidential, except to the extent disclosure is required by law, ~~as part of the investigatory or disciplinary process necessary to complete the investigation and implement corrective action, or as otherwise reasonably necessary.~~ Information relating to the investigation may be shared on a limited basis only as necessary ~~to complete the investigation and take appropriate action.~~

Remedies/Corrective Action:

~~Disciplinary Action--If the Executive Director RCEA determines that the complaint of prohibited conduct is founded, RCEA will the Executive Director shall take immediate and appropriate disciplinary corrective action, consistent with the requirements of law and any applicable personnel rules, to prevent reoccurrence and remedy impacts to the extent reasonably necessary, or regulations pertaining to employee discipline. Other steps may be taken to the extent reasonably necessary to prevent recurrence of the conduct and to remedy the complainant's loss, if any. Disciplinary action shall be consistent with the nature and severity of the offense, the rank of the harasser, and any other factors relating to the fair and efficient administration of the RCEA's operations.~~

~~If discipline is imposed, RCEA this will be communicated to the complainant communicate that appropriate action was taken to the complainant, but may limit detail to protect privacy rights of the accused. However, to protect the privacy rights of the accused, the complainant will not be told what the specific disciplinary action was. The nature and severity of the discipline will vary depending on the nature and severity of the harassment, whether or not the employee was in a supervisory or management position, and/or any past history of misconduct.~~

~~If the charge is confirmed, the Executive Director shall take reasonable steps to protect the complainant and/or other employees from any further prohibited conduct.~~

~~In the event a complaint is filed with the DFEH, the DFEH will encourage voluntary settlement between the parties. If not settled, DFEH will continue its investigation to determine if California law was violated. If DFEH finds there were probable violations of the law, the case moves to DFEH's Legal Division. At that time, the parties are required to go to mediation. At mediation, the parties have the opportunity to reach an agreement to resolve the dispute and close the case. If mediation fails, the DFEH may file a lawsuit in court. Legal remedies available through DFEH for a successful claim by an applicant, employee, or former employee include possible reinstatement to a former job; award of a job applied for; back pay; front pay; attorneys' fees; and under appropriate circumstances, actual damages and/or administrative fines. In the alternative, DFEH may grant the employee permission to withdraw the case and pursue a private lawsuit seeking similar remedies.~~**Training and Prevention**

~~RCEA will provide harassment prevention training as required by California law. Government Code section 12950.1 requires employers with 5 or more employees to provide at least two hours of training to supervisory employees and one hour to nonsupervisory employees every two years, and to train new employees within specified timeframes.~~

~~That law also requires that training includes prevention of abusive conduct and training inclusive of harassment based on gender identity, gender expression, and sexual orientation.~~

Retaliation Prohibition:

Retaliation against anyone for opposing conduct prohibited by this policy or for filing a complaint with or otherwise participating in an investigation or, proceeding or hearing ~~conducted by RCEA, DFEH, or EEOC (internal or external)~~ is strictly prohibited ~~by RCEA and state law. It and~~ may result in subject the offending person to, among other things, disciplinary action, up to and including, termination of employment.

Employee Obligation:

Employees are ~~not only encouraged~~ and expected to report ~~instances of harassment, they are obligated by state law to report instances of harassment~~ concerns promptly and to cooperate in investigations.

~~Employees are obligated to cooperate in every investigation of harassment, including, but not necessarily limited to:~~

- ~~1. Coming forward with evidence, both favorable and unfavorable to a person accused of harassment; and~~
- ~~2. Fully and truthfully making a written report or verbally answering questions when required to do so during the course of an RCEA investigation of alleged harassment.~~

Knowingly making a false complaint or knowingly providing false or misleading information during an investigation may be grounds for disciplinary action up to and including termination. ~~Knowingly falsely accusing someone of harassment, intimidation or bullying or otherwise knowingly giving false or misleading information in an investigation of prohibited conduct shall be grounds for disciplinary action, up to and including, termination of employment.~~



Staff Report

Agenda Item # 5.6

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Kristy Siino, HR Manager
Subject	General Counsel, Director of Engagement and Climate Planning, and Accounting Manager job descriptions

Summary

In March 2026, the Board approved, through the RCEA re-organization, the creation of two new jobs: General Counsel and Director of Engagement and Climate Planning. Staff have completed the job descriptions for both new positions, with anticipated recruitments and start dates in the 2026-2027 fiscal year.

Additionally, in March 2026 staff presented the final Classification and Compensation Study, which included updates to all RCEA job descriptions. However, it was later discovered one current job description, the Accounting Manager, was erroneously left out of that packet for approval.

Equity Impacts

Supports RCEA's Racial Justice Plan actions directed at Tribal engagement; diversity, equity, and inclusion in program selection, design, and implementation; and integrating equity actions in job descriptions and staff work plans.

Alignment with RCEA's Strategic Plan

One of the key roles of the Director of Engagement and Climate Planning will be to assist with updating and implementation of RCEA's strategic plan.

Financial Impact

Budgeted staff costs.

Staff Recommendation

Approve the General Counsel, Director of Engagement and Climate Planning, and Accounting Manager job descriptions.



Attachments

1. General Counsel job description
2. Director of Engagement and Climate Planning job description
3. Accounting Manager job description



General Counsel

DEFINITION

Under appointment by, and serving at the pleasure of, the Redwood Coast Energy Authority's Board of Directors, serves as Redwood Coast Energy Authority's chief legal officer; plans, organizes, oversees, and manages the provision of legal services to support RCEA operations, governance, and strategic initiatives; advises the Executive Director, Board of Directors, and senior management on legal, regulatory, and risk-related matters; ensures compliance with applicable federal, state, and local laws; represents RCEA in legal and administrative matters; manages litigation and outside counsel; provides highly responsible and complex professional assistance to the Executive Director in areas of expertise; and performs related duties as assigned.

SUPERVISION RECEIVED AND EXERCISED

Works closely with the Board, Executive Director and other staff and receives administrative direction from the Executive Director. The work provides for a wide variety of independent decision-making, within legal and general policy and regulatory guidelines. Exercises supervision over management, professional, technical, and/or administrative support staff through subordinate levels of management and supervision.

CLASS CHARACTERISTICS

This classification is responsible for planning, organizing, and managing the Agency's legal services and activities. Incumbents perform diverse, specialized, and complex work involving significant accountability and independent judgment in overseeing legal matters, including compliance, governance, contracting, regulatory and legislative policy, and risk management. The incumbent serves as the Agency's primary legal advisor, with regular contact and interaction with the Executive Director, Board of Directors, senior management, outside counsel, regulatory agencies, legislative bodies, and other interested parties. Responsibilities include oversight of legal strategy; monitoring, interpreting, and advising on regulatory and legislative developments affecting Agency programs and operations; coordination of litigation and outside counsel; and review and development of policies, contracts, and governance materials to ensure compliance with applicable federal, state, and local laws. This classification is distinguished from other management classifications by its responsibility for providing legal interpretation, advice, and representation on behalf of the Agency; its role in advising on regulatory and legislative policy matters; and by the requirement to exercise independent professional legal judgment on issues affecting Agency operations, compliance, and governance.

EXAMPLES OF TYPICAL JOB FUNCTIONS (Illustrative Only)

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.

- Provide legal advice and guidance to the Executive Director, Board of Directors, and staff on a broad range of legal issues affecting Agency operations, including compliance with federal, state, and local law.

- Prepare written and oral legal opinions, guidance, and recommendations on complex and sensitive matters.
- Advise on legal risk, develop mitigation strategies, and communicate legal and operational risks to executive leadership.
- Advise and support the Board of Directors, including review of agendas, staff reports, resolutions, and governance materials; provide legal guidance on Agency activities, Board actions, procedures, and governance best practices.
- Ensure compliance with public agency laws, including, but not limited to, the Brown Act, Public Records Act, conflict of interest laws, and other applicable statutes.
- Provide legal oversight of and review, negotiation, and approval of drafting, review, negotiation, and approval of contracts and agreements, including service agreements, MOUs/MOAs, procurement documents, and regulatory filings.
- Develop and maintain contract templates, terms and conditions, and legal standards to ensure compliance and consistency across RCEA.
- Advise staff on procurement, contracting strategies, and risk allocation.
- Interpret and advise on regulatory requirements impacting RCEA programs, including California Public Utilities Commission (CPUC), California Energy Commission (CEC), CAISO, CARB, and other applicable agencies.
- Provide legal review and advice on regulatory filings, compliance submissions, and advocacy positions developed by staff.
- Advise on legal implications of legislative and regulatory developments identified by staff.
- Oversee litigation, claims, administrative proceedings, and dispute resolution involving RCEA.
- Select, manage, and coordinate outside counsel, including evaluation of performance, cost control, and alignment with Agency objectives.
- Direct legal strategy and ensure consistent and effective representation of RCEA.
- Identify legal risks across Agency operations and advise on and recommend policies, procedures, and controls to mitigate risk exposure.
- Support compliance with funding requirements, audits, and reporting obligations.
- Review and advise on internal policies and operational practices to ensure legal compliance.
- Provide legal guidance on public agency employment law matters, including personnel policies, workplace investigations, and compliance with applicable laws and regulations.
- Provide advice on complex employment issues or litigation as needed, and coordinate with outside counsel if any. Collaborate with all departments to support program development, implementation, and operational decision-making.
- Provide legal advice to support strategic planning and organizational initiatives.
- Serve as a key advisor on high-level organizational decisions and emerging legal issues.
- Attend Board meetings, committee meetings, and other Agency meetings as required or requested by the Board or Executive Director.
- Perform related duties as assigned by the Board or Executive Director.
- Support the ongoing implementation of RCEA's Racial Justice Plan and actively engages in justice, equity, diversity, and inclusion efforts within the organization
- Perform related duties as required.

QUALIFICATIONS

Knowledge of:

- Principles and practices of public agency law, including governance, administrative law, and the legal framework applicable to Joint Powers Authorities.
- Federal, state, and local laws and regulations applicable to Agency operations, including but not limited to the Brown Act, California Public Records Act, conflict of interest laws, and public contracting requirements.
- Legal principles related to contracts and transactional law, including drafting, negotiation, interpretation, and risk allocation for a wide range of agreements.
- Regulatory frameworks affecting Community Choice Aggregation (CCA) programs and public utilities, including familiarity with agencies such as the CPUC, CEC, CAISO, CARB, and related entities.
- Litigation processes, administrative proceedings, and dispute resolution practices applicable to public agencies.
- Public sector employment law, including personnel practices, investigations, and compliance requirements.
- Risk management principles and methods for identifying, evaluating, and mitigating legal and operational risk.
- Legal research methods, analysis, and the preparation of clear and effective written and oral legal opinions.
- Principles of policy development and review to ensure legal compliance and alignment with Agency objectives.
- Roles and responsibilities of public boards, commissions, and committees, and applicable governance procedures.
- Applicable federal, state, and local laws, codes, and regulations as well as industry standards and best practices pertinent to the assigned area of responsibility.
- Agency and mandated safety rules, regulations, and protocols
- Techniques for providing a high level of customer service, by effectively dealing with the public, vendors, contractors, and Agency staff.
- The structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar.
- Modern equipment and communication tools used for business functions and program, project, and task coordination, including computers and software programs relevant to work performed.

Ability to:

- Analyze complex legal issues and provide clear, practical, and legally sound advice to executive leadership, the Board of Directors, and staff.
- Interpret and apply laws, regulations, and policies to a wide variety of Agency programs and operational scenarios.
- Identify legal risks and develop effective strategies to mitigate exposure while supporting organizational objectives.
- Communicate complex legal concepts clearly and concisely, both orally and in writing, to non-legal audiences.

- Review, draft, and negotiate contracts and legal documents with a high degree of accuracy and attention to detail.
- Provide legally defensible guidance on governance, compliance, and policy matters affecting a public agency.
- Manage and coordinate outside counsel, including setting strategy, evaluating performance, and controlling costs.
- Exercise sound independent professional judgment and maintain confidentiality in sensitive and complex matters.
- Build and maintain effective working relationships with the Board of Directors, executive leadership, staff, regulatory agencies, and external stakeholders.
- Support organizational decision-making by balancing legal considerations with operational and policy objectives.
- Manage multiple priorities and complex projects in a dynamic and evolving regulatory environment.
- Use tact, initiative, prudence, and independent judgment within general policy, procedural, and legal guidelines.
- Independently organize work, set priorities, meet critical deadlines, and follow-up on assignments.
- Communicate clearly and concisely, both orally and in writing, using appropriate English grammar and syntax.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.
- Effectively use computer systems, software applications relevant to work performed, and modern business equipment to perform a variety of work tasks.

Education and Experience:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

Equivalent to a Juris Doctor (J.D.) from an accredited law school and must be admitted to the California State Bar to practice law and 10 years of legal experience, with municipal, corporate, energy and/or utility experience.

Licenses and Certifications:

- Current member in good standing with the California State Bar Association.
- Possession of a valid California Driver's License or evidence of equivalent mobility, to be maintained throughout employment.

PHYSICAL DEMANDS

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; to operate a motor vehicle and visit various Agency sites (use only for driving positions); vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone. This is primarily a sedentary office classification although standing in work areas and walking between work areas may be required. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push, and pull materials and objects up to 10 pounds.

ENVIRONMENTAL CONDITIONS

Employees work in an office environment with moderate noise levels, controlled temperature conditions, and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing divisional policies and procedures.



DIRECTOR OF ENGAGEMENT AND REGIONAL CLIMATE PLANNING

DEFINITION

Under administrative direction, plans, organizes, manages, and provides administrative direction and oversight for all functions and activities of the Engagement and Regional Climate Planning Department including marketing and communications, community education and engagement, Community Advisory Committee support, Regional Climate Action Plan collaboration and implementation, offshore wind collaboration, and project manager for Strategic Plan update; formulates departmental policies, goals, and directives; coordinates assigned activities with other RCEA departments, officials, outside agencies, external stakeholders and the public; fosters cooperative working relationships among RCEA departments and with intergovernmental, regulatory agencies, and various public and private groups; provides highly responsible and complex professional assistance to the Executive Director in areas of expertise; and performs related duties as assigned.

SUPERVISION RECEIVED AND EXERCISED

Receives administrative direction from the Executive Director. Exercises supervision over management, professional, technical, and/or administrative support staff through subordinate levels of supervision.

CLASS CHARACTERISTICS

This is a department head classification that oversees, leads, and participates in all activities of the Engagement and Regional Climate Planning Department, including short- and long-term planning as well as development and administration of departmental policies, procedures, and services. This class provides assistance to the Executive Director in a variety of administrative, coordinative, analytical, and liaison capacities. Successful performance of the work requires knowledge of public policy, RCEA functions and activities, including the role of the Board of Directors, and the ability to develop, oversee, and implement interdisciplinary projects and programs. Responsibilities include coordinating the activities of the department with those of other departments and outside agencies and managing and overseeing the complex and varied functions of the department. The incumbent is accountable for accomplishing departmental planning and operational goals and objectives and serves as an advisor and contributor to executive management and Board of Directors on policies, procedures, and major RCEA programs/initiatives.

EXAMPLES OF TYPICAL JOB FUNCTIONS (Illustrative Only)

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.

- Assumes full management responsibility for all Engagement and Regional Climate Planning Department programs, services, and activities, including community engagement, outreach, communications, and regional coordination functions.
- Develops, directs, and coordinates the implementation of goals, objectives, policies, procedures, and work standards for the department; continuously monitors and evaluates the efficiency and effectiveness of service delivery methods and procedures; assesses and monitors the distribution of work, support systems and internal reporting relationships; identifies opportunities for improvement; directs the implementation of change.

- Manages and participates in the development and administration of the department's budget; directs the forecast of additional funds needed for staffing, equipment, and supplies; directs the monitoring of and approves expenditures; directs and implements budgetary adjustments as necessary.
- Selects, trains, motivates, and directs department personnel; evaluates and reviews work for acceptability and conformance with department standards, including program and project priorities and performance evaluations; works with employees to correct deficiencies; implements discipline and termination procedures; responds to staff questions and concerns.
- Monitors and implements legal, regulatory, technology and societal changes and court decisions that may affect the work of the department; determines equipment acquisition, training programs and procedural changes to ensure retention of qualified staff and the provision of services to the community in an effective, efficient, and economical manner.
- Oversees the development of consultant requests for proposals for professional services and the advertising and bid processes; evaluates proposals and recommends project award; coordinates with legal counsel to determine RCEA needs and requirements for contractual services; negotiates contracts and agreements and administers same after award.
- Provides executive level direction for marketing, public education, and community outreach activities supporting RCEA programs and services; ensures alignment and consistency of messaging, branding, and engagement strategies across RCEA.
- Provides high level policy direction and administrative oversight to ensure the Regional Climate Action Plan is aligned with strategic objectives, Board policies, and jurisdictional agreements; supervises the Regional Climate Action Plan Administrator by setting expectations and reviewing progress at a strategic level.
- Reviews major Regional Climate Action Plan recommendations and deliverables for policy alignment and readiness.
- Leads or supports agencywide strategic planning efforts, major cross departmental initiatives, and long-range planning activities related to engagement and regional climate coordination.
- Represents the department to other RCEA departments, elected officials, and outside agencies; explains and interprets departmental programs, policies, and activities; negotiates and resolves significant and controversial issues.
- Conducts a variety of departmental organizational and operational studies and investigations; recommends modifications to programs, policies, and procedures as appropriate.
- Participates in and makes presentations to the Board of Directors and a wide variety of committees, boards, and commissions; attends and participates in professional group meetings; stays abreast of new trends and innovations in the field of climate planning and outreach.
- Directs the maintenance of working and official departmental files; prepares, reviews, and presents staff reports, various management and information updates, and reports on special projects as assigned by the Executive Director.
- Responds to public inquiries and complaints and assists with resolutions and alternative recommendations; serves as a spokesperson for the department at a variety of community events, meetings, and other public relations activities.
- Leads or supports RCEA involvement with offshore wind development, including collaboration with local stakeholders and leaders, and representing RCEA's interest in local, statewide, and federal planning efforts related to offshore wind development.
- Directly supports the RCEA's Community Advisory Committee, including staffing their regular meetings, and advising on ways to make CAC involvement meaningful and representative of our community.
- Observes, complies with, and ensures staff compliance with all RCEA and mandated safety rules, regulations, and protocols.
- Leads the ongoing implementation of RCEA's Racial Justice Plan within the Engagement and Regional Climate Planning department and actively champions and supports justice, equity, diversity, and inclusion efforts across the organization.

- Performs related duties as required.

QUALIFICATIONS

Knowledge of:

- Administrative principles, practices, and methods, including goal setting, program development, implementation and evaluation, policy and procedure development, quality control, and work standards.
- Organization and management practices as applied to the development, analysis, and evaluation of programs, policies, and operational needs of the assigned area of responsibility.
- Principles and practices of employee supervision, including work planning, assignment review and evaluation, discipline, and the training of staff in work procedures.
- Principles and practices of leadership and collaborative decision making.
- Principles and techniques for working with groups and fostering effective team interaction to ensure teamwork is conducted smoothly.
- Principles and practices of climate change planning and project management.
- Federal, State, regional, and local regulations pertaining to climate change.
- Principles and practices of community engagement and marketing.
- Applicable federal, state, and local laws, codes, and regulations, as well as industry standards and best practices pertinent to the assigned area of responsibility.
- Agency and mandated safety rules, regulations, and protocols
- Techniques for providing a high level of customer service, by effectively dealing with the public, vendors, contractors, and Agency staff.
- The structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar.
- Modern equipment and communication tools used for business functions and program, project, and task coordination, including computers and software programs relevant to work performed.

Ability to:

- Develop and implement goals, objectives, practices, policies, procedures, and work standards.
- Select and supervise staff, provide training and development opportunities, ensure work is performed effectively, and evaluate performance in an objective and positive manner.
- Provide administrative, management, and professional leadership for the Engagement and Regional Climate Planning department.
- Prepare and administer large and complex budgets; allocate limited resources in a cost-effective manner.
- Interpret, apply, explain, and ensure compliance with federal, state, and local policies, procedures, laws, and regulations.
- Plan, organize, direct, and coordinate the work of management, professional, and technical personnel; delegate authority and responsibility.
- Research, analyze, and evaluate new service delivery methods, procedures, and techniques.
- Effectively administer special projects with contractual agreements and ensure compliance with contractual obligations.
- Provide executive, administrative, and professional leadership for a multidisciplinary department encompassing community engagement, marketing oversight, and regional climate planning functions.
- Provide high level policy oversight and guidance for complex, multiagency initiatives, including regional climate planning efforts, while delegating program administration and implementation to subordinate management.
- Effectively represent the department and RCEA in meetings with governmental agencies; community groups; various business, professional, and regulatory organizations; and in meetings with individuals.

- Prepare clear and concise reports, correspondence, documentation, and other written materials.
- Conduct complex research projects, evaluate alternatives, make sound recommendations, and prepare effective technical staff reports.
- Direct the establishment of filing, record-keeping, and tracking systems.
- Use tact, initiative, prudence, and independent judgment within general policy, procedural, and legal guidelines.
- Independently organize work, set priorities, meet critical deadlines, and follow-up on assignments.
- Communicate clearly and concisely, both orally and in writing, using appropriate English grammar and syntax.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.
- Effectively use computer systems, software applications relevant to work performed, and modern business equipment to perform a variety of work tasks.

Education and Experience:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

Equivalent to a bachelor’s degree in business or public administration, organizational development, planning, environmental sciences, or a closely related field and 10 years progressively responsible and varied experience in organizational or municipal management.

Licenses and Certifications:

- Possession of a valid California Driver’s License or evidence of equivalent mobility, to be maintained throughout employment.

PHYSICAL DEMANDS

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; to operate a motor vehicle and visit various Agency sites (use only for driving positions); vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone. This is primarily a sedentary office classification although standing in work areas and walking between work areas may be required. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push, and pull materials and objects up to 10 pounds.

ENVIRONMENTAL CONDITIONS

Employees work in an office environment with moderate noise levels, controlled temperature conditions, and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing divisional policies and procedures.



ACCOUNTING MANAGER

DEFINITION

Under general direction, plans, organizes, oversees, coordinates, and manages the Finance Department programs, projects, and activities including accounts receivable, accounts payable, bookkeeping, and purchasing; serves as a liaison and fosters cooperative working relationships with a variety of internal and external stakeholders, partners, and contracted service providers; provides complex and responsible support to the Director of Business Planning and Finance; and performs related duties as assigned.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the Director of Business Planning and Finance. May exercise direct supervision over technical and administrative support staff.

CLASS CHARACTERISTICS

This classification is responsible for planning, organizing, and managing the accounting functions of the agency. Incumbents are responsible for performing diverse, specialized, and complex work involving significant accountability and decision-making responsibilities in overseeing the day-to-day operations of the program(s). Employees serve as a specialist, liaison, and advocate for the program(s), with regular contact and interactions with RCEA senior management positions, other public agencies, community organizations, regulatory and governmental agencies, and members of the community.

EXAMPLES OF TYPICAL JOB FUNCTIONS (Illustrative Only)

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees can perform the essential functions of the job.

- Assumes management responsibility for Finance programs, projects, and efforts, including completing fiscal and program audits; accounts payable and receivable; purchasing; bookkeeping; and planning and implementing policies and processes.
- Participates in the development and implementation of goals, objectives, policies, and priorities for assigned programs; recommends within policy, appropriate service, and staffing levels; recommends and administers policies and procedures.
- Participates in the development, administration, and oversight of the program budget; determines funding needed for equipment, materials, and supplies; ensures compliance with budgeted funding.
- Participates in the selection of, trains, motivates, and evaluates assigned personnel; works with employees to correct deficiencies; recommends and implements discipline and termination procedures.
- Performs accounts receivable and accounts payable functions; pays bills, prepares invoices, and processes purchase requisitions.
- Performs bookkeeping duties including journal entries, records reconciliation, and preparation of accounting reports.
- Assists with fiscal program audits, and other evaluation activities on an as-needed basis.
- Provides support in human resource functions including reviewing and processing payroll.
- Manages vendor, contractor, consultant, and third-party relationships.
- Assists with logistical and administrative oversight of fiscal operations, representing and enforcing

- RCEA policies and procedures, training, and identifying gaps in resourcing and identifying solutions.
- Collaborates with other RCEA departments to make recommendations and modifications to programs, policies and procedures as it relates to financial record keeping as appropriate.
- Serves as a liaison for assigned functions with other RCEA departments, divisions, and outside agencies; provides staff support to commissions, committees, and task forces as necessary.
- Monitors changes in regulations and technology that may affect operations; implements policy and procedural changes after approval.
- Receives, investigates, and responds to difficult and sensitive problems and complaints in a professional manner; identifies and reports findings and takes necessary corrective action.
- Observes and complies with all RCEA and mandated safety rules, regulations, and protocols.
- Ensures staff observe and comply with all RCEA and mandated safety rules, regulations, and protocols.
- Supports the ongoing implementation of RCEA's Racial Justice Plan and actively engages in justice, equity, diversity, and inclusion efforts within the organization.
- Performs related duties as required.

QUALIFICATIONS

Knowledge of:

- Organization and management practices as applied to the development, analysis, and evaluation of programs, policies, and operational needs of the assigned area of responsibility.
- Principles and practices of employee supervision, including work planning, assignment review and evaluation, discipline, and the training of staff in work procedures.
- Principles and practices of leadership.
- Administrative principles, practices, and methods including goal setting, program development, implementation and evaluation, policy and procedure development, quality control, and work standards.
- Principles and techniques for working with groups and fostering effective team interaction to ensure teamwork is conducted smoothly.
- Generally accepted accounting principles and practices.
- Computerized accounting systems such as QuickBooks.
- Common agency funding sources such as contracts, grants, and credit facilities.
- Payroll applications, policies and procedures
- Applicable federal, state, and local laws, codes, and regulations as well as industry standards and best practices pertinent to the assigned area of responsibility.
- RCEA and mandated safety rules, regulations, and protocols
- Techniques for providing a high level of customer service, by effectively dealing with the public, vendors, contractors, and RCEA staff.
- The structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar.
- Modern equipment and communication tools used for business functions and program, project, and task coordination, including computers and software programs relevant to work performed.

Ability to:

- Select and supervise staff, provide training and development opportunities, ensure work is performed effectively, and evaluate performance in an objective and positive manner.
- Assist in developing and implementing goals, objectives, practices, policies, procedures, and work standards.
- Monitor multiple inboxes and organize tasks to ensure action items are not missed.
- Provide administrative, management, and professional leadership for the Business Planning and Finance Department.

- Perform data entry, maintain organized and accurate filing systems, and prepare reports and other business communications.
- Prepare weekly and monthly reporting and outputs for program and department leads as scheduled.
- Understand, interpret, and apply all pertinent laws, codes, regulations, policies and procedures, and standards relevant to work performed.
- Effectively represent the department and RCEA in meetings with governmental agencies; community groups; various business, professional, and regulatory organizations; and in meetings with individuals.
- Prepare clear and concise reports, correspondence, documentation, and other written materials.
- Use tact, initiative, prudence, and independent judgment within general policy and procedural guidelines.
- Independently organize work, set priorities, meet critical deadlines, and follow-up on assignments.
- Communicate clearly and concisely, both orally and in writing, using appropriate English grammar and syntax.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.
- Effectively use computer systems, software applications relevant to work performed, and modern business equipment to perform a variety of work tasks.

Education and Experience:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

Equivalent to a bachelor's degree in finance, accounting, or a related field and five (5) years of progressively responsible experience in finance or accounting.

PHYSICAL DEMANDS

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone. This is primarily a sedentary office classification although standing in work areas and walking between work areas may be required. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push, and pull materials and objects up to 10 pounds.

ENVIRONMENTAL CONDITIONS

Employees work in an office environment with moderate noise levels, controlled temperature conditions, and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing divisional policies and procedures.



Staff Report

Agenda Item # 7.1

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Richard Engel, Power Resources Director Lori Biondini, Business Planning and Finance Director Jaclyn Harr, The Energy Authority Account Director – California
Subject	Energy Risk Management Semi-Annual Report

Background

In December 2016, the RCEA Board of Directors adopted an Energy Risk Management Policy, most recently revised in January 2026¹, to establish functions and procedures to manage the risks associated with the Community Choice Energy (CCE) program’s power procurement activities. In accordance with this policy, staff presents updates at minimum twice yearly on activities and financial performance to the Board during business meetings.

Summary

RCEA staff, based on financial projections provided by the Energy Authority (TEA) will provide an energy risk management update. TEA California Account Director Jaclyn Harr will be available for questions.

Equity Impacts

Not applicable

Alignment with RCEA’s Strategic Plan

Not applicable

Financial Impact

This staff report is presented to provide information to the Directors. Staff are not recommending that the Board act at this time.

¹ https://redwoodenergy.org/wp-content/uploads/sites/850/2026/01/RCEA-Energy-Risk-Management-Policy_Jan-2026.pdf



Staff Recommendation

Accept Energy Risk Management Semi-Annual Report and provide feedback to staff on information presented to inform any further analysis or future Board actions.

Attachments

1. Energy Risk Management Semi-Annual Report slides will be presented at the meeting.



Staff Report

Agenda Item # 10.1

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Richard Engel, Director of Power Resources Lori Biondini, Director of Business Planning and Finance
Subject	Final Authorizations for Pre-Pay Bond Financing

Background

Energy pre-payment bonds are a way to reduce the cost of renewable energy and provide savings to customers under existing U.S. Treasury Regulations available to public entities like Community Choice Aggregators (CCAs), including RCEA. Such bonds have been in use for years by municipal utilities to contract for natural gas or electricity at discounted prices and by CCAs since 2021 to achieve substantial savings for customers. In general, the costs of long-term renewable energy contracts (like Power Purchase Agreements or PPAs) are pre-paid for a supply of electricity from a taxable entity, and the CCA uses tax-exempt municipal bonds to fund that prepayment. In this structure, tax-exempt bonds are issued and the bond proceeds are used to secure a 30-year energy supply from a Pre-paid Supplier. The Pre-paid Supplier then lends these proceeds to an intermediary bank at a taxable rate. The Pre-paid Supplier pays energy sellers the full contract price, while the bond issuer charges the CCA a discounted rate. The difference is typically about eight to 10 percent or more depending on market conditions, resulting in a discount for the CCA. This discount results primarily from the difference between the taxable interest rate at which the proceeds are loaned by the Pre-paid Supplier to the bank and the tax-exempt interest rate on the bonds.

The bonds issued are off-balance sheet and non-recourse to the prepay participant (in this case, RCEA), while also remaining ratings neutral to positive. There is no obligation to pay for debt issued, only to pay for power delivered.

In November 2025, the Board authorized the Executive Director to take the necessary steps to establish a pre-payment bond financing transaction (pre-pay), in partnership with Desert Community Energy (DCE), as part of the broader efforts to address RCEA's costs and long-term financial stability. At its March 2026 meeting, the Board further authorized the Executive Director to take additional steps in pursuing prepay.

With approvals from their respective Boards, DCE and RCEA have executed the following agreements, whose costs will be covered by bond proceeds and shared proportionally among the parties based on contribution to deal volume:



REDWOOD COAST Energy Authority

- Municipal Advisory Services: Tyler Noble and Seema Mohanty from MG Advisory Group have been hired to assist with bond pricing, research and analytics, disclosure documents, and negotiating commodity and interest rate swaps, for a total shared cost not to exceed \$350,000 contingent on completing the pre-payment.
- Project Participant Legal Counsel: Chapman and Cutler LLP (Chapman) has been hired to advise DCE and RCEA on applicable agreements and filings for a total, shared, not-to-exceed cost of \$300,000 contingent on completing the pre-payment.
- Underwriter/Counterparty Supplier: Goldman Sachs & Co, LLC has been hired on to facilitate the tax-exempt municipal financing and secure the long-term energy supply in partnership with their J. Aron commodities division for an underwriting fee of \$4.50 per \$1,000 of par amount, an Energy Supply Fee of \$1.10 per MWh, and additional fees dependent in part on selection of the Funding Recipient (FR), contingent upon completing the pre-payment.
- California Community Choice Financing Authority (CCCFA): CCCFA has been brought on to issue the pre-pay bonds, as it has done for the other California CCAs that have implemented prepay to date. RCEA joined CCCFA as an Associate Member for an initial membership fee of \$50,000, a transaction fee of up to \$20,000, and a share of annual costs moving forward.
- Tax and Bond Counsel: Orrick, Herrington & Sutcliffe LLP (Orrick), through an agreement with CCCFA, has been brought on to prepare the Trust Indenture and ensure compliance with all relevant tax laws and regulations, for a total shared cost not to exceed \$350,000, contingent on completing the pre-payment.

Summary

With these steps complete, staff is now recommending additional authorizations needed to complete the pre-pay transaction. These authorizations fall into two categories. The first includes authorizing the Executive Director to execute contracts that allow assignment of long-term energy contracts into the pre-pay using Limited Assignment Agreements, constituting the basis for the cost savings (PPA Assignment Category). The second category is the set of documents required to support and execute the pre-pay, including the formal resolution authorizing issuance of the CCCFA Clean Energy Project Revenue Bonds (Pre-pay Execution Category).

PPA Assignment Category of Documents

Staff propose inclusion of the following PPAs in its pre-pay portfolio:

- Sandrini solar, 100 MW capacity, began delivering power in 2024. The Seller is EDP Renewables.
- Sandrini storage, 92 MW capacity, began delivering power in 2026. The Seller is EDP Renewables.
- Scotia biomass, 18 MW capacity, began delivering power to RCEA in 2017. The Seller is Humboldt Sawmill Company.



- Foster A and Foster B solar plus storage, 7 MW solar capacity plus 2.5 MW storage capacity, began operating in 2025. The Seller is Radial Power.
- Hatchery Road solar plus storage, 3.96 MW solar capacity plus 4 MW storage capacity, expected to begin delivering power in 2027. The Seller is Renewable Properties.

For RCEA to include these contracts in the pre-pay, RCEA needs to assign specific energy delivery rights under these contracts to the pre-paid Supplier. The assigned energy is then delivered by the pre-paid Supplier to CCCFA and then by CCCFA to RCEA at a discounted price. Staff are currently discussing the terms of these contracts with the respective Sellers and Goldman Sachs/J. Aron. The recommended action would authorize the Executive Director to finalize and execute the contracts.

Pre-pay Execution Category of Document

This category of authorizations will allow RCEA to move forward with its first pre-payment bond transaction. Staff is recommending adoption of the attached Resolution No. 2026-8 authorizing the execution and delivery of a Clean Energy Purchase Contract and certain other documents in connection with the issuance of California Community Choice Financing Authority (CCCFA) Clean Energy Project Revenue Bonds. In short, the resolution sets the parameters Goldman Sachs will follow in completing the pre-pay, including minimum future savings and the initial reset period, which is the length of time before the financing terms can first be re-priced or reset. The prepayment structure includes periodic reset (or re-pricing) provisions that allow the financing terms to be updated based on market conditions. These resets are intended to preserve the long-term economic benefits of the transaction, although future savings may vary from those realized during the initial financing period. Resolution 2026-8 also directs CCCFA to make payments to service providers for issuance-related costs from prepayment bond proceeds.

The proposed resolution will also authorize staff to finalize and execute the following transaction documents (attached with this staff report) in support of the pre-pay:

- Clean Energy Purchase Contract: This is the primary agreement between RCEA and CCCFA that provides for the sale of energy by CCCFA to RCEA at a specified discount for an initial reset period, sets a minimum savings threshold for future reset periods, and other terms of the pre-pay structure.
- PPA Custodial Agreement: This is an agreement among RCEA, J. Aron, CCCFA, and the selected Custodian to receive and disburse payments from the Sellers.
- Form of Limited Assignment Agreement: This is a template for the agreement among RCEA, J. Aron, and the Sellers assigning contracts into the pre-pay transaction.
- Letter Agreement for LAAs: Attached is a template for defining the commercial and administrative terms between J. Aron and RCEA related to future assignment of PPAs, including operational procedures, notice requirements, and reporting expectations.
- Operational Services Agreement: This is an agreement among DCE, RCEA, and CCCFA that authorizes DCE and RCEA to administer specific operational matters related to the pre-pay.
- Memorandum of Understanding: This is a second agreement between RCEA and CCCFA indemnifying CCCFA from certain rating agency and green bond certification costs in the event that the pre-pay is not successfully completed.



The following document will also be part of the pre-pay package and is provided for the Board's information:

- Appendix A to the Preliminary Official Statement: This is an appendix to the offering documents used to market the bonds to investors, which includes information about RCEA's history, service territory, operations, and financial information.

Given the complexity of the pre-payment transaction structure, there are additional agreements and documents that CCCFA will execute but do not include RCEA as a party.

Adoption of Resolution 2026-8 will also authorize CCCFA to make payments to service providers not listed above.

Finally, the adoption of the Resolution will authorize RCEA to seek approval of the pre-pay transaction by the CCCFA Board. Approval of RCEA's prepay is currently scheduled to be on the CCCFA agenda at its June 25, 2026, meeting with approval contingent on the RCEA Board's approval at its meeting scheduled for the same date. Staff will continue to work with advisors and service providers to finalize all documents and other required actions by the end of June. The final timing of the pre-pay transaction will depend on market conditions, and RCEA staff will keep the Board informed of progress.

Equity Impacts

None – the requested Board action is meant to benefit all RCEA ratepayers by reducing RCEA's power procurement costs.

Alignment with RCEA's Strategic Plan

Prepayment is being pursued as a cost savings measure for RCEA in an effort to maintain affordable and price competitive rates consistent with the Strategic Plan (4.3.1 Provide Community Choice Energy Program Customer Rate Savings).

Financial Impact

Prepayment financing is a long-term financing strategy that allows tax-exempt entities such as CCAs to achieve substantial savings on power procurement by capitalizing on the spread between tax-exempt and taxable interest rates. RCEA staff's primary objective in recommending a prepayment financing structure is to secure meaningful reductions in energy procurement costs. Based on preliminary analysis using the 8% minimum savings threshold that will allow prepayment to move forward, the transaction is expected to generate at least \$2.7 million in annual savings for RCEA, though actual results will depend on prevailing market conditions and performance of the generation assets included.

By adopting the Power Supply Contract and other documents in connection with the issuance of CCCFA's Clean Energy Project Revenue Bonds, the Board is confirming the following parameters:

1. The debt obligation of the Bonds, issued by CCCFA, is non-recourse to RCEA. This means RCEA only pays for energy when it is delivered. RCEA has no liability for bond repayment or other debt



obligations in the event of a default by the Prepaid Supplier or the bank. In addition, rating agencies do not treat prepayment transactions as debt or fixed costs for RCEA.

2. The aggregate principal amount of the Bonds shall not exceed \$900,000,000.
3. The total cost of issuance including all underwriting, legal and consultant fees for the Project will not exceed 1.00% of the amount of the proceeds of the Bonds issued by CCCFA.
4. The Monthly Discount Percentage plus the Annual Refund for the initial Reset Period as provided for in the Clean Energy Purchase Contract shall be at least 8.00% of the fixed cash flows or equivalent \$ per MWh. There are no direct fiscal impacts of the Limited Assignment Agreements.

Any discount in energy costs achieved through the prepayment structure will flow directly into RCEA's financial position, as is discussed further in the proposed Fiscal Year 2026-27 Budget, which is the subject of a separate agenda item. Most service provider fees are contingent on a successful close and will be paid from bond proceeds, resulting in no out-of-pocket costs for RCEA, except as otherwise noted.

Adoption of Resolution 2026-8 will also authorize CCCFA to make payments to service providers not listed above. Total compensation for these and all other bond issuance services will be paid from bond proceeds and will not exceed 1.00% of bond proceeds. With the exception of the bond rating and green bond rating services, all expenses will be contingent on a successful bond issuance. Any transaction costs that are on-going will be paid from transaction cash flows in accordance with the financing documents. RCEA would be responsible only for expenses, if any, that exceed the approved or budgeted amounts under the financing documents. The additional service providers are summarized below:

- Bond rating services (approximately \$325,000)
- Independent Second Party Opinion supporting Green Bond designation (approximately \$25,000)
- On-going Trustee and Custodian (expenses in excess of approximately \$17,000 per year)
- On-going Rating Agency Surveillance (expenses in excess of \$15,000 per year)
- Accounting, printing, and miscellaneous services (expenses in excess of approximately \$28,000 per year)

Staff Recommendation

Authorize the following steps to establish pre-payment bond financing:

- 1) Authorize the Executive Director to take the necessary steps to finalize and execute Limited Assignment Agreements (LAAs) among RCEA, J. Aron & Company (a subsidiary of Goldman Sachs), and four sellers identified in existing Power Purchase Agreements (EDP Renewables, Humboldt Sawmill Company, Radial Power and Renewable Properties);
- 2) Adopt Resolution No. 2026-8 authorizing the execution and delivery of a Clean Energy Purchase Contract and certain other documents in connection with the issuance of California Community Choice Financing Authority Clean Energy Project Revenue Bonds; and certain other actions required to ensure the reduction in the cost of renewable energy therewith; and
- 3) Authorize the Executive Director to take any further steps necessary to fully execute the pre-pay transaction.



Attachments

- 1) Resolution 2026-8
- 2) Clean Energy Purchase Contract
- 3) PPA Custodial Agreement
- 4) Form of Limited Assignment Agreement (LAA)
- 5) Letter Agreement for LAAs
- 6) Operational Services Agreement
- 7) Memorandum of Understanding
- 8) Appendix A to the Preliminary Official Statement

RESOLUTION NO. 2026 - 8

**RESOLUTION OF THE REDWOOD COAST ENERGY
AUTHORITY BOARD OF DIRECTORS AUTHORIZING
THE EXECUTION AND DELIVERY OF A POWER SUPPLY
CONTRACT AND CERTAIN OTHER DOCUMENTS
IN CONNECTION WITH THE ISSUANCE OF CALIFORNIA
COMMUNITY CHOICE FINANCING AUTHORITY (CCCFA)
CLEAN ENERGY PROJECT REVENUE BONDS; AND CERTAIN
OTHER ACTIONS REQUIRED TO ENSURE THE REDUCTION
IN THE COST OF RENEWABLE ENERGY THEREWITH**

**THE REDWOOD COAST ENERGY AUTHORITY BOARD OF DIRECTORS
DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:**

WHEREAS, Redwood Coast Energy Authority (“**Redwood Coast Energy Authority**” or “**RCEA**”) was formed on April 22, 2003, amended and restated December 15, 2015, under the provisions of the Joint Exercise Powers Act of the State of California, Government Code section 6500 *et seq.* (the “**JPA Law**”);

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

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

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

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

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

WHEREAS, Redwood Coast Energy Authority has determined that it is desirable to acquire a long-term supply of clean energy from the Issuer pursuant to a clean energy prepayment transaction (the “**Prepayment Transaction**”);

WHEREAS, Redwood Coast Energy Authority has determined to authorize pursuant to this Resolution the undertaking of the Prepayment Transaction with the Electricity Supplier (defined below);

WHEREAS, in connection with the foregoing, Redwood Coast Energy Authority is requesting the Issuer to agree to purchase on a prepaid basis certain quantities of clean energy from a Delaware limited liability company, the sole equity member of which is J. Aron & Company LLC, a New York limited liability company (the “Electricity Supplier”) on a prepaid basis and to sell such clean energy to Redwood Coast Energy Authority, as described herein (the “**Project**”);

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

WHEREAS, Redwood Coast Energy Authority has determined to authorize the representatives of Redwood Coast Energy Authority named below to take all necessary action to accomplish the purchase of clean energy from the Issuer and to assist the Issuer in the issuance, sale and delivery of the Bonds; and

WHEREAS, there have been submitted to this meeting for approval forms of the following agreements to which Redwood Coast Energy Authority is a party (collectively, the “**RCEA Documents**”):

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

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

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

NOW, THEREFORE, IT IS HEREBY DETERMINED, AFFIRMED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE REDWOOD COAST ENERGY AUTHORITY as follows:

Section 1. AUTHORIZED REPRESENTATIVES. The following named individuals are the authorized representatives of Redwood Coast Energy Authority with the respective titles specified below (collectively referred to as “**Authorized Representatives**” and individually referred to as an “**Authorized Representative**”):

<u>NAMES</u>	<u>TITLES</u>
Michael Gerace	Chair of the Board
Elizabeth Burks	Executive Director
Lori Biondini	Business Planning & Finance Director
Richard Engel	Power Resources Director

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

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

Section 4. Actions Authorized. The Authorized Representatives, each acting alone, are hereby authorized and directed, for and in the name and on behalf of Redwood Coast Energy Authority, to execute and deliver any and all documents, including, without limitation, any tax certificate relating to its expected use of the energy to be purchased by it from the Project, any continuing disclosure certificate or similar agreement required for the offering or sale of the Bonds,

and any and all closing certificates to be executed in connection with the issuance of the Bonds and to take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which Redwood Coast Energy Authority has approved in this Resolution, for the issuance, sale and delivery of the Bonds, and to consummate by Redwood Coast Energy Authority the transactions contemplated by the Redwood Coast Energy Authority for the Project, the RCEA Documents approved hereby and the other Project Documents presented to the Board herewith, including any subsequent amendments, waivers or consents entered into or given under or in accordance with such documents.

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

(a) the Bonds will not be obligations of Redwood Coast Energy Authority, but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged thereto, including amounts payable by Redwood Coast Energy Authority under the Power Supply Contract;

(b) the aggregate principal amount of the related Series of Bonds shall not exceed \$900,000,000;

(c) the Monthly Discount Amount plus the Annual Refund for the initial Reset Period as provided for in the Clean Energy Purchase Contract shall be at least 8.00% of the fixed cash flows or equivalent \$ per MWh; and

(d) CCCFA's total cost of issuance including all underwriting, legal and consultant fees for the Project will not exceed 1.00% of the amount of the proceeds of the Bonds issued by CCCFA with respect to such Project.

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

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

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

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

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

ADOPTED AND APPROVED this ___ day of _____ 2026.

Michael Gerace, Chair of the Board

Date: _____

ATTEST:

Lori Taketa, Clerk of the Board

Date: _____

EXHIBIT A

RCEA Documents

(see attached)

EXHIBIT B

Form of Appendix A to Preliminary Official Statement

(see attached)

CLEAN ENERGY PURCHASE CONTRACT (RCEA)

between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

REDWOOD COAST ENERGY AUTHORITY

Dated as of [____], 2026

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Exhibit I — Closing Certificate

CLEAN ENERGY PURCHASE CONTRACT

This Clean Energy Purchase Contract (RCEA) (this “Agreement”) is made and entered into as of [____], 2026 (the “Execution Date”), by and between California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and Redwood Coast Energy Authority, a California joint powers authority (“Purchaser”).

WITNESSETH:

WHEREAS, Issuer has planned and developed a project to acquire long-term supplies of Product from Aron Energy Prepay [__] LLC, a Delaware limited liability company (“Prepay LLC”) (or Prepay LLC’s designee) and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., pursuant to a Master Power Supply Agreement (RCEA), dated as of [____], 2026 (the “Master Power Supply Agreement”), to meet a portion of the Product supply requirements of Purchaser through a discounted clean energy purchase product (the “Clean Energy Project”);

WHEREAS, Purchaser desires to enter into this Agreement with Issuer for the purchase of a portion of the Product acquired by the Issuer under the Clean Energy Project;

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

WHEREAS, Purchaser is a joint powers authority and a community choice aggregator, duly organized, validly existing and in good standing under the laws of the State of California and the rules, regulations and orders of the California Public Utilities Commission, and is qualified to conduct business in each jurisdiction of the Joint Powers Agreement members for the transmission, distribution, sale, and delivery of Product to retail electric consumers within its service area;

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

WHEREAS, in connection herewith, Purchaser is expected, prior to the Delivery Period, to assign to J. Aron (as defined below) certain Assigned Rights and Obligations (as defined below), including the right to receive the Assigned Product (as defined below), which Assigned Product will be resold to Prepay LLC pursuant to the Electricity Sale and Service Agreement (as defined below), then resold to Issuer pursuant to the Master Power Supply Agreement, and then resold to Purchaser hereunder; and

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

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

ARTICLE I.

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Assigned Prepay Quantity” has the meaning specified in Exhibit F.

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

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

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

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

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

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

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

“Assignment Schedule” has the meaning specified in Exhibit F.

“Available Discount Percentage” has the meaning specified in the Re-Pricing Agreement. For the avoidance of doubt, the “Available Discount Percentage” under the Re-Pricing Agreement includes the Monthly Discount Percentage, as well as additional discounting expected to be made available through the Annual Refund.

“Balancing Authority” has the meaning specified in the CAISO Tariff.

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

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

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

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

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

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

“Bonds” means the bonds issued pursuant to the Trust Indenture.

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

“CAISO” means California Independent System Operator or its successor.

“CAISO Tariff” means CAISO’s FERC-approved tariff, as modified, amended or supplemented from time to time.

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

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

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

“Claiming Party” has the meaning specified in Section 11.1.

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

“Clean Energy Project” has the meaning specified in the recitals.

“Code” means the Internal Revenue Code of 1986, as amended.

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

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

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

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

“Day-Ahead Average Price” means, for any Assigned Prepay Quantities after the Initial Assignment Periods, the result of (i) (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month, divided by (y) the number of Pricing Intervals in such Month; plus (ii) \$[____]/MWh. As used in this definition, “Pricing Interval” means the unit of time for which CAISO establishes a separate price.

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

“Default Rate” means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the “Money Rates” section as the “Prime Rate” for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

“Delivering Entity” has the meaning specified in the Master Power Supply Agreement.

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

“Delivery Period” has the meaning specified in Exhibit H.

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

“Disqualified Sale Proceeds” has the meaning specified in Section 7.6.

“Disqualified Sale Units” has the meaning specified in Section 7.6.

“Electricity Sale and Service Agreement” means that certain Electricity Purchase, Sale and Service Agreement (RCEA) dated as of [____], 2026, by and between J. Aron and Prepay LLC.

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

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours.

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

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

“EPS Energy Period” means any Assignment Period or J. Aron EPS Energy Period.

“Execution Date” has the meaning specified in the preamble.

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

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

“Firm (LD)” means, with respect to a Party’s obligation to sell and deliver or purchase and receive, that such Party’s liability for the failure to meet such obligation shall only be excused to the extent that, and for the period during which, such performance is prevented by Force Majeure, and that in the absence of Force Majeure, the Party to which performance of such obligation is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article IV.

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

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

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing,

including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

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

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

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

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

“Initial Reset Period” has the meaning specified in Exhibit H.

“Interest Rate Period” has the meaning specified in the Trust Indenture.

“Issuer” has the meaning specified in the preamble.

“Issuer Default” has the meaning specified in Section 17.1.

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

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

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

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

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

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

“Joint Powers Agreement” means that certain Joint Powers Agreement dated [____], as amended from time to time, under which Purchaser is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

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

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

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

“Master Power Supply Agreement” has the meaning specified in the recitals.

“Minimum Discount Percentage” has the meaning specified in Exhibit H.

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

“Monthly Discount Percentage” has the meaning specified in Exhibit H.

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

“MWh” means megawatt-hour.

“Non-Priority Products” means any Products that are not Priority Products.

“Party” or “Parties” has the meaning specified in the preamble.

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

“Person” means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“Portfolio Content Category 1” or “PCC1” means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

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

“PPA Custodial Agreement” means that certain PPA Custodial Agreement, dated as of the Bond Closing Date by and among Purchaser, Issuer, J. Aron and the PPA Custodian.

“PPA Custodian” means U.S. Bank Trust Company, National Association, a national banking association, and its successors as custodian under the PPA Custodial Agreement.

“Prepay LLC” has the meaning stated in the recitals.

“Pricing Agreement” means that certain Pricing Agreement, dated as of the date hereof, by and between Prepay LLC and Issuer.

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

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

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

“Purchaser” has the meaning specified in the preamble.

“Purchaser Default” has the meaning specified in Section 17.2.

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

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

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

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

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

“Remarketing Entity” has the meaning specified in the Master Power Supply Agreement.

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

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

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

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

“Reset Period” means each “Reset Period” under the Re-Pricing Agreement.

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

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

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

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

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

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

“Trustee” means U.S. Bank Trust Company, National Association, a national banking association, and its successors as trustee under the Trust Indenture.

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

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

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

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

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

ARTICLE II.

DELIVERY PERIOD; NATURE OF CLEAN ENERGY PROJECT; CONDITION PRECEDENT

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

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

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

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

ARTICLE III.

SALE AND PURCHASE; PRICING

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

Section 3.2 Payments.

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

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

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

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

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

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

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

Section 3.5 Reset Period Remarketing.

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

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

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

update thereof) sent to Purchaser by Issuer and (ii) the Minimum Discount Percentage for Reset Period.

(d) Obligations Following a Remarketing Election. Notwithstanding the issuance of any Remarketing Election Notice for a Reset Period, Purchaser shall not make any new commitment to purchase Priority Products during such Reset Period to the extent any such commitment could reasonably be expected to cause, during any portion of the Delivery Period after such Reset Period, Purchaser's aggregate obligations to purchase Priority Products (including its obligation to purchase Priority Products hereunder) to exceed Purchaser's expected aggregate requirements for Products that will be used (i) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii) and (ii) in a manner that will not result in any "private business use" within the meaning of Section 141 of the Code. Unless Purchaser issues a new Remarketing Election Notice (other than a Voided Remarketing Election Notice) for any subsequent Reset Period in accordance with this Section 3.5, Purchaser and J. Aron will cooperate in good faith and exercise Commercially Reasonable Efforts to locate EPS Compliant Energy for redelivery hereunder in any such Reset Period

ARTICLE IV.

FAILURE TO SCHEDULE PRODUCT

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

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

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

$$P = Q \times (RP - CP + AF)$$

Where:

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

Q = The quantity of Replacement Product purchased;

RP = The Replacement Price;

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

AF = The Administrative Fee.

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

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

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

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

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

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

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

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

ARTICLE V.

DELIVERY POINTS; SCHEDULING

Section 5.1 Delivery Points.

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

as defined in the CAISO Tariff (“ISTs”). Purchaser shall designate a scheduling coordinator in the CAISO market for this purpose as specified in Exhibit G.

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

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

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

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

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

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project

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

(b) Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC REC-1, Non-modifiable. D.11-01-025].**

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

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

(e) Issuer Representations and Warranties.

Issuer represents and warrants:

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

- (ii) Issuer has not sold the Assigned Product or any REC or other attributes of the Assigned Product to be transferred to Purchaser to any other person or entity;
- (iii) The Energy component of the Assigned Product produced by the Applicable Project and purchased by Issuer for resale to Purchaser hereunder is not being sold by Issuer back to the Applicable Project or APC Party;
- (iv) Assigned Product to be purchased and sold pursuant to this Agreement has not been committed to another party;
- (v) The Assigned Product is free and clear of all liens or other encumbrances;
- (vi) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for Long-Term PCC1 Product in compliance with the California Long-Term Contracting Requirements, if applicable;
- (vii) The Assigned Product supplied to Purchaser under this Agreement that is Long-Term PCC1 Product will be sourced solely from Applicable Projects that have an Assignment Period of ten years or more in length, or otherwise in compliance with the California Long Term Contracting Requirements; and
- (viii) Issuer will cooperate and work with Purchaser, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product's classification as a Portfolio Content Category 1 Product as set forth in California Public Utilities Code Section 399.16(b)(1) or, if applicable, or compliance with the California Long-Term Contracting Requirements.

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

- (i) The original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1);
- (ii) This Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;
- (iii) The electricity transferred by this Agreement is transferred to Purchaser in real time; and
- (iv) If the Applicable Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions

implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

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

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

(i) Issuer has relied exclusively upon the representations and warranties of each respective APC Party set forth in the Assigned PPAs in making the representations and warranties set forth in this Section 5.4 and has not performed any independent investigation with respect thereto;

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

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

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

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

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

ARTICLE VI.

ASSIGNMENT OF POWER PURCHASE AGREEMENTS

Section 6.1 Assignments Generally.

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

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

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

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

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

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

(iv) during a J. Aron EPS Energy Period, if requested by J. Aron, Purchaser shall continue to exercise Commercially Reasonable Efforts and cooperate with J. Aron in good faith to assign Assigned Rights and Obligations to J. Aron under an Assignable Power Contract.

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

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

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

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

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

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

ARTICLE VII.

USE OF PRODUCT

Section 7.1 Tax Exempt Status of the Bonds. Purchaser acknowledges that the Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Purchaser agrees that it will (a) provide such information with respect to its community choice aggregation program as may be requested by Issuer in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as Issuer may provide from time to time in order to maintain the tax-exempt status of the Bonds. Purchaser further agrees that it will not at any time take any action, or fail to take any action, that, if taken or omitted, respectively, would adversely affect the tax-exempt status of the Bonds.

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

Section 7.3 Assistance with Sales to Third Parties. If (a) (i) a quantity of Assigned Product less than the Assigned Prepay Quantity is delivered hereunder in any Month during an Assignment Period for any reason other than Force Majeure or (ii) an Assigned PPA FM Remarketing Event has occurred and is in effect (as defined in Exhibit A to the Pricing Agreement), (b) Issuer is required under Section 3.3 to cause Base Quantities that otherwise would be delivered hereunder to be remarketed or (c) notwithstanding Purchaser's compliance with Section 7.1, Purchaser does not require all or any portion of the Assigned Prepay Quantity to meet its requirements for Energy that it is obligated to purchase under this Agreement as a result of (i) insufficient demand by Purchaser's retail customers or (ii) a change in Law, Purchaser may, with reasonable notice issued in the form of a remarketing notice in accordance with Exhibit G, request (and, in the case of clauses (a) and (b), shall be deemed to request) that the Remarketing Entity, as permitted by the Master Power Supply Agreement, sell such portion of such Base Quantities or Assigned Product (I) to another Municipal Utility, or (II) if necessary, to another purchaser. Any remarketing notice issued under clause (c)(ii) above shall constitute a Structural Remarketing Notice (as defined in the Master Power Supply Agreement) and shall be subject to the requirements set forth in the Master Power Supply Agreement. If the Remarketing Entity makes such a sale under Exhibit C to the Master Power Supply Agreement, Issuer shall credit against the amount owed by Purchaser to Issuer hereunder the amount received by Issuer from Prepay LLC for such sales less all reasonable costs and expenses directly incurred by Issuer, including but not limited to remarketing administrative charges paid by it to Prepay LLC under the Master Power Supply

Agreement, but in no event shall the amount of such credit be more than the Contract Price for the Energy so sold.

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

Section 7.5 Remediation.

(a) The Parties acknowledge that Purchaser may at times inadvertently remarket Products received hereunder in a manner that does not comply with Qualifying Use Requirements due to daily and hourly fluctuations in Purchaser's Product needs. To the extent Purchaser does so, Purchaser shall (a) exercise Commercially Reasonable Efforts to use any Disqualified Sale Proceeds of such remarketing to purchase Products (other than Priority Products) that Purchaser then uses in compliance with the Qualifying Use Requirements and (b) reserve funds in an amount equal to any Disqualified Sale Proceeds until such Disqualified Sale Proceeds are remediated or transferred to the Trustee pursuant to Section 7.6(b) below.

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

Ledger Entries that is available under the Trust Indenture on or before the last Business Day of the Month in which Purchaser provides a certificate under this Section 7.5(b) evidencing such remediation.

Section 7.6 Remediation; Ledger Entries; Redemption.

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

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

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

ARTICLE VIII.

REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

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

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

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

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

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

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

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

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

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

(i) to the best of the knowledge and belief of such Party, no Governmental Approval is required in connection with the valid authorization, execution, delivery and

performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those Governmental Approvals that have been obtained; and

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

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

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

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

ARTICLE IX.

TAXES

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

ARTICLE X.

JURISDICTION; WAIVER OF JURY TRIAL

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

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

ARTICLE XI.

FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure and as provided in Section 4.3). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party’s non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

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

ARTICLE XII.

GOVERNMENTAL RULES AND REGULATIONS

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

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

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

ARTICLE XIII.

ASSIGNMENT

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

ARTICLE XIV.

PAYMENTS

Section 14.1 Monthly Statements.

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

(b) Billing Statements.

(i) No later than the 20th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period (the "Billing Date"), Issuer shall deliver a statement (a "Billing Statement") to Purchaser indicating (i) the total amount due to Issuer for Product delivered in the prior Month, (ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Months, and (iii) the net amount due to Issuer or Purchaser; provided that Prepay LLC's delivery of a Billing Statement to Issuer and Purchaser pursuant to and as defined in the

Master Power Supply Agreement shall be deemed to satisfy Issuer's obligation to deliver a Billing Statement hereunder; provided furthermore that invoicing for all Assigned PAYGO Products shall occur under the PPA Custodial Agreement.

(ii) For each Month of any Assignment Period, the Billing Statement prepared by Issuer shall assume that all Assigned Prepay Quantities under each Assigned PPA were actually delivered for such Month. . To the extent that a Monthly Statement subsequently delivered under the PPA Custodial Agreement reflects that less than the Assigned Prepay Quantities were actually delivered under any such Assigned PPA, then (A) the previously delivered Billing Statement shall be deemed to be updated in accordance with such Monthly Statement, (B) subject to the application of Section 12(b) of Exhibit C to the Master Power Supply Agreement regarding remediation by Assigned PAYGO Product delivered under any other Assigned PPA in the Month in which an Assigned Prepay Shortfall Amount (as defined in the PPA Custodial Agreement) occurs, the Remarketing Entity shall be deemed under the remarketing provisions of the Master Power Supply Agreement to remarket and purchase such undelivered portion of the Assigned Prepay Quantities for its own account resulting in a Ledger Entry (as defined in the Master Power Supply Agreement) and (C) Issuer shall owe a resettlement payment to Purchaser in an amount equal to the product of (x) the applicable APC Contract Price multiplied by (y) the portion of the Assigned Prepay Quantities not delivered in such Month. The Parties acknowledge and agree that J. Aron shall have a separate resettlement payment obligation with respect to the amounts described in the clause (C) of the preceding sentence under the Electricity Sale and Service Agreement, and J. Aron's payment of the J. Aron Resettlement Payment as defined in and pursuant to the PPA Custodial Agreement shall satisfy the corresponding obligations of the respective parties under each of the Electricity Sale and Service Agreement, the Master Power Supply Agreement and this Agreement.

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

Section 14.2 Payments.

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

for Assigned PAYGO Product shall be satisfied by Purchaser's compliance with Section 3.2(a)(ii) in respect of such Assigned PAYGO Product.

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

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

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

Section 14.5 Audit; Adjustments.

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

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

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

on an incorrect Purchaser's Statement or Billing Statement shall bear interest at the Default Rate from the date such payment was made.

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

Section 14.7 Rate Covenant. Purchaser agrees to make payments it is required to make under this Agreement from Utility Revenues, and only from such Utility Revenues, and as a charge against such Utility Revenues, as an operating expense of its electric system and a cost of purchased Product; provided, however, that Purchaser, in its discretion, may apply any legally available moneys to the payment of amounts due under this Agreement. Purchaser hereby covenants and agrees that it will establish, maintain, and set rates and charges for its electric system so as to provide Utility Revenues sufficient, together with all available electric system revenues, to enable Purchaser to pay to Issuer all amounts payable under this Agreement and to pay all other amounts payable from the revenues of Purchaser's electric system, and to maintain any reserves as required by the Purchaser's reserve policy. Purchaser further covenants and agrees that it shall not furnish or supply electric services free of charge to any person, firm, corporation association, or other entity, public or private, except any such service free of charge that Purchaser is supplying on the date hereof or such free service as required by order of the CPUC or the State of California, and that it shall promptly enforce the payment of any and all accounts owing to Purchaser for the sale of electricity or the provision of transmission, distribution or other services to its customers. Purchaser further covenants and agrees that in any future bond issue, certificate of participation issue, interest rate swap agreement, commodity swap agreement or any other financing or financial transaction undertaken by, or on behalf of, Purchaser in connection with its electric system, Purchaser shall not pledge or encumber the Utility Revenues through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under this Agreement.

ARTICLE XV.

[RESERVED]

ARTICLE XVI.

NOTICES

Any notice, demand, statement, or request required or authorized by this Agreement to be given by one Party to the other Party (or to any third party) shall be in writing and shall either be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email

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

ARTICLE XVII.

DEFAULT; REMEDIES; TERMINATION

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

- (a) any representation or warranty made by Issuer in this Agreement shall prove to have been incorrect in any material respect when made; or
- (b) Issuer shall have failed to perform, observe, or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following receipt by Issuer of written notice thereof.

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

- (a) Purchaser fails to pay when due any amounts owed to Issuer pursuant to this Agreement and such failure continues for three Days following receipt by Purchaser of written notice thereof;
- (b) Purchaser (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within 30 days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of

its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(c) any representation or warranty made by Purchaser in this Agreement proves to have been incorrect in any material respect when made, and such default is not remedied within thirty (30) days after receipt by Purchaser of written notice thereof;

(d) Purchaser shall have failed to perform, observe or comply with any material covenant, agreement or term contained in this Agreement, and such failure continues for more than 30 days following the earlier of receipt by Purchaser of notice thereof; or

(e) Purchaser shall have failed to establish, maintain, or collect rates or charges adequate to provide Utility Revenues sufficient to enable Purchaser to pay all amounts due to Issuer under this Agreement in accordance with Section 14.7 (Rate Covenant), and such failure continues for more than 30 days following receipt by Purchaser of notice thereof.

Section 17.3 Remedies Upon Default.

(a) Termination. If at any time a Issuer Default or a Purchaser Default has occurred and is continuing, then the non-defaulting Party may do any or all of the following (i) by notice to the defaulting Party specifying the relevant Issuer Default or Purchaser Default, as applicable, terminate this Agreement effective as of a day not earlier than the day such notice is deemed given under Article XVI and/or (ii) declare all amounts due to the non-defaulting Party under this Agreement or any part thereof immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of intent to demand, protest or other formalities of any kind, all of which are hereby expressly waived by the defaulting Party; *provided, however*, this Agreement shall automatically terminate and all amounts due to the non-defaulting Party hereunder shall immediately become due and payable as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition giving rise to a Purchaser Default specified in Section 17.2(b)(iv) or, to the extent analogous thereto, Section 17.2(b)(viii). In addition, during the existence of an Issuer Default or a Purchaser Default, as applicable, the non-defaulting Party may exercise all other rights and remedies available to it at Law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of this Agreement.

(b) Additional Remedies. In addition to the remedies set forth in Section 17.3(a) (and without limiting any other provisions of this Agreement), during the existence of any Purchaser Default, Issuer may suspend its performance hereunder and discontinue the supply of all or any portion of the Product otherwise to be delivered to Purchaser by it under this Agreement. If Issuer exercises its right to suspend performance under this Section 17.3(b), Purchaser shall remain

fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement. Deliveries of Product may only be reinstated, at a time to be determined by Issuer, upon (i) payment in full by Purchaser of all amounts then due and payable under this Agreement and (ii) unless otherwise agreed by Issuer, payment in advance by Purchaser at the beginning of each Month of amounts estimated by Issuer to be due to Issuer for the future delivery of Product under this Agreement for such Month. Issuer may continue to require payment in advance from Purchaser after the reinstatement of Issuer's supply services under this Agreement for such period of time as Issuer in its sole discretion may determine is appropriate. In addition, and without limiting any other provisions of or remedies available under this Agreement, if Purchaser fails to accept from Issuer any Product tendered for delivery under this Agreement, Issuer shall have the right to sell such Product to third parties on any terms that Issuer, in its sole discretion, determines are appropriate.

(c) Effect of Early Termination. As of the effectiveness of any termination date in accordance with clause (i) of Section 17.3(a), (i) the Delivery Period shall end, (ii) the obligation of Issuer to make any further sales and deliveries of Product to Purchaser under this Agreement shall terminate, and (iii) the obligation of Purchaser to purchase and receive deliveries of Product from Issuer under this Agreement will terminate. Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII. Without prejudice to any payment obligation in respect of periods prior to termination, no payments will be due from either Party in respect of periods occurring after the effective termination date of this Agreement.

Section 17.4 Termination of Master Power Supply Agreement. Purchaser acknowledges and agrees that (i) in the event the Master Power Supply Agreement terminates prior to the end of the primary term of this Agreement, this Agreement shall terminate on the effective date of early termination of the Master Power Supply Agreement (which date shall be the last date upon which deliveries are required thereunder, subject to all winding up arrangements), (ii) Issuer's obligation to deliver Product, and Purchaser's obligation to purchase and receive deliveries, under this Agreement shall terminate upon the termination of deliveries of Product to Issuer under the Master Power Supply Agreement and (iii) in either event described in clauses (i) or (ii), Purchaser shall exercise its right to terminate any Assignment Agreements in effect. Issuer shall provide notice to Purchaser of any early termination date of the Master Power Supply Agreement or any termination of deliveries of Product to Issuer under the Master Power Supply Agreement. The Parties recognize and agree that, in the event that the Master Power Supply Agreement terminates because of a Failed Remarketing (as defined in the Trust Indenture) of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Product under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, no Monthly Discount Percentage or Annual Refunds shall be associated with such deliveries and the Contract Price shall be adjusted accordingly.

Section 17.5 Limitation on Damages. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE

THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN PRODUCT PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN.

ARTICLE XVIII. MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. Contemporaneously with this Agreement (unless otherwise specified):

(a) each Party shall deliver to the other Party evidence reasonably satisfactory to it of (i) such Party's authority to execute, deliver and perform its obligations under this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement on behalf of such Party;

(b) on the Bond Closing Date, Purchaser shall deliver to Issuer a fully executed Federal Tax Certificate in substantially the form attached hereto as Exhibit D;

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion or opinions of counsel to Purchaser covering the matters set forth in the form attached hereto as Exhibit E; and

(d) on the Bond Closing Date, Purchaser shall deliver to Issuer a Closing Certificate in substantially the form set forth hereto as Exhibit I.

Section 18.3 Entirety; Amendments. This Agreement, including the exhibits and attachments hereto, constitutes the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no amendment, modification, supplement, or change hereto shall be enforceable unless reduced to writing and executed by both Parties.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAW.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party against whom such waiver is claimed. No waiver of any breach or breaches shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits and attachments referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationship of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Each Party represents and covenants to and agrees with the other Party that it is not entitled to and shall not assert the defense of sovereign immunity with respect to its obligations or any Claims under this Agreement.

Section 18.11 Rates and Indices. If the source of any publication used to determine the index or other price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, an alternative index or other price will be used based on the determinations made by Issuer and Prepay LLC under Section 18.11 of the Master Power Supply Agreement. Issuer shall provide Purchaser the opportunity to provide its recommendations and other input to Issuer for Issuer's use in the process for selecting such alternative index or other price under Section 18.11 of the Master Power Supply Agreement.

Section 18.12 Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer payable solely from Trust Estate (as such term is defined in the Trust Indenture) as and to the extent provided in the Trust Indenture, including with respect to Operating Expenses (as such term is defined in the Trust Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Trust Indenture) and other assets pledged under the Trust Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Trust Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Trust Indenture.

Section 18.13 Counterparts; Electronic Signatures. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument. Each of the Parties agrees that the transaction consisting of this Agreement may be conducted by electronic means. Each Party agrees, and acknowledges that it is such Party's intent, that if such Party signs this Agreement using an electronic signature, it is signing, adopting, and accepting this Agreement and that signing this Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Agreement on paper. Each Party acknowledges that it is being provided with an electronic or paper copy of this Agreement in a usable format.

Section 18.14 Third Party Beneficiaries; Rights of Trustee. Purchaser acknowledges and agrees that (a) Issuer will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Purchaser under this Agreement to secure Issuer's obligations under the Trust Indenture, (b) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Issuer's rights and Purchaser's obligations under this Agreement, (c) J. Aron shall be a third-party beneficiary of this Agreement with the right to enforce the provisions of this Agreement relating to the Remarketing Entity, Article VI and Exhibit F of this Agreement, (d) the Trustee or any receiver appointed under the Trust Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (e) in the event of any Purchaser Default under Section 17.2(a), (i) Prepay LLC may, to the extent provided for in, and in accordance with, the Receivables Purchase Exhibit to the Master Power Supply Agreement, take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and Prepay LLC or any third party transferee who purchases and takes assignment of such receivables from Prepay LLC shall thereafter have all rights of collection with respect to such receivables (provided that, if at any time an insurance provider agrees to insure Purchaser's payment obligations hereunder, then such insurance provider shall have the same rights under this Section 18.14 as Prepay LLC), and (ii) if such receivables are not so assigned, the Swap Counterparty or Swap Counterparties (as defined in the Trust Indenture) shall have the right to pursue collection of such receivables to the extent any non-payment by Issuer to any Swap Counterparty was caused by Purchaser's payment default. Pursuant to the terms of the Trust Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and, as directed under the Trust Indenture, to take any other actions that Issuer is required or permitted to take under this Agreement. Purchaser may rely on notices or other actions taken by Issuer or the Trustee and Purchaser has the right to exclusively rely on any notices delivered by the Trustee, regardless of any conflicting notices that it may receive from Issuer.

Section 18.15 No Recourse to Members of Purchaser. Purchaser is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Purchaser shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Issuer shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Purchaser's constituent members, or the employees, directors, officers, consultants or advisors of Purchaser or its constituent members, in connection with this Agreement.

Section 18.16 Waiver of Defenses. Each Party waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to it with regard to its obligations pursuant to the terms of this Agreement.

Section 18.17 Rate Changes.

(a) Standard of Review. Absent the agreement of the Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in Section 18.17(b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the “public interest” application of the “just and reasonable” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008).

(b) Waiver. In addition, and notwithstanding Section 18.17(a), to the fullest extent permitted by applicable Law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Section 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable Law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable Law or market conditions that may occur. In the event it were to be determined that applicable Law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this Section 18.17(b) shall not apply, *provided* that, consistent with Section 18.17(a), neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in Section 18.17(a).

IN WITNESS WHEREOF, the Parties have caused this Clean Energy Purchase Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Separate Signature Page(s) Attached]

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

REDWOOD COAST ENERGY AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A-1

BASE QUANTITIES; BASE DELIVERY POINTS; COMMODITY REFERENCE PRICES

[To be attached.]

EXHIBIT A-2

ASSIGNED RIGHTS AND OBLIGATIONS

[To be attached.]

EXHIBIT B

NOTICES

IF TO ISSUER: California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: [REDACTED]

IF TO PURCHASER: Redwood Coast Energy Authority
633 Third Street
Eureka, CA 95501
Email: [____]

EXHIBIT C

REMARKETING ELECTION NOTICE

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: [REDACTED]

Aron Energy Prepay [] LLC
c/o J. Aron & Company LLC
[200 West Street
New York, New York 10282]

U.S. Bank Trust Company, National Association
[633 W. 5th Street, 24th Floor
Los Angeles, CA 90071
Attention: Lauren Costales
Telephone: ([REDACTED])
Facsimile: ([REDACTED])
Email: [REDACTED]

To the Addressees:

The undersigned, duly authorized representative of Redwood Coast Energy Authority (the “Purchaser”), is providing this notice (the “Remarketing Election Notice”) pursuant to the Clean Energy Purchase Contract (RCEA), dated as of [], 2026 (the “Clean Energy Purchase Contract”), between California Community Choice Financing Authority and Purchaser. Capitalized terms used herein shall have the meanings set forth in the Clean Energy Purchase Contract.

Pursuant to Section 3.5(b) of the Clean Energy Purchase Contract, the Purchaser has elected to have its Base Quantity, for each Hour of the Reset Period commencing _____ and extending to and including _____, remarketed beginning as of the commencement of such Reset Period. The resumption of deliveries of Base Quantities in any future Reset Period shall be in accordance with Section 3.5(d) of the Clean Energy Purchase Contract.

Given this [] day of [], 20[].

REDWOOD COAST ENERGY
AUTHORITY

By: _____
Printed Name:
Title:

EXHIBIT D

FORM OF FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the Clean Energy Purchase Contract, dated as of [____], 2026 (the “Clean Energy Purchase Contract”), by and between the California Community Choice Financing Authority (“Issuer”) and Redwood Coast Energy Authority, a California joint powers authority (“Purchaser”). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Clean Energy Purchase Contract, in the Tax Certificate and Agreement, or in the Trust Indenture.

WHEREAS Purchaser acknowledges that Issuer is issuing the Bonds to fund the prepayment prices under the two Master Power Supply Agreements, dated as of the date of the Clean Energy Purchase Contract, between Issuer and Prepay LLC; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Purchaser’s use of Energy acquired pursuant to the Clean Energy Purchase Contract and certain funds and accounts of Purchaser will affect the Bonds’ qualification for such tax exemption.

NOW, THEREFORE, POWER PURCHASER HEREBY CERTIFIES AS FOLLOWS:

Purchaser is a joint powers authority and a community choice aggregator created and existing pursuant to the provisions of California law, organized under the laws of the State of California. As a community choice aggregator, the Purchaser is a load-serving entity providing electricity to customers within the boundaries of cities and/or counties that have elected to participate in Purchaser’s community choice aggregation program. For purposes of this Certificate, the term “service area” of the Purchaser means the boundaries of the cities and/or counties that have elected to participate in the Purchaser’s community choice aggregation program, as well as any other area recognized as the service area of the Purchaser under state or federal law.

Purchaser will resell all of the Energy acquired pursuant to the Clean Energy Purchase Contract to its retail Energy customers within its service area, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs.

From [____] to [____], the monthly average amount of Energy purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser is at least [____] MWh. Over the terms of the Clean Energy Purchase Contract, the Purchaser expects the monthly average amount of Energy purchased (other than for resale) by customers of the Purchaser who are located within the service area of the Purchaser to be at least [____] MWh. The maximum monthly amount of Energy in any month being acquired pursuant to the Clean Energy Purchase Contract is [____] MWh.

The Purchaser has existing rights to acquire other energy (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) over the terms of the Clean Energy Purchase Contract. Over the terms of the Clean Energy Purchase Contract, the sum of (a) the amount of Energy being acquired pursuant to the Clean Energy Purchase Contract in any month, and (b) the amount of Energy that Purchaser otherwise has a right to acquire (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) for such month does not exceed (i) [_____] % of the monthly amount of Energy expected to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser in any month in calendar year [____], and (ii) does not exceed [_____] % of the monthly amount of Energy expected to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser in any month in later calendar years.

The Purchaser has assigned certain rights and obligations under power purchase agreements to J. Aron that, in addition to rights to Energy, include rights to capacity based on battery storage (the "Storage") that will be charged from Energy produced at the same facilities and acquired pursuant to that same power purchase agreements. The Purchaser certifies that it will exercise its rights pursuant to such power purchase agreements to ensure that such Storage will only be charged from Energy produced at such facilities and acquired pursuant to such power purchase agreements.

In the event of the expiration or termination of an EPS Energy Period, Purchaser agrees to comply with its obligations in the Clean Energy Purchase Contract, including but not limited to its obligations to (a) exercise Commercially Reasonable Efforts to assign a portion of Purchaser's rights and obligations under a power purchase agreement under which Purchaser is purchasing EPS Compliant Energy to J. Aron pursuant to an Assignment Agreement and (b) cooperate in good faith with Issuer and J. Aron with respect to any proposed assignments.

Purchaser expects to pay for Energy acquired pursuant to the Clean Energy Purchase Contract solely from funds derived from its power distribution operations. Purchaser expects to use current net revenues of its to pay for current Energy acquisitions. Neither the Purchaser nor any person who is a related party to the Purchaser will hold any funds or accounts in which monies are invested and which are reasonably expected to be used to pay for Energy acquired more than one year after such monies are set aside. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Purchaser or any persons who are related Persons to Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

_____, 2026

By: _____

[Name]

[Title]

EXHIBIT E

OPINION OF COUNSEL

California Community Choice Financing Authority
San Rafael, CA

Aron Energy Prepay [] LLC
[New York, NY]

Goldman Sachs & Co. LLC
New York, NY

U.S. Bank Trust Company, National Association
[Atlanta, GA]

[Swap Counterparty]
[], []

Re: Clean Energy Purchase Contract between Redwood Coast Energy Authority and California Community Choice Financing Authority dated as of [], 2026

Ladies and Gentlemen:

We are Counsel to Redwood Coast Energy Authority (“Purchaser”). Purchaser is a Purchaser in the Energy Project undertaken by California Community Choice Financing Authority (“Issuer”). We are furnishing this opinion to you in connection with the Clean Energy Purchase Contract between Issuer and Purchaser dated as of [], 2026 (the “Supply Contracts”).

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Contracts.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of California (the “State”) including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Purchaser was created and by which it is governed;

(b) Resolution No. [], duly adopted by Purchaser on [] (the “Resolution”) and certified as true and correct by certificate and seal, authorizing Purchaser to execute and deliver the Supply Contracts;

(c) Copies of the Supply Contracts executed by Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Purchaser and Purchaser's [CCA System].

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Purchaser is a joint powers authority of the State, duly organized and validly existing as a community choice aggregator under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.

2. The execution, delivery, and performance by Purchaser of the Supply Contracts have been duly authorized by the governing body of Purchaser and do not and will not require, subsequent to the execution of the Supply Contracts by Purchaser, any consent or approval of the governing body or any officers of Purchaser.

3. The Supply Contracts are the legal, valid, and binding obligations of Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Purchaser, is required with respect to the execution, delivery and performance by Purchaser of the Supply Contracts or Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Contracts and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) to our knowledge will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

6. Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement, resolution, indenture, bond,

note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Purchaser under the Supply Contracts shall constitute operating expenses of Purchaser's CCA System payable solely from the revenues and other available funds of Purchaser's CCA System as a cost of purchased electricity. The application of the revenues and other available funds of Purchaser's CCA System to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Contracts nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Contracts and may not be relied upon other than in connection with the transactions contemplated by the Supply Contracts, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

EXHIBIT F

ASSIGNMENT OF ASSIGNABLE POWER CONTRACTS

1. **General Requirements.** Assigned Rights and Obligations under an Assignable Power Contract may only be assigned under this Exhibit F if the following requirements are satisfied or waived by J. Aron and Issuer:
 - 1.1. The seller under such Assignable Power Contract (the “APC Party”) either (i) has a long-term senior unsecured credit rating that is “Baa3” or higher from Moody’s Investor’s Service, Inc. (or any successor to its credit rating service operation), “BBB-” or higher from Standard & Poor’s Global Ratings (or any successor to its credit rating service operation) or “BBB-” or higher from Fitch Ratings, Inc. (or any successor to its credit rating service operation), (ii) provides credit support that is reasonably satisfactory to J. Aron or (iii) otherwise provides evidence of its creditworthiness that is reasonably satisfactory to J. Aron (which, for the avoidance of doubt, may include credit support provided by such APC Party to Purchaser).
 - 1.2. The APC Party satisfies J. Aron’s internal requirements as they relate to “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies.
 - 1.3. The APC Party is organized in the United States and in a jurisdiction that does not present adverse tax consequences to J. Aron or Issuer in connection with such proposed assignment.
 - 1.4. J. Aron, Purchaser, and Issuer have agreed on and executed an Assignment Schedule for such assignment.
 - 1.5. J. Aron, Purchaser, Issuer, and the applicable APC Party have agreed on and executed an Assignment Agreement for such assignment.
 - 1.6. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:
 - 1.6.1. J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate the Assigned Prepay Value in each Month during the proposed Assignment Period.
 - 1.6.2. The Applicable Project (as defined below) has generated the Assigned Prepay Value (as defined below) in each Month since commencing commercial operation.
2. **Proposed Assignment.** Purchaser may propose an assignment of Assigned Rights and Obligations under Article VI of the Clean Energy Purchase Contract by delivering the following items to Issuer and to J. Aron:
 - 2.1. A written notice of the proposed assignment signed by Purchaser.
 - 2.2. A true and complete copy of the Assignable Power Contract under which such Assigned Rights and Obligations would arise.

- 2.3. Evidence reasonably satisfactory to Issuer and J. Aron that all authorizations, consents, approvals, licenses, rulings, permits, exemptions, variances, orders, judgments, decrees, declarations of or regulations by any Government Agency necessary in connection with the transactions contemplated by the Assignable Power Contract and the assignment of the Assignable Power Contract to J. Aron have been obtained and are in full force and effect. Such evidence may be provided by a closing certificate with appropriate back-up materials.
- 2.4. Such additional information as Issuer and J. Aron may reasonably request regarding the Assignable Power Contract and the APC Party.
- 2.5. If the Assignable Power Contract is unit-contingent or for an as-generated Product, then:
 - 2.5.1. A description and information of the applicable project to which the Assignable Power Contract applies (the “Applicable Project”), including but not limited to information on the location, interconnection(s), and operating and compliance history of Applicable Project.
 - 2.5.2. Either (i) a report from a nationally recognized consultant in the energy industry that is reasonably acceptable to Issuer and J. Aron showing the “P99” forecasted generation (“P99 Generation”) and “P50” forecasted generation (“P50 Generation”) of the Applicable Project for the entire Assignment Period, as the terms P99 and P50 are commonly used in the renewable energy industry or (ii) monthly historical generation and meteorological data of the Applicable Project dating back to the commercial operation date.

Following Issuer’s and J. Aron’s receipt of such information, Purchaser and Issuer will and J. Aron has agreed in the Electricity Sale and Service Agreement to (i) negotiate in good faith with one another and exercise Commercially Reasonable Efforts to agree upon an Assignment Schedule, with the initial draft of such Assignment Schedule to be developed by J. Aron, and (ii) negotiate in good faith with one another and the APC Party regarding an Assignment Agreement, in each case related to the proposed assignment. If such Assignment Schedule and Assignment Agreement are agreed to by the representative parties thereto, the applicable parties will execute such Assignment Agreement and Assignment Schedule to be effective upon the assignment of the Assigned Rights and Obligations from Purchaser to J. Aron pursuant to the Assignment Agreement. J. Aron will act in good faith in considering proposed assignments that meet the criteria set forth in this Exhibit F, in accordance with the provisions set forth in the Electricity Sale and Service Agreement. For the avoidance of doubt, Purchaser acknowledges that J. Aron will not be required to execute any Assignment Agreement or Assignment Schedule, or otherwise accept any Assigned Rights and Obligations unless the APC Party (i) satisfies J. Aron’s internal requirements as they relate to “know your customer” rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies, (ii) is organized in the United States, and (iii) satisfies all other requirements in Section 1 of this Exhibit F.

3. **Assignment Schedule.** In connection with each assignment, an “Assignment Schedule” will be prepared in the form attached hereto as Annex I (with such changes as agreed by the Parties in their sole discretion), must be executed by Purchaser, Issuer and J. Aron, and must include each of the following:
- 3.1. The term of such Assigned Rights and Obligations (an “Assignment Period”) shall have the meaning specified in each applicable Assignment Agreement and shall (i) end not later than (a) the end of the delivery period under the Assignable Power Contract and (b) the end of the Delivery Period under this Agreement, (ii) not commence any earlier than sixty (60) days after Purchaser’s original notice under Section 2.1 above, and (iii) have a primary term that is not less than 18 Months in duration (provided, for the avoidance of doubt, the primary term references the term of the applicable Assignment Period and not the term of the Assignable Power Contract).
 - 3.2. If the Assignable Power Contract is unit-contingent or for an as-generated product, then a description of the Applicable Project.
 - 3.3. The “Assigned Prepay Quantity” means, for each Month of an Assignment Period and each Assignment Agreement, a quantity of Energy agreed upon by J. Aron, Issuer and Purchaser, which Assigned Prepay Quantity, if the Assignable Power Contract is unit contingent or for an as-generated Product, shall not exceed an amount that J. Aron has determined with a high degree of certainty that the Applicable Project will be able to generate in each Month during the Assignment Period; provided that the Assigned Prepay Quantity for each Month may not exceed the limit expressed in the proviso to Section 3.4 below. For the avoidance of doubt, the Assigned Rights and Obligations will include all of Purchaser’s rights to receive Energy under the Assignable Power Contract even if such rights to receive Energy may exceed the Assigned Prepay Quantity.
 - 3.4. The reduction in Base Quantity for each Delivery Hour during an Assignment Period after giving effect to an Assignment Agreement (each, a “Base Quantity Reduction”) shall be calculated in accordance with this Section 3.4. For the Initial Assignment Periods, the Base Quantity Reductions have been calculated as follows: the Base Quantity Reduction for each Delivery Hour of the Initial Assignment Periods equal (i) the Assigned Prepay Quantity for each such Delivery Hour (which will be determined by dividing the Assigned Prepay Quantity for the applicable Month by the number of Delivery Hours in such Month), multiplied by (ii) the result of (A) the APC Contract Price applicable for such Hour, divided by (B) the *[NOTE: To list the result of the following formula as determined at pricing: Front End Fixed Price for Base Quantities + (Active Swap Fee – Standby Swap Fee).]* For any Assignment Period other than the Initial Assignment Periods, the Base Quantity Reduction for each Delivery Hour of the relevant Assignment Period shall equal (i) the Assigned Prepay Quantity for each such Delivery Hour (which will be determined by dividing the Assigned Prepay Quantity for the applicable Month by the number of Delivery Hours in such Month), multiplied by (ii) the result of (A) Fixed Price for Assigned Prepay Quantities outside of the Initial Assignment Periods divided by (B) the Fixed Price for Base Quantities; provided that if the Base Quantity Reduction for any Delivery Hour would result in a Base Quantity of less than zero, then the Assigned Prepay Quantity for such Delivery Hour will be reduced to the closest whole MWh such that the Base Quantity is not reduced below zero.

- 3.5. Except for the Assignment Agreements for the Initial Assignment Periods, the APC Contract Price under the relevant Assignment Agreement shall be the Day-Ahead Average Price, unless Issuer, Purchaser and J. Aron agree to appropriate changes to the relevant documents to accommodate a different price.
- 3.6. The Assigned Delivery Point for all Assigned Energy.
- 3.7. The Assigned Product included in the Assigned Rights and Obligations, which Assigned Product may not include any Product other than (a) Energy, (b) associated RECs, and (c) other product included within the sale of Energy and not separately delivered from Energy, provided that the APC Contract Price must be inclusive of any amounts due in respect of all Assigned Product, provided furthermore that Assigned Product may not in any case include capacity.

ANNEX I

ASSIGNMENT SCHEDULE

Assigned Product: [_____]

Assigned Delivery Point: [_____]

Assigned Prepay Quantity: As set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to the Limited Assignment Agreement during the Assignment Period as provided in Appendix 1 and (ii) the Assigned Prepay Quantity is defined for the convenience of PPA Buyer and J. Aron and shall have no impact on the obligations of the Parties under the Limited Assignment Agreement.

APC Contract Price: \$[_____]

Assignment Period: [_____]

ANNEX II

FORM OF LIMITED ASSIGNMENT AGREEMENT

NOTE: Purchaser may include the form included in this Annex II as an exhibit to any PPA executed by Purchaser and include the following or similar language in the PPA: “[Seller] agrees that [Buyer] may assign a portion of its rights and obligations under this Agreement to J. Aron & Company LLC (“J. Aron”) at any time upon not less than [___] days’ notice by delivering a written request for such assignment, which request must include a proposed assignment agreement in the form attached hereto as [Exhibit ___], with the blanks in such form completed in [Buyer’s] sole discretion. Provided that [Buyer] delivers a proposed assignment agreement complying with the previous sentence, [Seller] agrees to (i) comply with J. Aron’s reasonable requests for know-your-customer and similar account opening information and documentation with respect to [Seller], including but not limited to information related to forecasted generation, credit rating, and compliance with anti-money laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (ii) promptly execute such assignment agreement and implement such assignment as contemplated thereby, subject only to the countersignature of J. Aron and Company, LLC and [Buyer].”

LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [___], by and among [___], a [___] (“**PPA Seller**”), Redwood Coast Energy Authority, a California joint powers authority (“**PPA Buyer**”), and J. Aron & Company LLC, a New York limited liability company (“**J. Aron**”), and relates to that certain power purchase agreement (the “**PPA**”) between PPA Buyer and PPA Seller as described on Appendix 1. Unless the context otherwise specifies or requires, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA.

In consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and J. Aron (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

1. Limited Assignment and Delegation.

- (a) PPA Buyer hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the products described on Appendix 1 (the “**Assigned Products**”) during the Assignment Period (as defined in Appendix 1), as such rights may be limited or further described in the “Further Information” section on Appendix 1 (the “**Assigned Product Rights**”). All Assigned Products shall be delivered pursuant to the terms and conditions of this Agreement during the Assignment Period as provided in Appendix 1. All other rights of PPA Buyer under the PPA are expressly reserved for PPA Buyer.
- (b) PPA Buyer hereby delegates to J. Aron the obligation to pay the APC Contract Price for all Assigned Products that are actually delivered to J. Aron pursuant to the Assigned Product Rights during the Assignment Period (the “**Delivered Product Payment Obligation**” and together with the Assigned Product Rights, collectively the “**Assigned Rights and Obligations**”); provided that (i) all other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer and PPA Buyer shall be solely responsible for any amounts due to PPA Seller that are not directly related to Assigned Products; and (ii) the Parties acknowledge and agree that PPA Seller will only be

obligated to deliver a single consolidated invoice during the Assignment Period (with a copy to J. Aron consistent with Section 1(d) hereof). To the extent J. Aron fails to pay the Delivered Product Payment Obligation by the due date for payment set forth in the PPA, notwithstanding anything in this Agreement to the contrary, PPA Buyer agrees that it will remain responsible for such payment within five (5) Business Days (as defined in the PPA) of receiving notice of such non-payment from PPA Seller.

- (c) J. Aron hereby accepts and PPA Seller hereby consents and agrees to the assignment, transfer, conveyance and delegation described in clauses (a) and (b) above.
- (d) All scheduling of Assigned Products and other communications related to the PPA shall take place pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from PPA Seller to J. Aron upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer will provide copies to J. Aron of any Notice of a Force Majeure Event or Event of Default or default, breach or other occurrence that, if not cured within the applicable grace period, could result in an Event of Default contemporaneously upon delivery thereof to PPA Seller and promptly after receipt thereof from PPA Seller; (iii) PPA Seller will provide copies to J. Aron of annual forecasts of Energy and monthly forecasts of available capacity and Energy provided pursuant to Section [] of the PPA; (iv) PPA Seller will provide copies to J. Aron of all invoices and supporting data provided to PPA Buyer pursuant to Section [], provided that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice, including pursuant to Section [], will be resolved solely between PPA Buyer and PPA Seller and therefore PPA Seller will not be obligated to deliver copies of any communications relating thereto to J. Aron; and (v) PPA Buyer and PPA Seller, as applicable, will provide copies to J. Aron of any other information reasonably requested by J. Aron relating to Assigned Products.
- (e) PPA Seller acknowledges that (i) J. Aron intends to immediately transfer title to any Assigned Products received from PPA Seller through one or more intermediaries such that all Assigned Products will be re-delivered to PPA Buyer; and (ii) in the event that PPA Buyer fails to pay the relevant intermediary entity for any such Assigned Products, the receivables owed by PPA Buyer for such Assigned Products (“PPA Buyer Receivables”) may be transferred to J. Aron. To the extent any such PPA Buyer Receivables are transferred to J. Aron, J. Aron may transfer such PPA Buyer Receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation. Thereafter, PPA Seller shall be entitled to pursue collection on such PPA Buyer Receivables directly against PPA Buyer.
- (f) Notwithstanding any other provision of this Agreement, PPA Buyer shall be entitled to retain for its own account all CAISO revenues associated with delivery of the Assigned Product to CAISO, including where PPA Buyer is acting as Scheduling Coordinator for the Facility (as defined in the PPA) and through scheduling of ISTs. Nothing in this Agreement modifies or amends any rights or obligations of PPA Buyer and PPA Seller under the PPA with respect to CAISO revenues and costs. As used in this clause (f), the following terms have the meanings specified below.

“**CAISO**” means California Independent System Operator or its successor.

“**CAISO Tariff**” means CAISO’s Federal Energy Regulatory Commission approved tariff, as modified, amended or supplemented from time to time.

“**Inter-SC Trade**” or “**IST**” has the meaning set forth in the CAISO Tariff.

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

- (g) The Assigned Prepay Quantity set forth in Appendix 2 relates to obligations by and between J. Aron and PPA Buyer and has no impact on PPA Seller’s rights and obligations under the PPA.

2. Assignment Early Termination.

- (a) The Assignment Period may be terminated early upon the occurrence of any of the following:
 - (1) delivery of a written notice of termination specifying a termination date by either J. Aron or PPA Buyer to each of the other Parties;
 - (2) delivery of a written notice of termination specifying a termination date by PPA Seller to each of J. Aron and PPA Buyer following J. Aron’s failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such payment is not made by J. Aron within five (5) business days following receipt by J. Aron and PPA Buyer of written notice;
 - (3) delivery of a written notice by PPA Seller if any of the events described in the definition of Bankrupt in the PPA occurs with respect to J. Aron; or
 - (4) delivery of a written notice by J. Aron if any of the events described in in the definition of Bankrupt in the PPA occurs with respect to PPA Seller.
- (b) The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 2(a), which date shall not be earlier than the end of the last day of the calendar month in which such notice is delivered if termination is pursuant to clause 2(a)(1) or 2(a)(2) above. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the early termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period
- (c) The Assignment Period will automatically terminate upon the expiration or early termination of the PPA. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the expiration of or early termination of the PPA, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.

3. Representations and Warranties. The PPA Seller and the PPA Buyer represent and warrant to J. Aron that (a) the PPA is in full force and effect; (b) no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder; (c) all of its

obligations under the PPA required to be performed on or before the date hereof have been fulfilled; and (d) a true, complete, and correct copy of the PPA is attached hereto as Appendix 3.

4. Notices. Any notice, demand, or request required or authorized by this Assignment Agreement to be given by one Party to another Party shall be delivered in accordance with Article [] of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify J. Aron of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to J. Aron shall be provided to the following address, as such address may be updated by J. Aron from time to time by notice to the other Parties:

J. Aron & Company LLC
200 West Street
New York, New York 10282-2198
Email: gs-prepay-notices@gs.com

5. Miscellaneous. Section [] (Buyer's Representations and Warranties), Article [] (Confidential Information), Sections [] (Severability), [] (Counterparts), [] (Amendments), [] (No Agency, Partnership, Joint Venture or Lease), [] (Mobile-Sierra), [] (Electronic Delivery), Section [] (Binding Effect) and [] (No Recourse to Members of Buyer) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

6. U.S. Resolution Stay Provisions.

(a) As between J. Aron and PPA Buyer, J. Aron and PPA Buyer hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol ("ISDA U.S. Stay Protocol"), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Assignment Agreement, and for the purposes of such incorporation, (i) J. Aron shall be deemed to be a Regulated Entity, (ii) PPA Buyer shall be deemed to be an Adhering Party, and (iii) this Assignment Agreement shall be deemed a Protocol Covered Agreement. In the event of any inconsistencies between this Assignment Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(b) As between J. Aron and PPA Seller:

(i) In the event that J. Aron becomes subject to a proceeding under (A) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (B) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a "U.S. Special Resolution Regime") the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(ii) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable ("Default Right")) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this

Agreement were governed by the laws of the United States or a state of the United States.

(iii) Notwithstanding anything to the contrary in this Agreement, J. Aron and PPA Seller expressly acknowledge and agree that:

(1) PPA Seller shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an “Insolvency Proceeding”), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(2) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in PPA Seller being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to PPA Seller.

(iv) If PPA Seller adheres to the ISDA U.S. Protocol, the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Section 6(b).

(v) For purposes of this Section 6(b):

(1) “**Affiliate**” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); and

(2) “**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

7. Governing Law, Jurisdiction, Waiver of Jury Trial.

- (a) **Governing Law.** This Assignment Agreement and the rights and duties of the parties under this Assignment Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of California, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction’s laws.
- (b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Northern District of California sitting in the city and county of San Francisco.
- (c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Assignment Agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement effective as of the date first set forth above.

[PPA SELLER]

By: _____

Name: _____

Title: _____

REDWOOD COAST ENERGY AUTHORITY

By: _____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By: _____

Name: _____

Title: _____

Execution and delivery of the foregoing Assignment Agreement is hereby approved.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____

Name: _____

Title: _____

Appendix 1

Assigned Rights and Obligations

PPA: “PPA” means that certain Power Purchase and Sale Agreement dated [____], by and between Redwood Coast Energy Authority and [____], as amended from time to time.

“**Assignment Period**” means the period beginning on [_____] and extending until [_____] provided that in no event shall the Assignment Period extend past the earlier of (i) the termination of the Assignment Period pursuant to Section 2 of the Assignment Agreement and (ii) the end of the Delivery Term under the PPA; provided that applicable provisions of this Agreement shall continue in effect after termination of the Assignment Period to the extent necessary to enforce or complete, duties, obligations or responsibilities of the Parties arising prior to the termination.

Assigned Product: “Assigned Products” include [____].

Custodial Account for Administration of Payments under Section 1(h):

[____]
[____]
[____]

Further Information: PPA Seller shall continue to transfer the WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Facility Energy under the PPA pursuant to Section [__] of the PPA, provided that the transferee of such WREGIS Certificates may be changed from time to time in accordance with the written instructions of both J. Aron and Redwood Coast Energy Authority upon twenty (20) Business Days’ notice, which change shall be effective as of the first day of the next calendar month, unless otherwise agreed. All Assigned Product delivered by PPA Seller to J. Aron shall be a sale made at wholesale, with J. Aron reselling all such Assigned Product.

Appendix 2

Assigned Prepay Quantity

[NOTE: To be set forth in a monthly volume schedule.]

Appendix 3

PPA

[To be attached.]

EXHIBIT G

COMMUNICATIONS PROTOCOL FOR BASE QUANTITIES

This Exhibit G (“Communications Protocol”) addresses the Scheduling of Base Quantities to be delivered and received at the Base Delivery Point. It is intended to be attached to both the Master Power Supply Agreement and the Clean Energy Purchase Contract, each as defined below.

1. ADDITIONAL DEFINED TERMS

In addition to the terms defined in Article I of this Agreement, the following terms used in this Communications Protocol shall have the following meanings:

- 1.1. “Agreement” means (i) when this Communications Protocol is attached to the Master Power Supply Agreement, the Master Power Supply Agreement and (ii) when this Communications Protocol is attached to the Clean Energy Purchase Contract, the Clean Energy Purchase Contract.
- 1.2. “Clean Energy Purchase Contract” means that certain Clean Energy Purchase Contract (RCEA), dated as of [____], 2026 by and between Issuer and Project Participant.
- 1.3. “Delivery Scheduling Entity” means the Delivering Entity or a Person designated by the Delivering Entity, as set forth in Attachment 4 hereto or in a subsequent written notice to Issuer and the Project Participant.
- 1.4. “Issuer” means California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended).
- 1.5. “Master Power Supply Agreement” means that certain Master Power Supply Agreement (RCEA), dated as of [____], 2026 by and between Prepay LLC and Issuer that is specified as relating to the Clean Energy Purchase Contract with Project Participant.
- 1.6. “Operational Nomination” has the meaning specified in Section 4.1.1.
- 1.7. “Prepay LLC” means Aron Energy Prepay [__] LLC, a Delaware limited liability company.
- 1.8. “Project Participant” means Redwood Coast Energy Authority, a California joint powers authority.
- 1.9. “Receipt Scheduling Entity” for any Delivery Point means the Project Participant, unless the Clean Energy Purchase Contract has been suspended or terminated, in which case the

Receipt Scheduling Entity will be Issuer or a Person designated by Issuer for such Delivery Point in accordance with this Communications Protocol.

- 1.10. “Relevant Contract” means the Master Power Supply Agreement and the Clean Energy Purchase Contract.
- 1.11. “Relevant Party” means Issuer, Prepay LLC or the Project Participant.
- 1.12. “Relevant Third Party” means any Person that is (i) a Transmission Provider that will or is intended to transport Product to be delivered or received under the Agreement, (ii) an independent system operator or control area that coordinates the Scheduling of Product at the Base Delivery Point, (iii) Scheduling receipt of Product by Issuer or for the account of Issuer to the extent such Product has been delivered to Issuer or for the account of Issuer under the Master Power Supply Agreement, and (iv) delivering Product to Issuer or for the account of Issuer to the extent such Product is intended to be re-delivered ultimately to the Project Participant or for the account of the Project Participant under the Clean Energy Purchase Contract.
- 1.13. “Scheduling Entities” means the Receipt Scheduling Entity and the Delivery Scheduling Entity.

2. AGREEMENTS OF RELEVANT PARTIES

Each Relevant Party that is a party to Relevant Contract to which this Communications Protocol is attached acknowledges that this Communications Protocol sets forth certain obligations that may be delegated to other Relevant Parties that are not parties to such Relevant Contracts. In connection therewith:

- 2.1 ***Reliance on Scheduling Entity.*** Each Relevant Party shall be entitled to rely exclusively on any communications or directions given by a Delivery Scheduling Entity or Receipt Scheduling Entity, in each case to the extent such communications are permitted hereunder.
- 2.2 ***Performance of Communications Protocol.*** Each Relevant Party to a Relevant Contract shall cause its counterparty to each other Relevant Contract to comply with the provisions of this Communications Protocol as the provisions apply to such counterparty to the extent required to perform the obligations of the Relevant Party under the Relevant Contract.
- 2.3 ***Third Party Beneficiaries.*** To the extent this Communications Protocol purports to give any Relevant Party (a “Beneficiary”) rights vis-à-vis any other Relevant Party (a “Burdened Party”) with whom such Beneficiary does not have privity under a Relevant Contract, such Beneficiary shall be deemed to be a third party beneficiary of each Relevant Contract to which the Burdened Party is a party to the

extent necessary or convenient to enforce the obligations of the Burdened Party under this Communications Protocol.

- 2.4 ***Amendment of Relevant Contracts.*** No Relevant Party shall amend, waive or otherwise modify any provision of any Relevant Contract to which it is a party without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such amendment, waiver or modification as it relates to this Communications Protocol.
- 2.5 ***Amendment of Communications Protocol.*** No Relevant Party shall amend any provision of this Communications Protocol in a Relevant Contract without the consent of each other Relevant Party.
- 2.6 ***Waiver of Communications Protocol.*** No Relevant Party shall waive any provision of this Communications Protocol in a Relevant Contract without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such waiver.

3 DESIGNATION AND REPLACEMENT OF SCHEDULING ENTITIES

- 3.1 ***Designation of Delivery Scheduling Entity.*** The Delivering Entity may designate a new Delivery Scheduling Entity upon thirty (30) days written notice to Issuer substantially in the form of Attachment 4. Any Scheduling Entity designated in accordance with this Section 3.1 shall commence service at the beginning of a Month, unless mutually agreed in writing between the Delivering Entity and Issuer.
- 3.2 ***Assumption by Receipt Scheduling Entity.*** If any Delivery Scheduling Entity (other than the Delivering Entity) persistently fails to perform its obligations as contemplated under this Communications Protocol, the Receipt Scheduling Entity may, by notice to the Delivering Entity, require that the Delivering Entity deal directly with the Receipt Scheduling Entity until a new Delivery Scheduling Entity is designated in accordance with this Section 3.1.
- 3.3 ***Scheduling Coordinator.*** Project Participant shall designate a scheduling coordinator for the purposes of accepting Base Product delivery at the Base Delivery Point through the scheduling of ISTs.

4 INFORMATION EXCHANGE AND COMMUNICATION BETWEEN ISSUER AND THE DELIVERING ENTITY

- 4.1 ***Communication of Operational Nomination Details.***
 - 4.1.1 Not later than three Days prior to each Day during which Base Product is required to be delivered under the Agreement, the Receipt Scheduling

Entity for such Delivery Point may deliver an operational nomination in writing (the “Operational Nomination”) indicating any inability of a Project Participant to receive all of its Base Quantities during such Day, which Operational Nomination shall be without prejudice to any party’s rights under the Relevant Contracts for failure to receive Base Quantities. If no changes to Base Quantities are so submitted, the Operational Nomination shall be deemed to nominate the full Base Quantities required to be delivered on a Day.

- 4.1.2 Not later than three Days prior to each Day during which Base Product is required to be delivered under the Agreement, the Delivery Scheduling Entity for such Delivery Point may revise the Operational Nomination to indicate any inability of Prepay LLC to deliver all Base Quantities during such Day, which revised Operational Nomination shall be without prejudice to any party’s rights under the Relevant Contracts for failure to deliver Base Quantities.

4.2 Event-specific Communications.

- 4.2.1 Remarketing Notices issued by Issuer under the Master Power Supply Agreement shall be substantially in the form of Attachment 2 hereto. Any such notices to remarket must be delivered directly to Prepay LLC and the Delivery Scheduling Entity.
- 4.2.2 Each Scheduling Entity shall notify Prepay LLC, Issuer and the Project Participant as soon as practicable in the event of: (i) any deficiencies in Scheduling related to such Scheduling Entity; (ii) any deficiencies in Scheduling related to the other such Scheduling Entity; and (iii) any issues with Relevant Third Parties that that would reasonably be expected to create issues related to Product Scheduling under the Relevant Contract.

5 ACCESS AND INFORMATION

In addition to the delivery of and access to the records and data required pursuant to the Agreement, each Relevant Party agrees to provide relevant records from itself and other Relevant Third Parties necessary to document and verify Product Scheduled within and after the Month as needed to facilitate the Relevant Contracts.

6 NOTICES

Any notice, demand, request or other communication required or authorized by this Communications Protocol to be given by one Relevant Party to another Relevant Party shall be in writing, except as otherwise expressly provided herein. It shall either be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), courier, or personally delivered (including overnight delivery service) to the

representative of the other Relevant Party designated in Attachment 1 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic transmittal receipt or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Relevant Party shall have the right, upon written notice to the other Relevant Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address.

7 NO IMPACT ON CONTRACTUAL OBLIGATIONS

Except as expressly set forth herein or in an applicable Relevant Contract, nothing in this Communications Protocol nor any Relevant Party's actions or inactions hereunder shall have any impact on any Relevant Party's rights or obligations under the Relevant Contracts.

8 ATTACHMENTS

Attachment 1 - Key Personnel

Attachment 2 - Remarketing Notice Form

Attachment 3 - Designation of Alternate Base Delivery Points Form

Attachment 4 - Designation of Scheduling Entities Form

Attachment 1

Key Personnel

Delivering Entity Marketing Personnel:

Timothy Capuano
Sales and Trading
Telephone: [REDACTED]
[REDACTED]

Delivering Entity Scheduling Personnel:

Scheduling Team

Email: [REDACTED]
Direct Phone: [REDACTED]
Fax: [REDACTED]

Carly Norlander
ICE Chat: cnorlander1

Email: [REDACTED]
Direct Phone: [REDACTED]
Fax: [REDACTED]

Other Delivering Entity Personnel:

Telephone: [REDACTED]
[REDACTED]

Andres E. Aguila

Telephone: [REDACTED]
Fax: [REDACTED]
[REDACTED]

Issuer Personnel:

[REDACTED]

Project Participant Personnel:

Email: [____]
Email: [____]

Attachment 2

Remarketing Notice Form

Date: [_____]

To: Delivering Entity Scheduling

From: Project Participant Scheduling

This notice is being delivered pursuant to that certain Master Power Supply Agreement (RCEA) (the “Master Power Supply Agreement”) dated as of [____], 2026 by and between Aron Energy Prepay [__] LLC (“Prepay LLC”) and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and relates to the Clean Energy Purchase Contract (RCEA) (the “Clean Energy Purchase Contract”) dated as of [____], 2026 by and between Issuer and Redwood Coast Energy Authority (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement.

Check the box to indicate type of Remarketing Notice (*The numbers of the Primary (“P”) and Alternate (“A”) Delivery Points below correspond to those same Primary Delivery Points and Alternate Delivery Points set forth in Exhibit A-1 of the Agreement, or as may be designated by the Parties from time to time*):

Monthly Remarketing Notice:

Month(s) for which remarketing is requested: _____, 20__ through _____, 20__.

Pursuant to Section 3(b) of Exhibit C of the Clean Energy Purchase Contract, Project Participant requests that the Delivering Entity remarket in such Month(s) the following Base Quantities of Product required to be delivered at the following Delivery Points:

Delivery Point (P/A, #)	MWh/ Hour for each Hour in the Month

Daily Remarketing Notice:

Hours for which remarketing is requested: _____, 20__ through _____, 20__.

Pursuant to Section 3(c) of Exhibit C of the Clean Energy Purchase Contract, Project Participant requests that the Delivering Entity remarket for such Hours the following Base Quantities of Product required to be delivered at the following Delivery Point:

Delivery Point (P/A, #)	MWh/Hour

Submitted by Project Participant:
REDWOOD COAST ENERGY AUTHORITY

By: _____
Name:
Title:

Attachment 3

Designation of Alternate Base Delivery Points Form

This designation is delivered pursuant to that certain Master Power Supply Agreement (RCEA) (the “Master Power Supply Agreement”) dated as of [____], 2026 by and between Aron Energy Prepay [__] LLC (“Prepay LLC”) and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and the Clean Energy Purchase Contract (RCEA) (the “Clean Energy Purchase Contract”) dated as of [____], 2026 by and between Issuer and Redwood Coast Energy Authority (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement and the Clean Energy Purchase Contract. [Project Participant and/or Issuer] hereby proposes the following Alternate Delivery Points for deliveries of Energy that would otherwise be made at the specified Primary Delivery Point:

ALTERNATE DELIVERY POINT	PRIMARY DELIVERY POINT AFFECTED	COMMODITY REFERENCE PRICE PRICING POINT	ADDITIONAL RESTRICTIONS
1			[e.g.
2			Vol. Limit:_____
3			Time Limit:]____
(etc.)			

Unless otherwise agreed among the Delivering Entity, Issuer and Project Participant, an Alternate Delivery Point shall utilize the same Commodity Reference Price as the Primary Delivery Point it replaces or otherwise affects. Project Participant is not required to agree or accept this designation (or any change to the Commodity Reference Price) if it is being submitted by Issuer pursuant to the Master Power Supply Agreement only.

AGREED AND ACCEPTED BY DELIVERING ENTITY:	(if required) AGREED TO AND ACCEPTED BY PROJECT PARTICIPANT:	(if required) AGREED TO AND ACCEPTED BY ISSUER:
By: Name: Title:	By: Name: Title:	By: Name: Title:

Attachment 4

Designation of Scheduling Entities Form

This designation is being delivered pursuant to that certain Master Power Supply Agreement (RCEA) (the “Master Power Supply Agreement”) dated as of [____], 2026 by and between Aron Energy Prepay [__] LLC (“Prepay LLC”) and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (“Issuer”) and relates to the Clean Energy Purchase Contract (RCEA) (the “Clean Energy Purchase Contract”) dated as of [____], 2026 by and between Issuer and Redwood Coast Energy Authority (“Project Participant”). Capitalized terms not defined herein are defined in the Master Power Supply Agreement and Clean Energy Purchase Contract.

[If delivered by Project Participant:

Receipt Scheduling Entity:

Delivery Point: _____

Effective Date(s) of Service of Receipt Scheduling Entity (full Months only):
_____, _____ to _____, _____, if applicable

Notice Information for Receipt Scheduling Entity:

Name: _____
Attention: _____
Address: _____

Telephone: _____
Fax: _____
SCID: _____]

[If delivered by the Delivering Entity:

Delivery Scheduling Entity:

Delivery Point: _____

Effective Date(s) of Service of Delivery Scheduling Entity (full Months only):
_____, _____ to _____, _____, if applicable

Notice Information for Delivery Scheduling Entity:

Name: _____
Attention: _____
Address: _____

Telephone: _____
Fax: _____
SCID: _____]
Submitted by:

[Project Participant or Delivering Entity]

By: _____
Name: _____
Title: _____

EXHIBIT H

PRICING AND OTHER TERMS

Administrative Fee:	\$0.50 per MWh
Delivery Period:	The period beginning on and including [____] and ending at the end of the Day before [____]; provided that the Delivery Period shall end immediately upon termination of deliveries of Product under the Master Power Supply Agreement pursuant to Article XVII thereof or early termination of the Clean Energy Purchase Contract pursuant to <u>Article XVII</u> hereof.
Initial Reset Period:	The period beginning at the beginning of the Day on [____], and ending at the end of the last Day of the Month preceding the last Month of the Initial Interest Rate Period (as defined in the Trust Indenture).
Minimum Discount Percentage:	An Available Discount Percentage as determined under the Re-Pricing Agreement of [____]%.
Monthly Discount Percentage:	For each Month of the Initial Reset Period, [____]%, and for each Month of any other Reset Period, the percentage determined by the Calculation Agent as defined in and pursuant to the Re-Pricing Agreement, exclusive of any Annual Refund.

EXHIBIT I
FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF PURCHASER

_____, 2026

Re: California Community Choice Financing Authority
[Clean Energy Project Revenue Bonds, Series 2026X]

The undersigned _____ of Redwood Coast Energy Authority (“*Purchaser*”) hereby certifies as follows in connection with the Clean Energy Purchase Contract dated as of [____], 2026 (the “*Agreements*”) between the Purchaser and California Community Choice Financing Authority (“*Issuer*”) and the issuance and sale by Issuer of the above-referenced bonds (the “*Bonds*”) (capitalized terms used and not defined herein shall have the meanings given to them in the *Agreements*):

1. Purchaser is a joint powers authority, duly organized and validly existing and in good standing under the laws of the State of California (the “*State*”), and has the corporate power and authority to enter into and perform its obligations under the *Agreements*.

2. By all necessary official action on its part, Purchaser has duly authorized and approved the execution and delivery of, and the performance by Purchaser of the obligations on its part contained in, the *Agreements*, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The *Agreements* constitute the legal, valid and binding obligations of Purchaser.

4. The authorization, execution and delivery of the *Agreements* and compliance with the provisions on Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default under (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject, or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

5 Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets are subject, and no event has occurred and is continuing which constitutes, or with the passage of time or the giving of notice, or both, would constitute, a default or event of default by Purchaser under any of the foregoing.

6. Payments to be made by Purchaser under the Agreements shall constitute operating expenses of Purchaser's power supply system payable solely from the revenues and other available funds of Purchaser's power supply system as a cost of purchased electricity.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against Purchaser in any court or administrative body which would (a) contest the right of the officials of Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of Purchaser, (c) contest the validity, due authorization and execution of the Agreements, or (d) attempt to limit, enjoin or otherwise restrict or prevent Purchaser from executing, delivering and performing the Agreements, nor to the knowledge of Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by Purchaser of its obligations under the Agreements have been duly obtained.

9. The representations and warranties of Purchaser contained in the Agreements were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to Purchaser contained in the Preliminary Official Statement dated [____] and the Official Statement dated [____], 2026 with respect to the Bonds, including Appendix A thereto (together, the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of Purchaser for the periods shown therein, and such statements and information did not as of the respective dates of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. To Purchaser's knowledge, no event affecting Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with respect to Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

REDWOOD COAST ENERGY AUTHORITY

By _____

Name:

Title:

PPA CUSTODIAL AGREEMENT

This PPA Custodial Agreement (this “Agreement”) is made and entered into as of [____], 2026, by and among Redwood Coast Energy Authority, a California joint powers authority (“RCEA”), J. Aron & Company LLC, a New York limited liability company (“J. Aron”), California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (the “Issuer”) and U.S. Bank Trust Company, National Association, a national banking association, (the “Custodian” and together with RCEA, J. Aron and Issuer, the “Parties”, and each individually, a “Party”).

RECITALS:

WHEREAS, in connection with the issuance of one or more series of bonds by Issuer, J. Aron, Issuer and RCEA will enter into Assignment Agreements (the “Assignment Agreements”, which definition shall include any new Assignment Agreement identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 3(c)) with the sellers under certain power purchase agreements (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 3(c)), pursuant to which RCEA will partially assign its rights and obligations under certain existing power purchase agreements (“Assigned PPAs”) to J. Aron for redelivery under the Prepay Contract Chains; and

WHEREAS, the Parties propose to enter into this Agreement in order to administer payments to be received by the sellers under the Assigned PPAs (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, and which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 3(c) of this Agreement) for each of the Prepay Contract Chains identified in Exhibit C as updated from time to time in accordance with Section 3(c) of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Section 1. Defined Terms; Interpretation.

(a) Any capitalized term used herein and not otherwise defined herein (including in the recitals) shall have the meaning assigned to such term in the applicable Clean Energy Purchase Contract for the relevant Prepay Contract Chain. The following additional terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“Affiliate” means, with respect to any person, any entity which is a direct or indirect parent or subsidiary of such person or which directly or indirectly (i) owns or controls such person, (ii) is owned or controlled by such person, or (iii) is under common ownership or control with such person. For purposes of this definition, “control” of an entity means the power, directly or

indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

“Assigned PAYGO Allocation” means the allocation of the Assigned PAYGO Amount under an Assigned PPA for any Month as set forth in the Monthly Statement delivered by RCEA for such Month pursuant to Section 3(a) to the remediation of Assigned Prepay Shortfall Amounts that occurred either in the Month in which such Assigned PAYGO Amount occurred or in prior Months.

“Assigned PAYGO Amount” means, with respect to an Assigned PPA for any Month, the greater of (a) zero and (b) an amount equal to the positive difference, if any, between (i)(A) the Assigned Quantities actually delivered during such Month under such Assigned PPA, minus (B) the Assigned Prepay Quantities under such Assigned PPA for such Month, multiplied by (ii) the Assigned Product Price under such Assigned PPA.

“Assigned Prepay Shortfall Amount” means, with respect to an Assigned PPA for any Month, the greater of (a) zero and (b) an amount equal to the positive difference, if any, between (i)(A) the Assigned Prepay Quantities for such Month under such Assigned PPA, minus (B) the Assigned Quantities actually delivered during such Month under such Assigned PPA, multiplied by (ii) the Assigned Product Price under such Assigned PPA; provided, however, that the amount determined pursuant to the foregoing clause (b)(i)(B) shall be increased by any Assigned Quantities not delivered as a result of Force Majeure.

“Assigned Product Price” has the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

“Clean Energy Purchase Contracts” means each of the Clean Energy Purchase Contracts by and between RCEA and Issuer as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Electricity Sale and Service Agreements” means each of the Electricity Purchase, Sale and Service Agreements by and between J. Aron and the buyer thereunder as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Issuer Negative Pricing Payment Amount” means the positive difference, if any, for any Month of an Assignment Period between (a) amounts due from Issuer to RCEA under [Section 3.2(a)] of a Clean Energy Purchase Contract with respect to negatively priced Assigned Products and (b) amounts due from RCEA to Issuer under [Section 3.2(a)] of a Clean Energy Purchase Contract with respect to positively priced Assigned Products.

“J. Aron Fixed Payment” means, in respect of each Assigned PPA and each Month in an Assignment Period thereunder, the amount set forth for such Assigned PPA and Month on Exhibit B hereto; provided that there shall be two J. Aron Fixed Payments for each Month of the Assignment Period with respect to any Assigned PPA that includes separate Assigned Prepay Quantities for Energy and storage Products. Notwithstanding the foregoing, there shall be no J. Aron Fixed Payment for an Assignment Agreement that provides for payment by J. Aron to the

relevant PPA Seller of a floating price for Assigned Products delivered during the Assignment Period.

“J. Aron Prepay Payment” means, in respect of each Monthly PPA Invoice, an amount determined by RCEA as (a) with respect to any Assigned PPA that has a J. Aron Fixed Payment, the J. Aron Fixed Payment for the relevant Month and Assigned PPA and (b) with respect to any Assigned PPA that does not have a J. Aron Fixed Payment, the Assigned Prepay Quantity for the relevant Assigned PPA for the relevant Month multiplied by the Assigned Product Price; provided that the J. Aron Prepay Payment shall be reduced by (i) the face amount of any Receivable (as defined in the Electricity Sale and Service Agreement) that is delivered by J. Aron to the Custodian pursuant to Section 4(f) and (ii) any Remarketing Fee Amount; provided further that (x) the J. Aron Prepay Payment will be determined without regard to any PPA Seller Payment Obligation, (y) there shall be two J. Aron Prepay Payments for each Month of the Assignment Period with respect to any Assigned PPA that includes separate Assigned Prepay Quantities for Energy and storage Products and (z) to the extent that an Assigned PPA is allocated to more than one Prepay Contract Chain by written agreement of J. Aron and RCEA, there shall be separate J. Aron Prepay Payments associated with respect to each Prepay Contract Chain that an Assigned PPA is allocated to.

“Master Power Supply Agreements” means each of the Master Power Supply Agreements by and between Issuer and the seller thereunder, as set forth in Exhibit C to this Agreement, which Exhibit C may be updated from time to time in accordance with Section 3(b).

“Monthly PPA Payment” means, in respect of any Monthly PPA Invoice, an amount determined by RCEA as the total amount to be withdrawn from the Assigned PPA Payments Account by the Custodian and paid to the relevant PPA Seller in respect of such Monthly PPA Invoice, which shall equal the total net amount due to such PPA Seller in respect of such Monthly PPA Invoice and shall consist of the following components:

- (a) The J. Aron Prepay Payment(s), which shall be deemed to be paid to the relevant PPA Seller on behalf of J. Aron in respect of Assigned Products; and
- (b) the RCEA Net Payment.

“PPA Seller Payment Obligation” means, in respect of any Monthly PPA Invoice, an amount determined by RCEA as the total amount owed by the relevant PPA Seller as reflected in such Monthly PPA Invoice, including any amounts that have been netted or set-off against amounts owed to such PPA Seller; provided, for clarity, that the PPA Seller Payment Obligation shall be deemed to be paid to RCEA and credited against the RCEA Gross Payment thereby resulting in the RCEA Net Payment required to be made by RCEA hereunder.

“PPA Shortfall Lookback Summary” means, in respect of any Monthly PPA Invoice, a list that sets forth the following:

- (i) which Months, if any, the relevant PPA Seller delivered less than the Assigned Prepay Quantity in the preceding 12 Months (any such Month, a “Lookback Shortfall Month”) under the applicable Assigned PPA and whether such under-deliveries were a result of Force Majeure (as defined in the relevant Assigned PPA);

(ii) the percentage of the Assigned Prepay Quantity actually delivered under the applicable Assigned PPA for each such Lookback Shortfall Month; and

(iii) an indication of whether an increased Remarketing Fee (as defined in the relevant Master Power Supply Agreement) is in effect consistent with the terms of Exhibits C and F of the relevant Master Power Supply Agreement.

“Prepay Contract Chain” means, with respect to each bond issuance by Issuer detailed in Exhibit C, the Master Power Supply Agreement, Electricity Sale and Service Agreement and Clean Energy Purchase Contract relating thereto. As used herein, Prepay Contract Chains shall be limited to contract chains entered into in connection with bond issuances by Issuer for a prepayment to an Affiliate of J. Aron pursuant to a Master Power Supply Agreement between Issuer and an Affiliate of J. Aron.

“RCEA Gross Payment” means, in respect of any Monthly PPA Invoice, an amount determined by RCEA as the positive result, if any, of (a) all amounts owed to the relevant PPA Seller in respect of such Monthly PPA Invoice (determined without respect to the PPA Seller Payment Obligation), less (b) the J. Aron Prepay Payment(s); provided, for clarity, that the RCEA Gross Payment (i) shall be deemed to be paid to the relevant PPA Seller on behalf of J. Aron to the extent it relates to any Assigned PAYGO Product, and (ii) otherwise shall be deemed to be paid to the relevant PPA Seller on behalf of RCEA.

“RCEA Net Payment” means, in respect of any Monthly PPA Invoice, an amount determined by RCEA as the positive result, if any, of (a) the RCEA Gross Payment, less (b) the PPA Seller Payment Obligation.

“RCEA Reimbursement Amount” means, in respect of any Monthly PPA Invoice that reflects that a quantity of Product less than the Assigned Prepay Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to (i) the product of (x) the portion of the Assigned Prepay Quantity actually delivered under the relevant Assigned PPA, multiplied by (y) the result of the applicable Assigned Product Price, minus (ii) any Remarketing Fee Amount.

“Remarketing Fee” has the meaning specified in each of the Master Power Supply Agreements.

“Remarketing Fee Amount” means, in respect of any Assigned Prepay Quantity remarketed in any Month under the remarketing provisions of the relevant Master Power Supply Agreement, an amount equal to the product of (a) the Assigned Prepay Quantity so remarketed in such Month, multiplied by (b) any Remarketing Fee applicable under relevant Master Power Supply Agreement.

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

Section 2. Appointment of Custodian. RCEA, J. Aron and Issuer hereby appoint U.S. Bank Trust Company, National Association as Custodian under this Agreement, with such rights and obligations as are specifically set forth herein. The Custodian hereby accepts such appointment under the terms and conditions set forth herein.

Section 3. Payment Instructions to Custodian; Assigned PPA Exhibits.

(a) Monthly Statements. No later than five Business Days following receipt of an invoice from a PPA Seller in respect of any Month in an Assignment Period (a "Monthly PPA Invoice"), RCEA shall deliver a statement (the "Monthly Statement") showing each of the following (based on the information provided by the relevant PPA Seller in the Monthly PPA Invoice) to each of the Parties hereto and the seller under the Master Power Supply Agreement for the Prepay Contract Chain to which such Assigned PPA is assigned:

- (i) the J. Aron Prepay Payment(s);
- (ii) the RCEA Reimbursement Amount;
- (iii) the RCEA Gross Payment;
- (iv) the PPA Seller Payment Obligation;
- (v) the RCEA Net Payment;
- (vi) the Monthly PPA Payment;
- (vii) the Remarketing Fee Amount;

(viii) the "Monthly PPA Invoice Payment Date", which shall be the last Business Day on which payment on such Monthly PPA Invoice may be made before any incremental interest arises thereon or any default or breach arises under the relevant Assigned PPA;

(ix) the "Custodial Agreement Payment Date," which shall be one Business Day preceding the Monthly PPA Invoice Payment Date;

- (x) the PPA Shortfall Lookback Summary;
- (xi) the Issuer Negative Pricing Payment Amount, if any;
- (xii) the Assigned PAYGO Amount, if any;

(xiii) the Assigned Prepay Shortfall Amount, if any, and the Assigned PAYGO Allocation, if any, to be made to such Assigned Prepay Shortfall Amount from any other Assigned PPA; provided that any such Assigned PAYGO Allocation shall be made first to any Assigned Prepay Shortfall Amount attributable to any Assigned Prepay Shortfall Amount attributable to the current Month;

provided furthermore that RCEA shall deliver an updated Monthly Statement within seven days following agreement by RCEA and any PPA Seller to an adjustment to a Monthly PPA Invoice to

the extent that such adjustment is agreed upon prior to the date that is 10 days prior to the Monthly PPA Invoice Payment Date; provided furthermore that the Parties acknowledge and agree that any adjustments agreed upon with respect to a Monthly PPA Invoice after the date specified in the foregoing provision shall be resolved solely between RCEA and the relevant PPA Seller as provided in the Assignment Agreements. The Parties agree to exercise commercially reasonable efforts to implement a test billing period for a period of at least two Months prior to the effectiveness of any Assignment Agreement.

(b) Monthly Statement Verification. J. Aron shall notify RCEA and each other Party promptly, but in no event more than three (3) Business Days, following RCEA's delivery of a Monthly Statement if J. Aron believes any information included on such Monthly Statement is incorrect. Following receipt and verification of the information included in any such notice from J. Aron, RCEA shall, to the extent appropriate and in consultation with J. Aron, issue a corrected Monthly Statement to all Parties. J. Aron and each other Party hereto acknowledges and agrees that (i) RCEA is calculating the Monthly Statement only for convenience of the Parties, (ii) the purpose of this Agreement is solely to determine amounts to be paid by RCEA and J. Aron under separate contracts, and (iii) none of RCEA, J. Aron nor any other Party hereto will have any liability whatsoever with respect to any action taken or omitted by it under this Agreement (but without prejudice to an express payment obligation arising under another contract), including as a result of any failure by RCEA to timely or properly calculate any amount to be included in a Monthly Statement. Without limiting the foregoing, J. Aron acknowledges that it will have an opportunity to review and comment on each calculation and date included in a Monthly Statement (and shall be aware if such Monthly Statement has not been timely delivered) and RCEA will not be responsible in any way for any damages, costs, liabilities, loss of use or any other claims related to an insufficient or late payment under an Assigned PPA as a result of any deficiencies in any Monthly Statement.

(c) Exhibits.

(i) Exhibit A to this Agreement sets forth certain information regarding the Assigned PPAs as of the date hereof, including the Assignment Periods for each Assigned PPA, the Assigned Prepay Quantities, the PPA Sellers thereunder and the payment instructions for payments to the PPA Sellers. Exhibit B to this Agreement sets forth the J. Aron Fixed Payments with respect to each of the Assigned PPAs. J. Aron shall deliver an updated Exhibit A or Exhibit B, as applicable, to each of the other Parties hereto to reflect any changes to the information set forth therein, including in connection with the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(ii) Exhibit C to this Agreement sets forth certain information regarding the Prepay Contract Chains in effect as of the date hereof. J. Aron shall deliver an updated Exhibit C to each of the other Parties hereto to reflect any changes to the information set forth therein, including due to the execution of a new Prepay Contract Chain in connection with a bond issuance by Issuer.

(d) Remediation of Remarketing Proceeds with RCEA's Purchases of Assigned PAYGO Products. The Parties acknowledge and agree that RCEA's purchase of Assigned PAYGO Products shall be applied to the remediation of remarketing proceeds, if any, under the

Master Power Supply Agreements in accordance with the terms thereof, provided that for the avoidance of doubt Assigned PAYGO Products may only be applied to Assigned Prepay Shortfall Amounts that arose either in or prior to the Month in which such Assigned PAYGO Products were purchased.

(e) CAISO Revenues under Certain Assigned PPAs. With respect to any Assigned PPA that provides for the PPA Seller thereunder to collect CAISO revenues and credit such CAISO revenues against amounts otherwise due under such Assigned PPA, the Parties acknowledge and agree that J. Aron shall be deemed to collect such revenues on behalf of RCEA to the extent such revenues are collected by the applicable PPA Seller pursuant to the Assigned PPA while the relevant Assignment Agreement is in effect, and the operation of the terms of this Agreement shall effect net settlement between J. Aron and RCEA of such CAISO revenues and the amounts otherwise due under the Assigned PPA.

Section 4. Assigned PPA Payments Account.

(a) Payments. With respect to certain payments required to be made by J. Aron and RCEA to the PPA Sellers under the Assigned PPAs, there is hereby established the custodial account detailed below (the “Assigned PPA Payments Account”), and all payments made by J. Aron and RCEA hereunder shall be wired to such Assigned PPA Payments Account :

U.S. Bank, NA
ABA: 091000022
FBO: U.S. Bank Trust NA
Acct: 180121167365
FFC: [____]
Address: 777 E. Wisconsin Av.
Milwaukee, WI 53202-5300

(b) J. Aron Payments. J. Aron shall pay the J. Aron Prepay Payment(s) into the Assigned PPA Payments Account, in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement. To the extent that (i) a RCEA Reimbursement Amount is due with respect to an Assigned PPA and (ii) J. Aron pays some portion of the J. Aron Prepay Payment(s) for such Assigned PPA but less than the total amount of the J. Aron Prepay Payment(s) due, J. Aron’s partial payment shall be applied first to the J. Aron Prepay Payment(s). In addition, the Custodian agrees to promptly notify RCEA if it does not receive the J. Aron Prepay Payment from J. Aron on the Custodial Agreement Payment Date, and in such case RCEA may elect in its sole discretion to make the J. Aron Prepay Payment to the Custodian for the purpose of satisfying the Monthly PPA Payment (in which case RCEA will have a reimbursement claim against Issuer under Section 6.4 of the applicable Clean Energy Purchase Contract).

(c) RCEA Payments. RCEA shall pay the RCEA Net Payment into the Assigned PPA Payments Account in respect of each Monthly Statement on the relevant Custodial Agreement Payment Date set forth in such statement. For each Month, if any, of an Assignment Period for which there is an Issuer Negative Pricing Payment Amount, RCEA shall make payment of such amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date;

provided that, notwithstanding the foregoing, RCEA shall have no payment obligation hereunder with respect to an Issuer Negative Pricing Payment Amount to the extent that J. Aron receives such amount from the PPA Seller pursuant to the terms of the applicable Assignment Agreement.

(d) Application of Payments. The Custodian shall withdraw and apply amounts received under this Section 4 as follows:

(i) any J. Aron Prepay Payment(s) received from J. Aron (including any payment by RCEA on J. Aron's behalf pursuant to the last sentence of Section 4(b)) and any RCEA Net Payment received from RCEA shall be applied to the payment of the Monthly PPA Payment to each PPA Seller in respect of each Monthly Statement on the relevant Monthly PPA Invoice Payment Date pursuant to the payment instructions set forth on Exhibit A; provided that if amounts on deposit in the Assigned PPA Payment Account are insufficient to pay the entire Monthly PPA Payment on such date, the Custodian shall (i) withdraw and pay to such PPA Seller the entire remaining balance of the Assigned PPA Payment Accounts, as determined and directed by RCEA, and (ii) notify such PPA Seller of the amounts received for such Month from each of J. Aron and RCEA consistent with such PPA Seller's contact information provided in Exhibit A; provided furthermore that, if the J. Aron Prepay Payment(s) for any Month exceeds the Monthly PPA Payment, then the excess of the J. Aron Prepay Payment(s) over the Monthly PPA Payment shall be remitted to RCEA on the relevant Monthly PPA Invoice Payment Date pursuant to RCEA's payment instructions set forth on Exhibit C;

(ii) any RCEA Reimbursement Amount received from J. Aron shall be remitted to RCEA on the relevant Monthly PPA Invoice Payment Date pursuant to RCEA's payment instructions set forth on Exhibit C; and

(iii) for any Month in an Assignment Period for which an Issuer Negative Pricing Payment Amount is due from RCEA, the Custodian shall, after application of amounts on deposit in the Assigned PPA Payments Account pursuant to clause (i) or (ii) above, as applicable, withdraw amounts on deposit in the Assigned PPA Payments Account to make payment of the Issuer Negative Pricing Payment Amount to J. Aron.

(e) Amounts Held in Trust. Amounts deposited in the Assigned PPA Payments Account shall be held in trust for the benefit of RCEA until applied as set forth in Section 4(d) and Section 12, as applicable, and there is hereby granted to RCEA a lien on and security interest in the Assigned PPA Payments Account pending such application. The Custodian shall not be required to comply with any orders, demands, or other instructions from RCEA with respect to the Assigned PPA Payments Account, including, without limitation, items presented for payment, or any order or instruction directing the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, and RCEA agrees that prior to the termination of this Agreement in accordance with the terms hereof, it shall have no right to direct the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, or to withdraw or otherwise obtain funds or other assets held in or credited to the Assigned PPA Payments Account, whether by order or instruction to the Custodian or otherwise.

(f) Transfer of Receivables. With respect to each Monthly Statement, to the extent J. Aron has purchased Receivables (as defined in the Electricity Sale and Service Agreement) for amounts owed by RCEA for the Month to which such Monthly Statement relates, J. Aron may, at its option, (i) notify the Custodian that it intends to transfer all or any portion of such Receivables to the applicable PPA Seller, and (ii) reduce the J. Aron Prepay Payment(s) by the face amount of such Receivables to be transferred. To the extent J. Aron has notified the Custodian of its intent to transfer any such Receivables, J. Aron shall cause such Receivables to be transferred to the relevant PPA Seller not later than the relevant Custodial Agreement Payment Date.

Section 5. Custodian; Fees.

(a) Limitation on Liability. The Custodian shall have (i) no liability under any agreement other than this Agreement and (ii) no duty to inquire as to the provisions of any agreement other than this Agreement and the Assigned PPAs. The Custodian may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction or request furnished to it hereunder in accordance with the terms hereof and believed by it to be genuine and to have been signed or presented by the proper Party or Parties. The Custodian shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Custodian shall have no duty to solicit or compel any payments which may be due to it, or to take any action to compel J. Aron or RCEA to make the deposits required under Section 4. The Custodian shall not be liable for any action taken or omitted by it in good faith, or for the application of funds by or other actions or omissions of other persons, except to the extent that a court of competent jurisdiction determines that the Custodian's gross negligence or willful misconduct was the primary cause of any loss to any other Party hereto. In connection with the execution of any of its powers or the performance of any of its duties hereunder, the Custodian may consult with counsel, accountants and other skilled persons selected and retained by it. The Custodian shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons, provided the Custodian exercised due care and good faith in the selection of such person. The permissive rights and powers of the Custodian to take actions enumerated under this Agreement shall not be construed as duties. In the event that the Custodian shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other Parties hereto or by a final order or judgment of a court of competent jurisdiction. The Custodian may interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or non-action based on such declaratory judgment. Anything in this Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect, incidental, punitive, or consequential damages, losses or penalties of any kind whatsoever (including but not limited to lost profits), regardless of the form of action. The Custodian may engage and act through agents and attorneys and shall not be liable for the misconduct or negligence of any such agent or attorney appointed with due care. The Custodian shall be responsible only for funds actually received by it for deposit into the Assigned PPA Payments Account, and the Custodian shall not be obliged to advance or risk its own funds to make any payments required hereunder. The Custodian shall have only those

duties expressly set forth in this Agreement and no implied duties shall be read into this Agreement against the Custodian. The Parties hereto acknowledge and agree that the Custodian is not a fiduciary by virtue of accepting and carrying out its obligations under this Agreement and has not accepted any fiduciary duties, responsibilities or liabilities with respect to its services hereunder. The Custodian shall not be responsible for the perfection of any security interest granted hereunder. The Custodian shall not be obliged to invest or pay interest on funds held hereunder.

(b) Custodian Fee. The Issuer agrees to (i) pay the Custodian reasonable compensation for the services to be rendered hereunder, which compensation shall be \$[____] per bond series for each year that this Agreement is in effect, and (ii) pay or reimburse the Custodian upon request for all expenses, disbursements and advances, including reasonable attorney's fees and expenses, incurred or made by it in connection with the preparation, execution, performance, delivery, modification and termination of this Agreement. The parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 6. Succession. The Custodian may resign and be discharged from its duties or obligations hereunder by giving not less than 45 days' advance notice in writing of such resignation to the other Parties hereto specifying a date when such resignation shall take effect; and such resignation shall take effect upon the day specified in such notice unless a successor shall not have been appointed by the other Parties hereto on such date, in which event such resignation shall not take effect until a successor is appointed. The other Parties hereto shall use their commercially reasonable efforts to make such appointment in a timely fashion, provided that any custodian appointed in succession to the Custodian shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$50,000,000 and shall be a bank with trust powers or trust company willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Agreement. Any corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the Custodian's corporate trust line of business may be transferred, shall be the Custodian under this Agreement without further act. Notwithstanding the foregoing, if no appointment of a successor Custodian shall be made pursuant to the foregoing provisions of this Section 6 within 45 days after the Custodian has given written notice to the other Parties of its resignation as provided in this Section 6, the Custodian may, in its sole discretion, apply to any court of competent jurisdiction to appoint a successor Custodian. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Custodian.

Section 7. Reimbursement. J. Aron and RCEA agree, jointly and severally (subject to the second proviso of this Section 7), to reimburse the Custodian and its directors, officers, agents and employees for any and all loss, liability or expense (including the fees and expenses of in-house or outside counsel and experts and their staffs and all expense of document location, duplication and shipment) arising out of or in connection with (a) its acting as the Custodian under this Agreement, except to the extent that such loss, liability or expense is finally adjudicated to have been caused primarily by the gross negligence or willful misconduct of the Custodian or such director, officer, agent or employee seeking reimbursement, or (b) its following any instructions or other directions from J. Aron or RCEA, except to the extent that its following any such

instruction or direction is expressly forbidden by the terms hereof; provided, however, that any amounts due under this Section 7 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 13 hereof; provided further, however, that, notwithstanding the joint and several nature of the obligations under this Section 7, any amounts due under clause (b) of this sentence resulting from instructions or directions that are not expressly provided for in this Agreement and are given to the Custodian by only one Party shall be the sole obligation of such Party. The Parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 8. Taxpayer Identification Numbers; Tax Matters. J. Aron and RCEA represent that their correct taxpayer identification numbers assigned by the Internal Revenue Service or any other taxing authority is set forth on the signature page hereof. Any tax returns or reports required to be prepared and filed in connection with the Assigned PPA Payments Account will be prepared and filed by RCEA, and the Custodian shall have no responsibility for the preparation and/or filing of any tax return with respect to any income earned on the Assigned PPA Payments Account. In addition, any tax or other payments required to be made pursuant to such tax return or filing shall be paid by RCEA. The Custodian shall have no responsibility for making such payment unless directed to do so by the appropriate authorized Party and fully indemnified to the Custodian's satisfaction.

Section 9. Notices. Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing and shall either be sent by email transmission or other Electronic Means (defined below), courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit C for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission or other Electronic Means (defined below), or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit C. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, a Party may at any time notify the others that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

The Custodian shall have the right to accept and act upon directions given pursuant to this Agreement, or any other document reasonably relating to the bonds and delivered using Electronic Means (defined below); *provided, however*, that each party giving directions to the Custodian hereunder shall provide to the Trustee under the Trust Indenture an incumbency certificate listing persons with the authority to provide such directions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If a party elects to give the Custodian directions using Electronic Means and the Custodian in its discretion elects to act upon such directions, the Custodian's understanding of such directions shall be deemed controlling. The parties understand and agree that the Custodian cannot determine the identity of the actual sender of such directions and that the Custodian shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency

certificate provided by a party to the Custodian have been sent by such Authorized Officer. Each party shall be responsible for ensuring that only Authorized Officers transmit such directions to the Custodian and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys issued by the Custodian as confidential and with extreme care. The Custodian shall not be liable for any losses, costs or expenses arising directly or indirectly from the Custodian's reliance upon and compliance with such directions notwithstanding that such directions conflict or are inconsistent with a subsequent written direction. Each party agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Custodian, including without limitation the risk of the Custodian acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Custodian and that there may be more secure methods of transmitting directions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Custodian immediately upon learning of any compromise or unauthorized use of the security procedures.

As used herein, "Electronic Means" shall mean e-mail transmission or other similar electronic means of communication providing evidence of transmission, S.W.I.F.T, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, facsimile transmission, including a telephone communication confirmed by any other method set forth in this definition, or another method or system specified by a Responsible Officer of the Custodian as available for use in connection with the Custodian's services hereunder.

Section 10. Miscellaneous.

(a) Amendments. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the Parties hereto.

(b) Assignments. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any Party, except as provided in Section 5, without the prior written consent of the other Parties.

(c) Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced, and performed in accordance with the laws of the State of New York, without regard to any conflicts of law principle that would direct the application of the laws another jurisdiction; provided that the authority of each of the Issuer and RCEA to enter into and perform its obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(d) Jurisdiction. Each Party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the exclusive jurisdiction of (A) the courts of the State of New York located in the Borough of Manhattan, (B) the federal courts of the United States of America for the Southern District of New York or (C) the federal courts of the United States of America in any other state. The Parties further hereby

waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement.

(e) Force Majeure. No Party to this Agreement shall be liable to any other Party hereto for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, war, terrorism, epidemic, pandemic, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control; provided that a party affected by any such event shall exercise commercially reasonable efforts to resume performance as quickly as possible.

(f) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties to this Agreement may be transmitted by facsimile or by digital pdf transmission, and such facsimile or pdf will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party. The Parties agree that the electronic signature of a Party to this Agreement, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such Party and shall be effective to bind such Party to this Agreement. The Parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. Paper copies or “printouts”, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the Parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither Party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

(g) No Obligation to Invest. The Custodian shall not be under any obligation to invest or pay interest on amounts held in the Assigned PPA Payments Account from time to time.

(h) Limited Duties. Issuer shall have only such duties under this Agreement as are expressly set forth herein as duties on its part to be performed, and no implied duties shall be read into this Agreement against Issuer.

(i) Allocation of Payments. Nothing in this Agreement is intended to create any liabilities between the Issuer, J. Aron and RCEA. This Agreement is intended solely to allocate payments that are actually made by J. Aron and RCEA in respect of amounts owed for physically settled energy under the Assigned PPAs and the Clean Energy Purchase Contracts.

Section 11. Compliance with Court Orders. In the event that any amount held by the Custodian hereunder shall be attached, garnished or levied upon by any court order, or the delivery

thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court affecting the property deposited under this Agreement, the Custodian is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing are binding upon it, whether with or without jurisdiction, and in the event that the Custodian obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding that such writ, order or decree may be subsequently reversed, modified, annulled, set aside or vacated.

Section 12. Term; Winding Up. This Agreement will expire concurrently with the receipt of written notice from RCEA, with a copy to the other Parties, that the Clean Energy Purchase Contracts have terminated in accordance with their terms. Following the Custodian's payment of any Monthly PPA Payments due in respect of the final month of commodity deliveries prior to such a termination, any remaining balance in the Assigned PPA Payments Account shall be paid to RCEA.

Section 13. Indemnification. J. Aron and RCEA, jointly and severally, agree to protect, indemnify, defend and hold harmless, the Custodian, and affiliates, and each person who controls the Custodian (and each of their respective directors, officers, agents and employees) from and against all claims, losses, liabilities, actions, suits, costs, judgments and expenses (including court costs and reasonable attorneys' fees) arising from its acting as Custodian hereunder (including, for the avoidance of doubt, any costs, expenses and reasonable attorneys' fees incurred in enforcing any payment obligation of an indemnifying Party), except for any claim, damage or loss resulting from the gross negligence or willful misconduct of the Custodian; provided, however, that any amounts due under this Section 13 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 7 hereof. The obligations of this Section 13 shall survive any resignation or removal of the Custodian and the termination of this Agreement. In addition, notwithstanding anything herein to the contrary, the Custodian and Issuer shall have all of the rights (including the indemnification rights), benefits, privileges and immunities under this Agreement as are granted to Issuer and the Trustee under the Trust Indenture, all of which are incorporated, mutatis mutandis, into this Agreement.

Section 14. Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of the Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of the Issuer, payable solely from the Trust Estate (as such term is defined in the Trust Indenture) as and to the extent provided in the Trust Indenture, including with respect to Operating Expenses (as such term is defined in the Trust Indenture). The Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Trust Indenture) and other assets pledged under the Trust Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of the Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Trust Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Trust Indenture.

Section 15. Patriot Act. J. Aron and RCEA acknowledge that the Custodian is subject to federal laws, including the Customer Identification Program (“CIP”) requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Custodian must obtain, verify and record information that allows the Custodian to identify J. Aron and RCEA. Accordingly, prior to opening the Assigned PPA Payments Account described in Section 3 of this Agreement, the Custodian will ask J. Aron and RCEA to provide certain information including but not limited to name, physical address, tax identification number and other information that will help the Custodian identify and verify J. Aron’s and RCEA’s identities, such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. J. Aron and RCEA agree that the Custodian cannot open any account hereunder unless and until the Custodian verifies J. Aron’s and RCEA’s identities in accordance with its CIP.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

REDWOOD COAST ENERGY AUTHORITY

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

By: _____
Name: _____
Title: _____

J. ARON & COMPANY LLC

By: _____
Name: _____
Title: _____
Taxpayer ID Number: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A
ASSIGNED PPAS

[To come.]

EXHIBIT B

J. ARON FIXED PAYMENTS

[To be attached.]

EXHIBIT C

**PREPAY CONTRACT CHAINS AND RELATED NOTICE AND PAYMENT
INFORMATION**

[To come.]

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FORM OF ASSIGNMENT SCHEDULE

Assigned Product: [_____]

Assigned Delivery Point: [_____]

Assigned Prepay Quantity: As set forth in Appendix 2; provided that (i) all Assigned Products shall be delivered pursuant to the Limited Assignment Agreement during the Assignment Period as provided in Appendix 1 and (ii) the Assigned Prepay Quantity is defined for the convenience of PPA Buyer and J. Aron and shall have no impact on the obligations of the Parties under the Limited Assignment Agreement.

APC Contract Price: \$[_____] /MWh

Assignment Period: [_____]

FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [____], by and among [____], a [____] (“**PPA Seller**”), Redwood Coast Energy Authority, a California joint powers authority (“**PPA Buyer**”), and J. Aron & Company LLC, a New York limited liability company (“**J. Aron**”), and relates to that certain power purchase agreement (the “**PPA**”) between PPA Buyer and PPA Seller as described on Appendix 1. Unless the context otherwise specifies or requires, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA.

In consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and J. Aron (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

1. Limited Assignment and Delegation.

- (a) PPA Buyer hereby assigns, transfers and conveys to J. Aron all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the products described on Appendix 1 (the “**Assigned Products**”) during the Assignment Period (as defined in Appendix 1), as such rights may be limited or further described in the [“Further Information”] section on Appendix 1 (the “**Assigned Product Rights**”). All Assigned Products shall be delivered pursuant to the terms and conditions of this Agreement during the Assignment Period as provided in Appendix 1. All other rights of PPA Buyer under the PPA are expressly reserved for PPA Buyer.
- (b) PPA Buyer hereby delegates to J. Aron the obligation to pay the APC Contract Price for all Assigned Products that are actually delivered to J. Aron pursuant to the Assigned Product Rights during the Assignment Period (the “**Delivered Product Payment Obligation**” and together with the Assigned Product Rights, collectively the “**Assigned Rights and Obligations**”); provided that (i) all other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer and PPA Buyer shall be solely responsible for any amounts due to PPA Seller that are not directly related to Assigned Products; and (ii) the Parties acknowledge and agree that PPA Seller will only be obligated to deliver a single consolidated invoice during the Assignment Period (with a copy to J. Aron consistent with Section 1(d) hereof). To the extent J. Aron fails to pay the Delivered Product Payment Obligation by the due date for payment set forth in the PPA, notwithstanding anything in this Agreement to the contrary, PPA Buyer agrees that it will remain responsible for such payment within five (5) [Business Days] (as defined in the PPA) of receiving notice of such non-payment from PPA Seller.
- (c) J. Aron hereby accepts and PPA Seller hereby consents and agrees to the assignment, transfer, conveyance and delegation described in clauses (a) and (b) above.
- (d) All scheduling of Assigned Products and other communications related to the PPA shall take place pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass from PPA Seller to J. Aron upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer will provide copies to J. Aron of any Notice of a Force Majeure Event or Event of Default or default, breach or other occurrence that, if not cured within the applicable grace period, could result in an Event of Default contemporaneously upon delivery thereof to PPA Seller and promptly after receipt

thereof from PPA Seller; (iii) PPA Seller will provide copies to J. Aron of annual forecasts of Energy and monthly forecasts of available capacity and Energy provided pursuant to Section [] of the PPA; (iv) PPA Seller will provide copies to J. Aron of all invoices and supporting data provided to PPA Buyer pursuant to Section [], provided that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice, including pursuant to Section [], will be resolved solely between PPA Buyer and PPA Seller and therefore PPA Seller will not be obligated to deliver copies of any communications relating thereto to J. Aron; and (v) PPA Buyer and PPA Seller, as applicable, will provide copies to J. Aron of any other information reasonably requested by J. Aron relating to Assigned Products.

- (e) PPA Seller acknowledges that (i) J. Aron intends to immediately transfer title to any Assigned Products received from PPA Seller through one or more intermediaries such that all Assigned Products will be re-delivered to PPA Buyer; and (ii) in the event that PPA Buyer fails to pay the relevant intermediary entity for any such Assigned Products, the receivables owed by PPA Buyer for such Assigned Products (“PPA Buyer Receivables”) may be transferred to J. Aron. To the extent any such PPA Buyer Receivables are transferred to J. Aron, J. Aron may transfer such PPA Buyer Receivables to PPA Seller and apply the face amount thereof as a reduction to any Delivered Product Payment Obligation. Thereafter, PPA Seller shall be entitled to pursue collection on such PPA Buyer Receivables directly against PPA Buyer.
- (f) Notwithstanding any other provision of this Agreement, PPA Buyer shall be entitled to retain for its own account all CAISO revenues associated with delivery of the Assigned Product to CAISO, including where PPA Buyer is acting as Scheduling Coordinator for the [Facility] (as defined in the PPA) and through scheduling of ISTs. Nothing in this Agreement modifies or amends any rights or obligations of PPA Buyer and PPA Seller under the PPA with respect to CAISO revenues and costs. As used in this clause (f), the following terms have the meanings specified below.

“**CAISO**” means California Independent System Operator or its successor.

“**CAISO Tariff**” means CAISO’s Federal Energy Regulatory Commission approved tariff, as modified, amended or supplemented from time to time.

“**Inter-SC Trade**” or “**IST**” has the meaning set forth in the CAISO Tariff.

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

- (g) The Assigned Prepay Quantity set forth in Appendix 2 relates to obligations by and between J. Aron and PPA Buyer and has no impact on PPA Seller’s rights and obligations under the PPA.

2. Assignment Early Termination.

- (a) The Assignment Period may be terminated early upon the occurrence of any of the following:
- (1) delivery of a written notice of termination specifying a termination date by either J. Aron or PPA Buyer to each of the other Parties;
 - (2) delivery of a written notice of termination specifying a termination date by PPA Seller to each of J. Aron and PPA Buyer following J. Aron's failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such payment is not made by J. Aron within five (5) business days following receipt by J. Aron and PPA Buyer of written notice;
 - (3) delivery of a written notice by PPA Seller if any of the events described in the definition of [Bankrupt] in the PPA occurs with respect to J. Aron; or
 - (4) delivery of a written notice by J. Aron if any of the events described in the definition of [Bankrupt] in the PPA occurs with respect to PPA Seller.
- (b) The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 2(a), which date shall not be earlier than the end of the last day of the calendar month in which such notice is delivered if termination is pursuant to clause 2(a)(1) or 2(a)(2) above. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the early termination of the Assignment Period, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.
- (c) The Assignment Period will automatically terminate upon the expiration or early termination of the PPA. All Assigned Rights and Obligations shall revert from J. Aron to PPA Buyer upon the expiration of or early termination of the PPA, provided that (i) J. Aron shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to J. Aron prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period.

3. Representations and Warranties. The PPA Seller and the PPA Buyer represent and warrant to J. Aron that (a) the PPA is in full force and effect; (b) no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder; (c) all of its obligations under the PPA required to be performed on or before the date hereof have been fulfilled; and (d) a true, complete, and correct copy of the PPA is attached hereto as Appendix 3.

4. Notices. Any notice, demand, or request required or authorized by this Assignment Agreement to be given by one Party to another Party shall be delivered in accordance with

Article [] of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify J. Aron of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to J. Aron shall be provided to the following address, as such address may be updated by J. Aron from time to time by notice to the other Parties:

J. Aron & Company LLC
200 West Street
New York, New York 10282-2198
Email: gs-prepay-notices@gs.com

5. Miscellaneous. Section [] (Buyer’s Representations and Warranties), Article [] (Confidential Information), Sections [] (Severability), [] (Counterparts), [] (Amendments), [] (No Agency, Partnership, Joint Venture or Lease), [] (Mobile-Sierra), [] (Electronic Delivery), Section [] (Binding Effect) and [] (No Recourse to Members of Buyer) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

6. U.S. Resolution Stay Provisions.

(a) As between J. Aron and PPA Buyer, J. Aron and PPA Buyer hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol (“ISDA U.S. Stay Protocol”), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Assignment Agreement, and for the purposes of such incorporation, (i) J. Aron shall be deemed to be a Regulated Entity, (ii) PPA Buyer shall be deemed to be an Adhering Party, and (iii) this Assignment Agreement shall be deemed a Protocol Covered Agreement. In the event of any inconsistencies between this Assignment Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(b) As between J. Aron and PPA Seller:

(i) In the event that J. Aron becomes subject to a proceeding under (A) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (B) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a “U.S. Special Resolution Regime”) the transfer from J. Aron of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(ii) In the event that J. Aron or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable (“Default Right”)) under this Agreement that may be exercised against J. Aron are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(iii) Notwithstanding anything to the contrary in this Agreement, J. Aron and PPA Seller expressly acknowledge and agree that:

(1) PPA Seller shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of J. Aron becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an “Insolvency Proceeding”), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and

(2) Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate Credit Enhancement, to a transferee upon or following an Affiliate of J. Aron becoming subject to an Insolvency Proceeding, unless the transfer would result in PPA Seller being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to PPA Seller.

(iv) If PPA Seller adheres to the ISDA U.S. Protocol, the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Section 6(b).

(v) For purposes of this Section 6(b):

(1) “**Affiliate**” is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); and

(2) “**Credit Enhancement**” means any credit enhancement or credit support arrangement in support of the obligations of J. Aron under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

7. Governing Law, Jurisdiction, Waiver of Jury Trial.

- (a) **Governing Law.** This Assignment Agreement and the rights and duties of the parties under this Assignment Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of California, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction’s laws.
- (b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Northern District of California sitting in the city and county of San Francisco.
- (c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Assignment Agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement effective as of the date first set forth above.

[PPA SELLER]

By: _____

Name: _____

Title: _____

REDWOOD COAST ENERGY AUTHORITY

By: _____

Name: _____

Title: _____

J. ARON & COMPANY LLC

By: _____

Name:

Title:

Execution and delivery of the foregoing Assignment Agreement is hereby approved.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____

Name:

Title:

Appendix 1

Assigned Rights and Obligations

PPA: “PPA” means that certain Power Purchase and Sale Agreement dated [____], by and between Redwood Coast Energy Authority and [____], as amended from time to time.

“**Assignment Period**” means the period beginning on [_____] and extending until [_____] provided that in no event shall the Assignment Period extend past the earlier of (i) the termination of the Assignment Period pursuant to Section 2 of the Assignment Agreement and (ii) the end of the Delivery Term under the PPA; provided that applicable provisions of this Agreement shall continue in effect after termination of the Assignment Period to the extent necessary to enforce or complete, duties, obligations or responsibilities of the Parties arising prior to the termination.

Assigned Product: “Assigned Products” include [____].

[Custodial Account for Administration of Payments under [Section 1(h)]]:

[____]
[____]
[____]

Further Information: PPA Seller shall continue to transfer the WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Facility Energy under the PPA pursuant to Section [__] of the PPA, provided that the transferee of such WREGIS Certificates may be changed from time to time in accordance with the written instructions of both J. Aron and Redwood Coast Energy Authority upon twenty (20) Business Days’ notice, which change shall be effective as of the first day of the next calendar month, unless otherwise agreed. All Assigned Product delivered by PPA Seller to J. Aron shall be a sale made at wholesale, with J. Aron reselling all such Assigned Product.

Appendix 2

Assigned Prepay Quantity

[NOTE: To be set forth in a monthly volume schedule.]

Appendix 3

PPA

[To be attached.]

LETTER AGREEMENT

[____], 2026

Redwood Coast Energy Authority
[633 Third Street
Eureka, CA 95501]

Re: Prepay Limited Assignment Agreements

Ladies and Gentlemen:

This Letter Agreement (this “Letter Agreement”) confirms our mutual agreement with respect to the matters set forth below and relates to those certain Limited Assignment Agreements listed on Exhibit A (the “Assignment Agreements”, which definitions shall include any new Assignment Agreement identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 2), with each of the PPA Sellers identified in Exhibit A (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, and which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 2). Any capitalized term used in this Letter Agreement and not otherwise defined herein shall have the meaning assigned to such term in the Clean Energy Purchase Contract (defined below). In consideration of each party’s execution of the Assignment Agreements, as well as the premises above and the mutual covenants and agreements set forth herein, J. Aron & Company LLC (“J. Aron”) and Redwood Coast Energy Authority (“RCEA” and together with J. Aron, collectively the “Parties”) agree as follows:

1. **Assignment Early Termination.** Each of the Parties agrees that it shall only exercise its right to deliver a written notice of termination of an Assignment Period under an Assignment Agreement consistent with the following:

(a) Either Party may deliver a notice of termination in the event of (i) the suspension, expiration, or termination of performance of a PPA by either RCEA or the applicable PPA Seller; or (ii) the termination or suspension of deliveries for any reason other than force majeure under (A) that certain Clean Energy Purchase Contract (RCEA) (the “Clean Energy Purchase Contract”), dated as of [____], 2026 by and between RCEA and California Community Choice Financing Authority (including, for the avoidance of doubt, due to the delivery of a “Remarketing Election Notice” by RCEA under the Clean Energy Purchase Contract) or (B) that certain Electricity Purchase, Sale and Service Agreement (RCEA), dated as of [____], 2026 by and between J. Aron and Aron Energy Prepay [] LLC (the “Electricity Sale and Service Agreement”);

(b) RCEA shall deliver a notice of termination contemporaneous with any assignment by RCEA of its interest in the Clean Energy Purchase Contract, provided that J. Aron in any event shall be entitled to deliver a notice of termination to the extent RCEA fails to do so in connection with the assignment of RCEA’s interest under the Clean Energy Purchase Contract;

(c) J. Aron may deliver a notice of termination if (i) PPA Seller delivers less than the Assigned Prepay Quantity for any five months in the aggregate during a twelve month period, (ii)

any event or circumstance occurs that would give either RCEA or a PPA Seller the right to terminate or suspend performance under a PPA (regardless of whether RCEA or the applicable PPA Seller exercises such right) or (iii) RCEA requests remarketing of the Assigned Quantities under an Assigned PPA pursuant to the terms of [Section 7.3(c)] of the Clean Energy Purchase Contract;

(d) either Party may deliver a notice of termination to the extent that the Parties have mutually agreed upon an assignment of Replacement Assigned Rights and Obligations (as defined in the Clean Energy Purchase Contract) that will replace the Assigned Rights and Obligations under the applicable Assignment Agreement immediately following the termination thereof; and

(e) either Party may deliver a notice of termination under the applicable Assignment Agreement to the extent that:

(i) any of the representations and warranties set forth in [Sections 5.4] of the Electricity Sale and Service Agreement and the Clean Energy Purchase Contract, respectively, ceases to be true with respect to an Assigned PPA;

(ii) the Assigned Energy being delivered pursuant to an Assignment Agreement ceases to be EPS Compliant Energy; or

(iii) any Assigned Product that constituted PCC1 Product or Long-Term PCC1 Product while being delivered directly to RCEA under an Assigned PPA ceases to qualify as PCC1 Product or Long-Term PCC1 Product when being redelivered through the Electricity Sale and Service Agreement, Master Power Supply Agreement and Clean Energy Purchase Contract.

For the avoidance of doubt, each of the Parties agrees that it shall not terminate an Assignment Agreement pursuant to the at will termination provision thereof except in the circumstances set forth immediately above. The at will termination provision referenced in the immediately preceding sentence (x) is set forth in [Section 2(a)(1)] of the form of Assignment Agreement attached to the Clean Energy Purchase Contract (y) shall refer to any such provision set forth in an Assignment Agreement entered into by the Parties consistent with the terms of the Clean Energy Purchase Contract and the Electricity Sale and Service Agreement.

2. **Exhibit A.** Promptly following execution of the Assignment Agreements with respect to the Initial Assigned Rights and Obligations, J. Aron shall deliver an Exhibit A that lists such Assignment Agreements. J. Aron shall deliver an updated Exhibit A to this Agreement to reflect any changes to the information set forth therein in connection with the termination, expiration or replacement of an Assignment Agreement consistent with the terms of the Clean Energy Purchase Contract.

3. **Representations, Warranties and Covenants.**

(a) RCEA agrees that it shall provide a true, complete, and correct copy to J. Aron of any PPA to be assigned pursuant to an Assignment Agreement.

- (b) Each Party represents to the other:
- (i) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.
 - (ii) **Powers.** It has the power to execute, deliver and perform its obligations under this Letter Agreement and any other documentation to which it is a party relating to this Letter Agreement, and it has taken all necessary action to authorize such execution, delivery and performance.
 - (iii) **No Violation or Conflict.** Such execution, delivery and performance of this Letter Agreement and the consummation of the transactions contemplated hereby and thereby, including the incurrence by such Party of its obligations under this Letter Agreement, will not result in any violation of, or conflict with; (A) any term of any material contract or agreement applicable to it; (B) any of its charter, bylaws, or other constitutional documents; (C) any determination or award of any arbitrator applicable to it or (D) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any government agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.
 - (iv) **Consents.** All consents, approvals, orders or authorizations of; registrations, declarations, filings or giving of notice to; obtaining of any licenses or permits from; or taking of any other action with respect to, any Person or Government Agency, that are required to have been obtained or made by such Party with respect to this Letter Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
 - (v) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
 - (vi) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from

such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by the applicable parties, considers this Agreement to be legally enforceable contracts. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

- (vii) ***Assessment and Understanding.*** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement and the Assignment Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.
- (viii) ***Status of Parties.*** Neither of the Parties is acting as a fiduciary for or an adviser to the other in respect of this Agreement.

4. **Governing Law, Jurisdiction, Waiver of Jury Trial**

(a) **Governing Law.** This Letter Agreement and the rights and duties of the Parties under this Letter Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of California, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws.

(b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Northern District of California sitting in the city and county of San Francisco.

(c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Letter Agreement.

[Signature Pages to Follow]

Very truly yours,

J. ARON

J. ARON & COMPANY LLC

By: _____

Name: _____

Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth above:

RCEA

REDWOOD COAST ENERGY AUTHORITY

By: _____

Name: _____

Title: _____

Exhibit A

Assignment Agreements

[To come.]

CLEAN ENERGY PROJECT OPERATIONAL SERVICES AGREEMENT

This Clean Energy Project Operational Services Agreement (this “Agreement”) is made and entered into as of [_____] , 2026, by and between California Community Choice Financing Authority (“CCCFA”), Desert Community Energy (“DCE”), and Redwood Coast Energy Authority (“RCEA” and, together with DCE, the “Commodity Purchasers”) with respect to the Clean Energy Project (defined below). CCCFA, DCE, and RCEA may be referred to individually herein as a “Party” and collectively as the “Parties”.

W I T N E S S E T H:

WHEREAS, each Commodity Purchaser is a “community choice aggregator” under the Public Utilities Code of the State of California, as amended; and

WHEREAS, the Commodity Purchasers and certain other community choice aggregators have created CCCFA as a joint exercise of powers authority under and pursuant to the Joint Exercise of Powers Act, constituted as Chapter 5 of Division 7 of Title 1 of the California Government Code, being Section 6500 and following, as amended, and a Joint Powers Agreement by and among the Members of CCCFA named therein, including the Commodity Purchasers (as the same may be amended or supplemented from time to time in accordance with its terms, the “Joint Powers Agreement”); and

WHEREAS, CCCFA’s purpose is to assist its Members, including the Commodity Purchasers, by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations on behalf of one or more of the Members by, among other things, issuing or incurring bonds and entering into related contracts with Members; and

WHEREAS, CCCFA and each of the Commodity Purchasers are entering into a Clean Energy Purchase Contract, each dated [_____] , 2026 (as amended, restated, supplemented or otherwise modified from time to time, the “Clean Energy Purchase Contracts”), pursuant to which CCCFA has agreed to supply Energy to the Commodity Purchasers under the terms set forth therein; and

WHEREAS, in order to provide such Energy to the Commodity Purchasers under the Clean Energy Purchase Contracts, CCCFA is entering into Master Power Supply Agreements, each dated [_____] , 2026 (as amended, restated, supplemented or otherwise modified from time to time, the “Master Power Supply Agreements”), between CCCFA, as buyer, and Aron Energy Prepay [] LLC, a Delaware limited liability company, as seller (the “Prepaid Seller”), under which it will make a prepayment to the Prepaid Seller for the purchase and delivery of such Energy; and

WHEREAS, in order to meet its obligations under the Master Power Supply Agreements, Prepaid Seller will enter into Electricity Purchase, Sale and Service Agreements, each dated as of [_____] , 2026 (as amended, restated, supplemented or otherwise modified from time to time, the “ESSAs”) with J. Aron & Company LLC, a New York limited liability company (“J. Aron”); and

WHEREAS, the Issuer will finance the prepayment under the Master Power Supply Agreements and related costs by issuing its Clean Energy Project Revenue Bonds, Series 2026[] (the “Bonds”) pursuant to a Trust Indenture, dated as of [_____] , 2026 (as amended, restated, supplemented or otherwise modified from time to time, the “Indenture”), between CCCFA and U.S. Bank Trust Company,

National Association, as trustee (together with any successor or replacement trustee under the Indenture, the “Trustee”); and

WHEREAS, the issuance of the Bonds by CCCFA and related undertakings of CCCFA under the Indenture, the acquisition and sale of Energy and related undertakings of CCCFA under the Master Power Supply Agreements and the Clean Energy Purchase Contracts, and the sale to the Commodity Purchasers of such Energy and related undertakings of the Commodity Purchasers under the Clean Energy Purchase Contracts are referred to herein as the “Clean Energy Project”; and

WHEREAS, the Parties are entering into this Agreement in order to provide for the administration of certain operational matters relating to the Clean Energy Project;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture, the Clean Energy Purchase Contracts or the Master Power Supply Agreements, as applicable.

Section 2. Assignment Agreements. As contemplated by the ESSAS, the Master Power Supply Agreements and the Clean Energy Purchase Contracts, prior to the commencement of the Delivery Period, the Commodity Purchasers will enter into one or more Assignment Agreements for the Initial Assignment Period and may from time to time enter into additional Assignment Agreements for future Assignment Periods to provide for the assignment of Assigned Product for delivery to CCCFA under the Master Power Supply Agreements and to the Commodity Purchasers under the Clean Energy Purchase Contracts. With respect to any Assignment Agreement, the Parties acknowledge and agree that each Commodity Purchaser shall determine in its sole discretion when and if any Assignment Agreement is entered into (subject to the consent requirements under the Clean Energy Purchase Contracts) or terminated (subject to the terms of the Assignment Letter Agreement) and the underlying power purchase agreement and portion of its Annual Quantities to which such Assignment Agreement relates.

Section 3. Scheduling and Delivery of Assigned Energy. Assigned Energy and any other Assigned Product delivered to CCCFA under the Master Power Supply Agreements shall be Scheduled by the Commodity Purchasers for delivery to CCCFA under the Master Power Supply Agreements and for delivery to the Commodity Purchasers under the Clean Energy Purchase Contracts, and CCCFA shall have no responsibility for (a) any Scheduling or other operational requirements necessary for the delivery of Assigned Energy to the Commodity Purchasers’ Assigned Delivery Point and the transfer of other Assigned Product to the Commodity Purchasers, or (b) any accounting for under-deliveries or over-deliveries or other record-keeping requirements with respect to any Assigned Energy and other Assigned Product, all of which shall be the sole responsibility of the Commodity Purchasers.

Section 4. Qualified Use; Remarketing of Base Energy. Any Base Quantities required to be delivered by the Prepaid Seller are required to be remarketed by the Prepaid Seller pursuant to the Master Power Supply Agreements except in the circumstances specified in Section 3.2 of the Master Power Supply Agreements. The Commodity Purchasers shall be responsible for any notices or other communications required from CCCFA in connection with such remarketing, as well communications required for the Scheduling and delivery of Base Quantities under the communications protocol set forth in Exhibit G to the Master Power Supply Agreements and any other operational requirements related to the delivery and remarketing of Base Quantities under the Master Power Supply Agreements. The

Commodity Purchasers will account for any Base Quantities and subsequently remarketed, including accounting for any remediation of any such remarketing sales as may be required pursuant to the Qualifying Use Requirements and the terms of the Clean Energy Purchase Contracts. The Commodity Purchasers agree to provide to CCCFA any information reasonably requested by it in order to comply with any reporting or record-keeping requirements related to such delivery and remarketing of Base Quantities, including such information relating to compliance with the Qualifying Use Requirements, as may be required pursuant to the Master Power Supply Agreements or the Indenture.

Section 5. Directions, Consents and Waivers. CCCFA may be requested or required from time to time to provide certain directions, consents, or waivers under the terms of the Master Power Supply Agreements, the Indenture and the Re-pricing Agreement, dated as of [____], 2026, between CCCFA and the Prepaid Seller (the “Re-pricing Agreement”). Provided no event of default has occurred and is continuing with respect to the Commodity Purchasers under the Clean Energy Purchase Contracts, such direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions provided by the Commodity Purchasers.

Section 6. Re-pricing Information. CCCFA shall provide, or cause Prepaid Seller to provide, to the Commodity Purchasers such information as is required to be provided by Prepaid Seller to CCCFA in accordance the Re-pricing Agreement at such times as are required under the Re-pricing Agreement. Provided no event of default has occurred and is continuing with respect to the Commodity Purchasers under the Clean Energy Purchase Contracts, any direction, consent or waiver requested or required to be provided by CCCFA under the Re-pricing Agreement shall only be provided by CCCFA in accordance with written instructions provided by the Commodity Purchasers.

Section 7. Administrative Fee; Reimbursement and Refund of Operating Expenses.

(a) For purposes of the Indenture, the amount of Revenues to be transferred by the Trustee to the Administrative Fee Fund as the Administrative Fee (as such terms are defined in the Indenture) for each annual period, commencing [____], 2027, shall be \$[____], which amount shall be applied by the Trustee to the payment of Operating Expenses (as defined in the Indenture) as the same become due.

(b) If at any time the amount on deposit in the Administrative Fee Fund, together with any amounts on deposit in the General Reserve Fund and available for such purpose, are not sufficient to pay all such Operating Expenses as the same become due, the Commodity Purchasers agree that they will transfer to the Trustee for deposit in the Administrative Fee Fund such amounts as are necessary to pay such Operating Expenses upon receipt of notice of the amount due from the Trustee or CCCFA. DCE agrees to pay [__]% and RCEA agrees to pay [__]%, respectively, of such additional amounts as are necessary to pay such Operating Expenses upon receipt of notice of the amount due from the Trustee or CCCFA.

(c) As soon as practicable following the end of each annual period referred to in paragraph (a), CCCFA agrees that the amounts received in respect of the Administrative Fee for such annual period shall be reconciled with the Operating Expenses paid or accrued for such period. In the event that, following each such reconciliation, it is determined that the amounts received in respect of the Administrative Fee during the applicable annual period exceed Operating Expenses paid or accrued for such period, the Commodity Purchasers will be provided written notice thereof and the amount of such excess will be included in their Annual Refund.

Section 8. Notices. Notices and other information to be provided by a Party to another Party under this Agreement shall be provided in accordance with Article XVI of the Clean Energy Purchase Contracts.

Section 9. Governing Law. This Agreement and the obligations of the Parties hereunder shall be governed by and determined in accordance with the laws of the State of California.

Section 10. Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CALIFORNIA COMMUNITY CHOICE FINANCING
AUTHORITY

By: _____
Name: Garth Salisbury
Title: Treasurer/Controller

DESERT COMMUNITY ENERGY

By: _____
Name: _____
Title: _____

REDWOOD COAST ENERGY AUTHORITY

By: _____
Name: _____
Title: _____

[Clean Energy Project Operational Services Agreement]

MEMORANDUM OF UNDERSTANDING (“MOU”)

Date: June 3, 2026

To: Garth Salisbury
Treasurer/Controller
California Community Choice Financing Authority
gsalisbury@sonomacleanpower.org
(707) 535-9779

From: Redwood Coast Energy Authority

Re: California Community Choice Financing Authority Prepay Transaction on behalf of Redwood Coast Energy Authority

Overview

The California Community Choice Financing Agency (“CCCFA” or the “Issuer”) seeks to procure a 30-year supply of energy, through the issuance of Clean Energy Project Revenue Bonds (the “Bonds”) issued by CCCFA. The CCCFA will sell all the Prepaid Energy acquired from this transaction to Redwood Coast Energy Authority (“RCEA”), the “Project Participant”.

Rating Agency Fees and Green Bond Opinion Fee

Rating Agency Fees and expenses (“Rating Agency Fees”) are paid from the proceeds of the Bonds. However, unlike most of the other fees associated with the issuance of the Bonds, payment of the Rating Agency Fees is not contingent upon the issuance of the Bonds.

In the event the Bonds are not issued, and there remains a Rating Agency Fee payable to Moody’s Investors Service (the “Rating Agency” or “Moody’s”), the Project Participant agrees that it will be liable for the costs and make direct payment to Moody’s for such fees.

In the event a Green Bond Second Opinion is obtained, and the Bonds are not issued, the fee payable to the Green Bond Second Opinion provider (the “Green Bond Fees”) shall be incurred by the Project Participant and in such event, to the extent the Green Bond Fees were already paid by CCCFA, the Project Participant agrees to reimburse CCCFA.

Sincerely,
Redwood Coast Energy Authority

Elizabeth "Beth" Burks
Executive Director

ACCEPTED AND AGREED

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: Garth Salisbury, Treasurer/Controller
Date: June __, 2026

APPENDIX A

REDWOOD COAST ENERGY AUTHORITY

Introduction

Redwood Coast Energy Authority (“RCEA”) is a joint powers authority organized and existing pursuant to the Joint Exercise of Powers Act (constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended or supplemented from time to time) (the “*Joint Powers Act*”), as a “community choice aggregator” (“CCA”) as defined in Section 331.1 of the Public Utilities Code of the State of California, as amended (the “*Public Utilities Code*”). For a general description of CCAs in California, see the section “COMMUNITY CHOICE AGGREGATORS” in this Official Statement.

Formation, History, and Purpose of RCEA

General. RCEA was created in 2003 in California, initially as a joint powers authority and subsequently in 2017 as a CCA. RCEA operates under a joint powers agreement, effective as of December 15, 2015, as amended and restated (the “JPA”) in anticipation of operation as a CCA, by and among the County of Humboldt and the cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad, and the special district of the Humboldt Bay Municipal Water District. The Yurok Tribe and the Blue Lake Rancheria tribal government became signatories to the JPA in 2023. The Humboldt Bay Municipal Water District elected to withdraw from RCEA in 2026.

RCEA was created in order to lead, coordinate and integrate regional efforts that advance secure, sustainable, clean and affordable energy resources; develop a long-term sustainable energy strategy and implementation plan; increase awareness of, and enhance access to, energy conservation, energy efficiency, and renewable energy opportunities available to the region; to add value to, but not duplicate, energy services offered by utilities and others serving the region in a manner that does not conflict with acting as a community choice aggregator; keep key decision makers and stakeholders informed of policy, regulatory, and market changes that are likely to impact the region; support research, development, demonstration, innovation, and commercialization of sustainable energy technologies by public and private entities operating in Humboldt County; and develop regional capabilities to respond to energy emergencies and short-term disruptions in energy supply, infrastructure, or markets that could adversely affect Humboldt residents and businesses. RCEA is the primary electric generation service provider to residential and commercial customers throughout RCEA’s territorial jurisdiction, while these customers receive transmission, distribution, and billing services from Pacific Gas & Electric (“PG&E”).

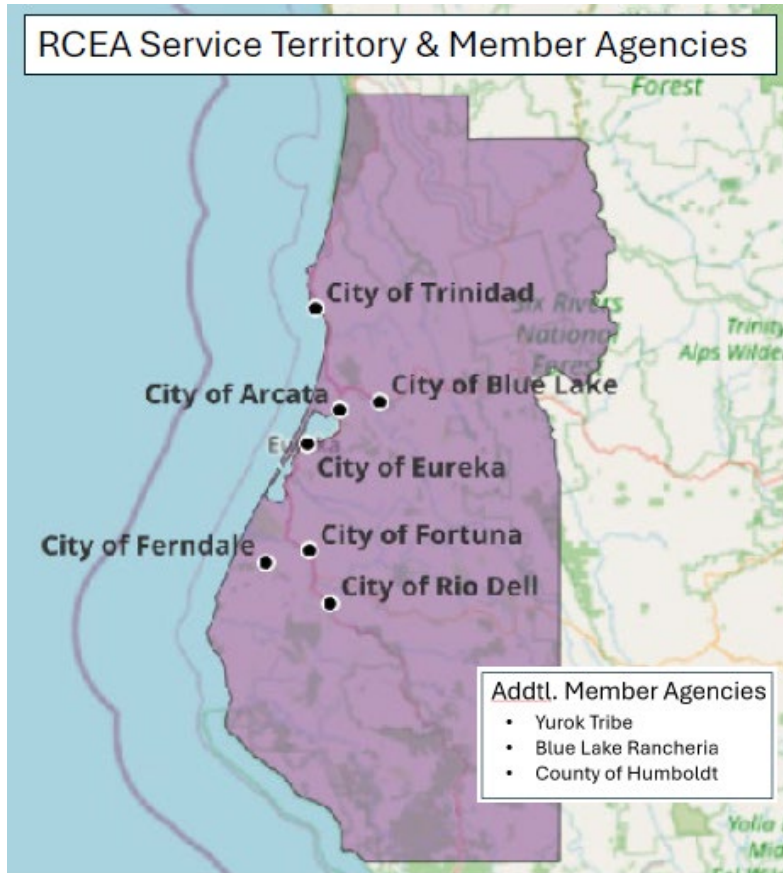
Commencement of Service and Expansion. RCEA successfully initiated retail service as a CCA in 2017, providing electric generation service to approximately 60,000 service accounts located within its Member Agencies (as defined below). RCEA ended the 2024 calendar year serving 61,319 electricity meters. RCEA’s current customer enrollment stands at 51,383 residential and 10,503 commercial and industrial customers, with its forecast total retail load consumption for the 2026 calendar year projected to be 523 GWh.

Service Area

Communities Served by RCEA. RCEA currently serves 10 jurisdictions or entities located in the County of Humboldt, California: its participating cities, counties, municipal districts, and tribal

governments are: the City of Arcata, the City of Blue Lake, the City of Eureka, the City of Ferndale, the City of Fortuna, the City of Rio Dell, the City of Trinidad, the County of Humboldt, the Blue Lake Rancheria tribal government, and the Yurok Tribe tribal government (“Members” or “Member Agencies”).

Service Area Map. RCEA is responsible for the acquisition of electric power for customers in its service area, shown in the following map:



Governance and Management

Board of Directors. RCEA is governed by a board of directors (the “Board of Directors” or “Board”), with Board members consisting of one member and one alternate member from each Member Agency, serving until their successor is selected rather than in fixed terms. There are currently ten directors serving on the Board of Directors. RCEA’s Board of Directors has the rights and powers to conduct all business and carry out all functions of RCEA, which include the power to: receive grants, contributions

and donations of property, funds, services and other forms of assistance from any public or private source; make and enter into contracts; incur debts, liabilities and obligations; provided, that no debt, liability or obligation of the RCEA is a debt, liability or obligation of any Member except as separately agreed to by such Member; acquire, hold, construct, manage, maintain, sell or otherwise dispose of real and personal property by appropriate means, excepting therefrom the acquisition of real property through the exercise of eminent domain; sue and be sued in its own name; employ agents and employees; lease real or personal property as lessee and as lessor; receive, collect, invest and disburse moneys; issue revenue bonds or other forms of indebtedness, as provided by law; adopt ordinances; adopt, implement, manage and terminate a Community Choice Aggregation program in accordance with Public Utilities Code Section 366.2, et seq; assign, delegate or contract with a Member or third party to administer or execute the JPA or to perform any of the functions of the Board, as permitted by law; and exercise all other powers necessary and proper to carry out the provisions of the JPA.

Committees of its Board of Directors include a Finance Committee and at times various ad hoc committees. The Board of Directors is also advised by a Community Advisory Committee, consisting of two representatives from the communities of its Member Agencies and up to 12 other members nominated by the RCEA Board of Directors.

Management. Biographical information for key officers, directors, and managers is set forth below.

Elizabeth Burks, Executive Director. With more than 20 years of local planning experience in both the public and private sectors on housing, energy, and transportation-related projects, Ms. Burks brings a wealth of expertise to her role as Executive Director. She is a Board Member of CalCCA and Community Choice Power, and a Governing Partner for the Northern Rural Energy Network. During four years as the Executive Director of the Humboldt County Association of Governments (HCAOG), Ms. Burks oversaw the update of the Regional Transportation Plan including the adoption of the Safe and Sustainable Transportation Targets and completed two cycles of the Regional Transportation Improvement Plan that brought nearly \$20 million in transportation improvements to our region. She also secured grants supporting infill affordable housing, micro-transit, and other initiatives that supported mode shift to active transportation, transit, and transitioning to zero-emission vehicles.

Eileen Verbeck, Deputy Executive Director. Eileen Verbeck joined RCEA from the City of Arcata in 2021, and in April 2024 was appointed interim executive director following the resignation of former Executive Director Matthew Marshall. She returned to the role of Deputy Executive Director following the appointment of Elizabeth Burks as Executive Director.

Lori Biondini, Business Planning & Finance Director. Lori Biondini is the Director of Business Planning & Finance at RCEA, bringing expertise in the energy sector and financial management. Within RCEA's focus on renewable energy and sustainability, Ms. Biondini progressed from Energy Specialist to Director, Business Planning & Finance. Their responsibilities have included business planning, financial oversight, and business development. As Manager, Business, they contributed to resource management and strategic initiatives. Earlier in their career, Ms. Biondini served as Chief Financial Officer at Native Women's Collective, providing financial leadership within the charitable organization.

Their background also reflects a focus on environmental and analytical competencies. As a Project Analyst at NV5, Ms. Biondini contributed to project evaluations and data analysis. Prior to that, as an Environmental Scientist at LACO Associates, they were involved in environmental assessments and monitoring.

Ms. Biondini holds a B.A. from Willamette University and a master's degree from Humboldt State University, demonstrating applied knowledge of environmental science and business principles.

Richard Engel, Power Resources Director. Richard Engel is the Director of Power Resources at RCEA, a position he has held since 2016. He oversees RCEA’s Community Choice Energy program, power procurement, and customer account management, having played a key role in making RCEA the default electricity provider for Humboldt County. As Director of Power Resources, Mr. Engel manages RCEA’s portfolio, focusing on renewable energy sourcing and long-term power agreements. He has been instrumental in transitioning RCEA toward a, “2.0 model” of more transparent, industry-standard energy risk management.

Before joining RCEA, Mr. Engel worked at the Schatz Energy Research Center, where he developed hydrogen fuel cells and advanced energy technologies. He earned his B.S. in Environmental Resources Engineering at Humboldt State University. His experience includes clean energy program development for local governments, including positions in San Francisco, Palo Alto, and Sonoma County. Mr. Engel often acts as a key spokesperson for RCEA on energy planning and local generation, including on topics like energy storage and long-term solar projects.

Patricia Terry, Northern Rural Energy Network Sr. Portfolio Manager. Patricia Terry has been working at RCEA since 2012. Ms. Terry started as an Energy Specialist, supporting the management and development of energy efficiency programs and leading the program for the commercial sector, municipalities, and educational facilities. Ms. Terry then moved on to become a Project Manager, where she managed energy efficiency retrofit projects, assisted with financing, and coordinated a team of Energy Specialists, technicians, and interns. Ms. Terry is currently serving as the Portfolio Lead for the Northern Rural Energy Network and is responsible for overseeing multiple programs in the residential, commercial, and public sectors across 17 Northern California counties.

Overall, Ms. Terry’s work experience showcases her expertise in engineering, project and project management, energy efficiency, and technical support in various sectors.

Ms. Terry obtained a Bachelor’s Degree in Engineering Physics from the University of Michigan in 2002. Ms. Terry then pursued a Master’s Degree in Oceanography at UC San Diego/Scripps Institution of Oceanography from 2002 to 2004. In addition to her formal education, Ms. Terry has obtained various certifications including becoming a Certified Energy Manager (CEM) through the Association of Energy Engineers in December 2019, received a Training Certificate of Completion from BOC (Building Operator Certification) in March 2016, and a Building Analyst certification from Building Performance Institute, Inc. in January 2012.

Stephen Kullmann, Customer Programs Director. Since 2020, Stephen Kullmann has been the Director of Customer Programs/Demand Side Management at RCEA. RCEA is the Lead Portfolio Administrator for the Northern Rural Energy Network (NREN), which provides energy efficiency and electrification programs across 17 counties on the North Coast and Sierra Nevada. Mr. Kullmann came to Humboldt to earn an M.S. in Energy, Environment, and Society from Humboldt State University and remained to serve as the Natural Resources Director for the Wiyot Tribe and the Community Development and Resilience Director for the Blue Lake Rancheria, developing a passion for meaningful Tribal engagement. Mr. Kullmann also serves his community as a Humboldt Bay Harbor, Recreation, and Conservation District Commissioner, advocating for responsible development in the second largest natural bay in California, and previously as a Blue Lake City Council Member. Mr. Kullmann envisions a future where responsible energy use and development are no longer politically and socially divisive issues and all communities can share in the benefits of a greener economy.

Customers

General. RCEA currently provides energy to more than 60,000 residential, commercial, and industrial accounts, serving approximately 90% of the residents and businesses in its service area. The current mix of RCEA's customer base is approximately 83% residential, 14% commercial (including agricultural), and 3% industrial, while based on load served RCEA supplies 47% residential, 44% commercial/industrial, and 8% agricultural.

RCEA offers two energy service choices, called REPower and REPower+.

- *REpower+*: This energy service offers entirely renewable energy sources for RCEA customers, at an increased rate of only \$0.01 more per kWh (about \$5 more per month for an average household). In 2024, customers receiving REpower+ service were provided with 100% renewable energy, sourced from a mix of wind, solar, and Renewable Portfolio Standard-eligible small hydroelectric.
- *REpower*. This is RCEA's standard plan in which RCEA customers are automatically enrolled, which provides a significant portion of its energy sources from renewable and carbon-free providers. In 2024, customers receiving REPower service were provided with 46% renewable energy, sourced from a mix of wind, solar, Renewable Portfolio Standard-eligible small hydro, and biomass.

In addition, RCEA offers its customers access to the following optional programs and rebates:

- *Rebates & Incentives*: RCEA offers rebates on kitchen appliances, laundry appliances, air conditioners, heat pumps, and water heaters, as well as incentives on electric vehicles and electric vehicle charging incentives.
- *Residential Programs*: In addition to the above-mentioned residential home rebates and electric vehicle incentives, RCEA offers residential customers no-cost home energy assessment, no-cost energy efficiency kits, induction cooktop lending programs, and an e-bike voucher program.
- *Commercial Programs*: In addition to the above-mentioned electric vehicle incentives, RCEA offers its commercial customers no-cost energy assessments and its GoGreen Business Energy Financing for efficiency improvements for small and medium sized businesses and nonprofits.
- *Feed-In-Tariff Program*: RCEA's Feed-In Tariff ("*FIT*") Program allows local renewable energy producers to sell electricity directly to RCEA under long-term contracts. This program supports Humboldt County's clean energy goals while creating opportunities for local economic growth. The program offers standardized 20-year fixed-price contracts for community-scale renewable energy generation and storage projects up to 5 MW in the Humboldt Local Capacity Area. Projects will be paid based on time of generation with a price premium for energy generated during the evening peak hours, providing a pathway for small to mid-size renewable energy producers to contribute to the local grid.
- *Rate Discounts & Assistance*. RCEA offers or supports a number of programs offering discounts, payment plans, emergency support, or help with late payments, including:

California Alternate Rates for Energy (CARE); Family Electric Rate Assistance (FERA); Medical Baseline Allowance; Budget Billing; Low Income Energy Assistance Program (LIHEAP); Relief for Energy Assistance Through Community Help (REACH); and Arrearage Management Program (AMP).

Customer Enrollment. The REpower plan currently serves as RCEA Member Agencies' default plan, in which their customers will be automatically enrolled. Customers may opt out of the default plan by selecting a different RCEA plan, or they may opt out of RCEA service entirely and instead receive generation service from PG&E.

New Customers. RCEA is the default generation service provider for residents and businesses in its Member Agencies.

Customer Election to Opt-out of RCEA Service. Customers can opt-out of RCEA service and return to service from their traditional electric service provider, PG&E, either initially upon the transition to RCEA or at any time after RCEA becomes the generation service provider.

Opt-Out Rate and Customer Retention. Since program inception, RCEA's opt-out levels have remained steady in the 7% to 10% range, typical for California CCAs. As of April 2026, opt-out level is at 9.1%, demonstrating RCEA's strong and stable customer retention.

Service Rates

General. Rates for RCEA energy service are determined by its Board and are not regulated by the CPUC. In addition to RCEA's charges for generation services, customers' rates include amounts for transmission and distribution of electricity established by PG&E, as well as a "power charge indifference adjustment" ("PCIA"), a charge to recover PG&E's above-market costs for generation resources acquired prior to a customer's switch to a third-party electric generation provider, a "franchise fee" ("FF"), and other non-by-passable load charges imposed by the CPUC in order to compensate investor-owned utilities for investments in power generation and long-term power purchase contracts associated with the loss of customers to CCAs, which in each case are passed through on a customer's bill in the amounts established or imposed.

Determination of Rates for Energy. The rates RCEA charges for REpower and REpower+ energy services are based on the current generation rate charged by PG&E and the current PCIA fee. All value propositions are priced inclusive of the PCIA. Under RCEA's 2025 rate plan, the REpower service is priced at a 0.5% discount below the cost of PG&E's equivalent generation rate, while the REpower+ energy plan is the corresponding REpower rate plus 1 cent per kWh.

Current and Historical Rate Information. An RCEA customer's total cost of electric service is determined by RCEA's charges for generation services and includes PG&E charges for transmission, distribution, and other non-by-passable charges. Among such non-by-passable charges, RCEA's customers pay a PCIA which can vary annually based on several market factors including benchmarks for regional energy costs, resource adequacy, the year in which their community joined RCEA, and other considerations. RCEA publishes, jointly with PG&E, its current and historical rate information as compared to PG&E's

rates. RCEA’s published residential and commercial industrial rates as of February 1, 2026 as compared to PG&E’s are as follows:

E-TOU C

Residential: E-TOU C	PG&E	REpower	REpower+ (100% Renewable)
Generation Rate (\$/kWh)	\$0.12018	\$0.07298	\$0.08298
PG&E Delivery Rate (\$/kWh)	\$0.28721	\$0.28721	\$0.28721
PG&E PCIA/FF (\$/kWh)	-\$0.00918	\$0.03746	\$0.03746
Total Electricity Cost (\$/kWh)	\$0.39821	\$0.39765	\$0.40765
Average Monthly Bill (\$)	\$142.34	\$142.14	\$145.71

Monthly usage: 357 kWh

B-1**

Commercial/Industrial: B-1	PG&E	REpower	REpower+ (100% Renewable)
Generation Rate (\$/kWh)	\$0.12167	\$0.07545	\$0.08545
PG&E Delivery Rate (\$/kWh)	\$0.30382	\$0.30382	\$0.30382
PG&E PCIA/FF (\$/kWh)	-\$0.00900	\$0.03665	\$0.03665
Total Electricity Cost (\$/kWh)	\$0.41649	\$0.41592	\$0.42592
Average Monthly Bill (\$)	\$351.03	\$350.55	\$358.98

Monthly usage: 843 kWh

B-10 S

Commercial/Industrial: B-10 S	PG&E	REpower	REpower+ (100% Renewable)
Generation Rate (\$/kWh)	\$0.12798	\$0.07923	\$0.08923
PG&E Delivery Rate (\$/kWh)	\$0.24399	\$0.24399	\$0.24399
PG&E PCIA/FF (\$/kWh)	-\$0.00949	\$0.03867	\$0.03867
Total Electricity Cost (\$/kWh)	\$0.36248	\$0.36189	\$0.37189
Average Monthly Bill (\$)	\$3,510.77	\$3,505.06	\$3,601.91

Monthly usage: 9,685 kWh, monthly demand: 37 kW

**** Please note this rate comparison excludes volumetric California Climate Credits issued to eligible business customers that impact PG&E Delivery Rates only. For more information visit www.cpuc.ca.gov/climatecredit.**

B-19 SV

Commercial/Industrial: B-19 SV	PG&E	REpower	REpower+ (100% Renewable)
Generation Rate (\$/kWh)	\$0.11222	\$0.06706	\$0.07706
PG&E Delivery Rate (\$/kWh)	\$0.18499	\$0.18499	\$0.18499
PG&E PCIA/FF (\$/kWh)	-\$0.00897	\$0.03656	\$0.03656
Total Electricity Cost (\$/kWh)	\$0.28824	\$0.28861	\$0.29861
Average Monthly Bill (\$)	\$4,455.70	\$4,461.42	\$4,616.00

Monthly usage: 15,458 kWh, monthly demand: 39 kW

Note that at this time the blended B-19 SV generation rate shown for PG&E is lower than RCEA's corresponding REpower rate. This is because PG&E's super off-peak rate that is a component of this blended rate is currently negative. Rather than adopting a more negative corresponding rate, RCEA chose to set this super off-peak rate at \$0.

California Renewable Portfolio Standards and Other Regulations

General. Community choice aggregators such as RCEA are "load-serving entities" ("LSEs") and as such are required to comply with California's Renewable Portfolio Standard, Resource Adequacy requirements and Power Source Disclosure requirements described below.

Renewable Portfolio Standard. California's Renewable Portfolio Standard ("RPS") requires LSEs to supply their retail sales with minimum quantities of eligible renewable energy. Senate Bill 100 directs all LSEs to procure 60% of their portfolios from RPS-eligible resources by 2030 and 100% of their retail sales from zero-carbon resources (or eligible renewable resources) by 2045. Based on RCEA's approved service offerings for 2025, 57% of retail sales are from zero-carbon resources comprised of RPS-eligible resources, such as solar, wind, geothermal, biomass, and small hydroelectricity with over 74% of total energy served being carbon-free. RCEA intends to meet Board-directed goals and orders by the CPUC under the Mid-term Reliability Procurement Decision ("D.") -D. 21-06-035 and the Supplemental Mid-Term Reliability Procurement Order (D. 23-02-040). RCEA is on target to meet the Board approved renewable energy goals for 2025, and has already executed two long-term power purchase agreements meeting its share of the CPUC directed procurement orders. Additionally, RCEA is a member of California Community Power (CC Power) and is meeting its CPUC directed procurement requirements for long-duration storage and clean firm resources by participating in joint procurement of resources through CC Power.

Resource Adequacy. Resource Adequacy ("RA"), a California program jointly administered by the CPUC, the California Energy Commission ("CEC") and the California Independent System Operator ("CAISO"), directs LSEs to secure forward capacity and offer it into the CAISO's Day-Ahead and Real-Time markets to ensure that there will be enough supply in the right locations and with sufficient ramping capability to meet load. The RA program is comprised of three products: System RA; Local RA; and Flexible RA, although rules and categories are subject to modification by state agencies. Local RA obligations have been assigned to a Central Procurement Entity as of 2023. RCEA has a strong track record of meeting its RA obligations and expects to meet its future RA obligations in compliance with its policies.

Integrated Resource Planning. Integrated Resource Planning (“*IRP*”) requires LSEs to forecast their customer load and develop a plan to serve such load in alignment with their own vision and values and in accordance with regulatory requirements. In October 2015, California codified this LSE responsibility with the passage of SB 350, which requires the CPUC to establish and oversee an IRP process to assist with meeting the state’s aggressive greenhouse-gas (“*GHG*”) targets (*i.e.*, 40% below 1990 levels by 2030). The IRP process, which is used in many states across the U.S., generally produces 10- to 20-year plans that map out both the supply-side and demand-side resources required for meeting customer load. Given the complexity of the grid and the time required to plan and build generating facilities, IRP plans are critical for ensuring safe, reliable and clean power in a cost-effective manner. In addition to addressing the long-term planning horizon typical of an IRP process, the IRP process has been used in recent years to direct procurement of new capacity to meet near- and mid-term reliability and clean energy needs per CPUC D. 19-11-016, D. 21-06-035 and D. 23-02-040. Pursuant to the procurement orders in these CPUC Decisions, LSEs are required to procure “Incremental System Capacity,” which is RA capacity from non-emitting, storage, and/or renewable resources that are in addition to the resources identified on a baseline list of existing, on-line and operating resources. RCEA is working toward full compliance with these requirements, and maintains policies and procedures to ensure continuing compliance therewith.

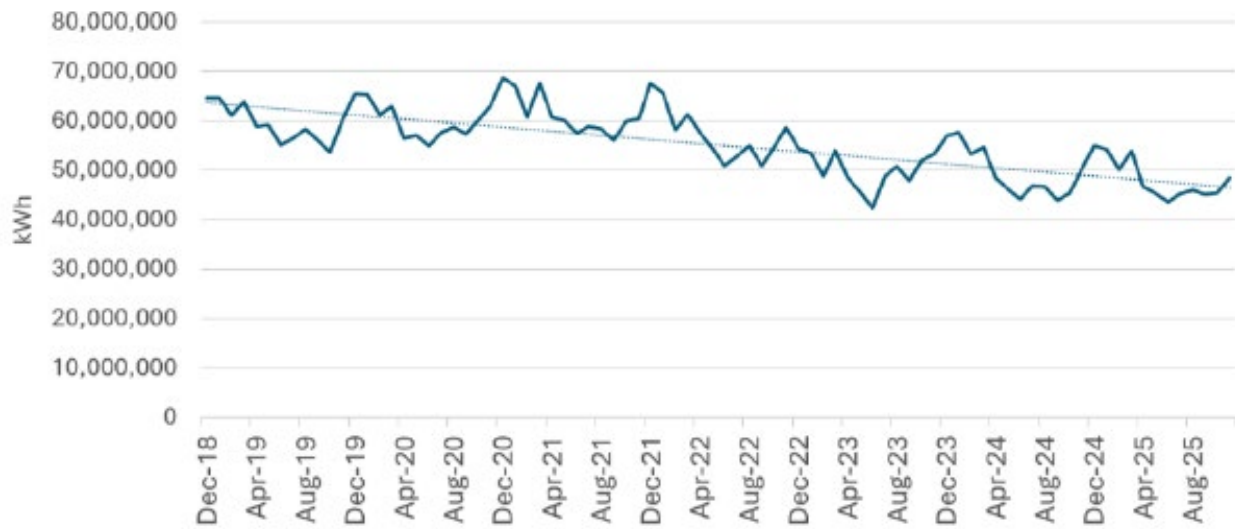
Power Source Disclosure. California law requires LSEs to disclose the types of power resources used to supply retail sales. This mandate, known as the Power Source Disclosure Program (“*PSDP*”), is a consumer information program managed by the CEC on an annual basis. A key output of the PSDP is the Power Content Label (“*PCL*”). The PCL is an LSE-specific document that shows the breakdown of power resource types for each of the LSE’s energy products used to serve retail load, as well as a breakdown of resource types for the overall California grid. The PCL is distributed to RCEA customers each year in compliance with the foregoing.

Energy Demand

Long-term Load Forecast. RCEA utilizes a load forecasting model/methodology that follows four methods: (1) identification of local trends; (2) comparison of historic load forecasts to actuals; (3) analysis of state data; and (4) identification of impacts to procurement costs and rates. Furthermore, RCEA’s Energy Risk Management Policy, last revised on January 22, 2026, requires RCEA to develop risk-adjustment metrics for forecasted loads and forecasted delivered volumes to support future procurement decisions.

RCEA utilizes historical consumption data to calibrate and adjust its load forecast. The calibration process is run on a monthly basis and compares the most recent monthly kWh and peak kW usage data to the forecast energy and peak demand values, respectively. RCEA’s historic load has been trending downwards, as opposed to state planning forecasts. RCEA’s historical load data through 2025 is as follows:

RCEA Load by Month



Examples of RCEA comparisons of historic load actuals versus official State-issued forecasts are as follows:

	2021	2022	2023	2024	2025
2022 Planning Forecast (GWh)	648	661	662	666	669
2024 Planning Forecast (GWh)			549	620	620
Historic Load Actual (GWh)	651	598	564	528	557
% Difference to 2022 Planning Forecast	0.5%	-9.4%	-14.9%	-20.8%	-16.7%
% Difference to 2024 Planning Forecast			3%	-15%	-10%

RCEA’s own load forecast is as follows:

RCEA Load Forecast (GWh)		
Year	Retail Load Forecast	Wholesale Load Forecast
2026	517	548
2027	524	556
2028	526	557
2029	523	554
2030	521	552
2031	521	552
2032	522	553
2033	521	552

Note that the forecast shows a modest increase in load, in contrast with the historic decline shown above. There are several reasons for this:

- To the extent RCEA understands the drivers of the historic load decline, these factors (downsizing or closing of legacy industries and some associated population decline) are not expected to continue indefinitely. The rate of decline has already begun to level off.

- RCEA expects electrification of buildings and transportation to offset the historic load decline.
- The ongoing growth of Cal Poly Humboldt University and buildout of onshore infrastructure to facilitate North Coast offshore wind are also expected to drive some load growth.

Sources of Energy

General. Since May 2017, RCEA has provided power to approximately 62,000 electric account customers, delivering around 600 million kilowatt-hours of electricity annually. As a public agency focused on sustainability and energy resilience, RCEA is dedicated to ensuring that Humboldt County’s energy needs are met with clean, renewable energy sources. RCEA is in compliance with external mandates and self-imposed benchmarks.

Energy Purchases. In 2024, RCEA procured approximately 560,000 MWh of wholesale electricity for its customers. In 2025, RCEA achieved its goal of sourcing 100% of its electricity from a blend of renewable and carbon-free resources including wind, solar, small hydroelectric, and biomass. RCEA does not anticipate sourcing energy from nuclear providers, other than the allocation of energy from the extended operation of Diablo Canyon Power Plant offered to load-serving entities statewide. RCEA has further set a goal of providing 100% renewable electricity by 2030.

In the ordinary course of business, RCEA enters into various power purchase and energy storage agreements in order to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind and hydro-electric facilities. RCEA enters into power purchase and energy storage agreements in order to comply with state law and elective targets for renewable and greenhouse gas (GHG) free products and to ensure stable and competitive electric rates for its customers. The following table represents the expected, undiscounted, contractual commitments for energy storage, power and electric capacity outstanding as of June 30, 2025:

Years Ending	
<u>June 30:</u>	
2026	\$ 19,935,491
2027	19,933,163
2028	19,928,339
2029	19,923,443
2030	19,918,619
2031-2035	65,313,437
2036-2040	44,731,566
2041-2045	<u>5,865,336</u>
Total	<u>\$ 215,549,394</u>

Energy Load and Supply Risk Management. On December 12, 2016, RCEA’s Board first adopted the Energy Risk Management Policy (“ERMP”). The ERMP establishes RCEA’s Energy Risk Program and applies it to all power procurements and related business activities that may impact the risk profile of RCEA. The ERMP documents the framework by which RCEA staff and consultants identify and quantify risk, develop and execute procurement strategies, develop controls and oversight and monitor and measure and report on the effectiveness of the ERMP. Risks covered by the ERMP include market price risk, credit risk, volumetric risk, operational risk, opt-out risk, legislative and regulatory risk and other risks arising

from operating as a CCA and participating in California energy markets. The Board regularly approves updates to the ERMP.

Procurement. RCEA’s procurement strategies focus on securing sufficient power resources and energy attributes to serve its customers, comply with State law, and meet RCEA’s goals. RCEA requires a competitive process whereby RCEA issues formal solicitation methods (such as requests for proposals or requests for qualifications for any purchase of goods or services in excess of \$50,000, and a minimum of three quotes for smaller purchases). If a supplier has been awarded contracts by the state or local agencies under a competitive process, RCEA may “piggyback” off of that process without further competitive procurement processes.

Energy Storage

RCEA currently has 127 MW of contracted wholesale storage in operation. RCEA has around 60 MW of additional battery storage under contract scheduled to come online by between 2027 and 2030.

RCEA supports innovative energy resilience with projects like the Redwood Coast Airport Microgrid, which integrates solar generation with battery storage to maintain critical operations during outages. Unlike the rest of RCEA’s power portfolio, which is procured under contract, the Airport Microgrid is owned and operated by RCEA.

RCEA also contracts with Foster Clean Power, ensuring reliable access to additional clean energy sources that support California’s carbon-free electricity goals. The Foster Clean Power A and B projects include 7 MW solar plus 2.5 MW battery storage developed by Renewable America on land adjacent to Foster Avenue just outside Arcata city limits. Since becoming operational in October 2025, the project has contributed reliable, renewable energy to RCEA’s portfolio.

Information Technology, Data Analytics and Cyber Security

Proper management of information technology and data assets is essential to supporting regulatory compliance, minimizing legal and operational risk, reducing exposure to cyber threats, and maintaining stakeholder and customer confidence. RCEA’s cybersecurity framework aligns with industry-leading standards and regulatory requirements and is designed to proactively mitigate risk. RCEA IT staff oversee general compliance with rules and regulations established by the CPUC related to data privacy and security. RCEA conducts regular audits of its security and data privacy practices – which are submitted to the CPUC – and produces additional data privacy reports for the CPUC annually, in compliance with CPUC regulations. RCEA customer data has not been the subject of any breaches or data security incidents. RCEA maintains a Customer Confidentiality Policy concerning the confidential information of its individual customers.

Financial Information

Revenues from Energy Sales and Operating Expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with RCEA’s principal ongoing operations. The principal operating revenues of RCEA include revenues derived from the provision of electricity to retail customers. RCEA receives operating revenues both from retail customers and from granting agencies funding specific program offerings. RCEA’s Fiscal Year 2025-2026 Budget projects revenue in the categories of State Contracts, REVNet Sales & LCFS Credits, Non-Government Contracts, and Electricity Sales, with Uncollectable Accounts totaling approximately 3% of its projected revenue. Electricity Sales constitute approximately 89% of RCEA’s projected Fiscal Year 2025-2026 revenues.

RCEA classifies its expenses into seven categories: Wholesale Power Supply; Personnel; Facilities and Operations; Communications and Outreach; Professional & Program Services; Incentives & Rebates; and Non-Operating Costs. The cost of energy is RCEA's largest operating expense, constituting approximately 74% of the projected expenditures in RCEA's Fiscal Year 2025-2026 Budget. Operating expenses for RCEA include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Results of Operations. The following is a summary of RCEA's results of operations for fiscal years ending June 30:

	<u>2025</u>	<u>2024</u>
Revenues		
Charges for service	\$ 67,883,895	\$ 77,939,425
Grant revenue	9,090,996	3,148,371
Other operating revenue	554,543	2,638
	<u>77,529,434</u>	<u>81,090,434</u>
Operating Expenses		
Purchased power	63,809,443	60,169,567
Operation and maintenance	10,932,314	9,018,857
Depreciation	80,564	62,890
	<u>74,822,321</u>	<u>69,251,314</u>
Total operating expenses	74,822,321	69,251,314
Operating income	<u>2,707,113</u>	<u>11,839,120</u>
Nonoperating Revenues (Expenses)		
Interest expense	<u>(111,797)</u>	<u>(118,075)</u>
Nonoperating revenues	<u>(111,797)</u>	<u>(118,075)</u>
Income before contributions	2,595,316	11,721,045
Capital Contributions	<u>-</u>	<u>182,802</u>
Change in net position	2,595,316	11,903,847
Net Position, Beginning	<u>37,016,358</u>	<u>25,112,511</u>
Net Position, Ending	<u>\$ 39,611,674</u>	<u>\$ 37,016,358</u>

Assets, Liabilities, and Net Position. The following table is a summary of RCEA's assets, liabilities, deferred inflows or resources and net position for fiscal years ending June 30:

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 37,635,310	\$ 22,170,517
Accounts receivable, net of allowance	6,132,604	7,104,667
Unbilled revenue	3,050,773	3,733,793
Other receivable	438,195	800,012
Prepaid expenses	24,840	65,813
Inventory	21,822	22,644
Deposits	682,699	4,201,404
	<u>47,986,243</u>	<u>38,098,850</u>
Noncurrent Assets		
Restricted assets:		
Reserve fund	383,271	389,289
Plant in service	812,562	747,292
Accumulated depreciation	(399,830)	(319,266)
Construction work in progress	9,399,476	9,089,891
	<u>10,195,479</u>	<u>9,907,206</u>
Total noncurrent assets	<u>10,195,479</u>	<u>9,907,206</u>
Total assets	<u>\$ 58,181,722</u>	<u>\$ 48,006,056</u>
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 1,540,637	\$ 889,818
Accrued cost of electricity	5,394,365	2,880,751
Accrued wages	167,666	149,118
Accrued compensation	349,559	181,346
Security deposits	1,049,170	946,545
Current liabilities payable from restricted assets:		
Current portion of revenue bonds	276,378	276,378
	<u>8,777,775</u>	<u>5,323,956</u>
Total current liabilities	<u>8,777,775</u>	<u>5,323,956</u>
Noncurrent Liabilities		
Revenue bonds	5,389,364	5,665,742
Advances from grantors	4,402,909	-
	<u>9,792,273</u>	<u>5,665,742</u>
Total noncurrent liabilities	<u>9,792,273</u>	<u>5,665,742</u>
Total liabilities	<u>18,570,048</u>	<u>10,989,698</u>
Net Position		
Net investment in capital assets	4,529,737	3,965,086
Unrestricted	35,081,937	33,051,272
	<u>39,611,674</u>	<u>37,016,358</u>
Total net position	<u>39,611,674</u>	<u>37,016,358</u>
Total liabilities and net position	<u>\$ 58,181,722</u>	<u>\$ 48,006,056</u>

Cash Flows. The following table is a summary of RCEA’s cash flows for the fiscal years ending June 30:

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Received from customers	\$ 70,557,963	\$ 75,789,899
Received from grants	13,493,905	3,012,297
Paid to suppliers for goods and services	(62,825,364)	(63,764,408)
Paid to employees for operating payroll	(5,004,699)	(4,821,204)
	<u>16,221,805</u>	<u>10,216,584</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(374,855)	(511,015)
Capital contributions received	-	182,802
Debt retired	(276,378)	(276,378)
Interest paid	(111,797)	(118,075)
	<u>(763,030)</u>	<u>(722,666)</u>
Net cash flows from capital and related financing activities	<u>(763,030)</u>	<u>(722,666)</u>
Net change in cash and cash equivalents	15,458,775	9,493,918
Cash and Cash Equivalents, Beginning	<u>22,559,806</u>	<u>13,065,888</u>
Cash and Cash Equivalents, Ending	<u>\$ 38,018,581</u>	<u>\$ 22,559,806</u>

Other Sources of Revenue. While RCEA derives revenue from investment and other miscellaneous income, this constitutes a very small portion of its annual revenue.

Financial Reserves. RCEA prudently manages its operations in a manner that supports its long-term financial independence and stability while providing sufficient financial capacity to meet short term obligations. RCEA maintains a loan from the Federal Financing Bank, granted through the Rural Utilities Service for the construction of the Redwood Coast Airport Microgrid. The annual debt service for this loan totals \$386,338.88 for principal and interest. Interest expense is included in this budget as a non-operating cost.

The Board adopted its Reserve Policy in January 2025 that defines cash reserves as RCEA’s unrestricted cash position and sets the reserve target at 180 days cash on hand based on forecasted annual CCA operating expenses. The target is approximately \$33.1 million for the Fiscal Year 2025-2026 Budget. This budget includes adding \$5 million to RCEA’s unrestricted cash to continue building towards the target cash on hand balance. Energy markets and forecasted retail rates can change drastically during the fiscal year and may change the net revenue projections. Building cash reserves is crucial to stabilizing rates and continuing operations in the event of actual negative net revenue in the future. Having a healthy reserve has the added benefit of improving RCEA’s creditworthiness, which in turn reduces operating costs associated with maintaining credit and posting security deposits. As of April 30, 2026, RCEA’s unrestricted cash on hand was \$43.6 million.

Operating Reserve. As described in its Reserve Policy, RCEA shall maintain a minimum reserve target equal to 120 days of total operating expenses (including power supply expenses and are reduced for any discrete Board approved capital-spending allocations or externally funded customer programs), with a goal of increasing the reserve to a maximum target of 180 days total operating expenses.

Funding reserves will come from an excess of Community Choice Energy program revenues over expenditures. The contribution to reserves is determined through RCEA's budgeting and rate setting processes and events impacting revenues and expenditures that occur during the year.

If reserves are projected to be below the minimum target over a 12-month period, RCEA will implement plans, such as increasing rates or reducing expenses, to return the reserves to the maximum target within two fiscal years. Such plans will be provided in subsequent budget and rate discussions with the Board of Directors.

If reserve funds exceed the maximum target over a 12-month period, RCEA will consider reducing rates, issuing dividends, paying down debt, capital improvements and enhancing program expenditures. The use of these funds will be designated by the Board of Directors during the annual budget process.

Risk Management. RCEA is covered for general business, liability, automobile and errors and omissions through the Special Districts Risk Management Authority (SDRMA), a public entity risk pool. As a member of a public entity risk pool, RCEA is responsible for appointing an employee as a liaison between RCEA and SDRMA, implementing all policies of the SDRMA and promptly paying all contributions. The SDRMA is responsible for providing insurance coverage as agreed upon, assisting RCEA with implementation, providing claims adjusting and defending any civil action brought against an officer of RCEA. RCEA is exposed to various insurable risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions. During the year, RCEA purchased insurance policies from investment grade commercial carriers to mitigate risks that include those associated with earthquakes, theft, general liability, errors and omissions and property damage. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

RCEA maintains other risk management policies, procedures and systems that help mitigate and manage credit, liquidity, financial, regulatory and other risks not covered by the ERMP.

Credit guidelines include a preference for transacting with investment-grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, RCEA enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counterparties.

Credit Rating. RCEA does not currently have a credit rating.



Staff Report

Agenda Item # 10.2

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Lori Biondini, Director of Business Planning and Finance Beth Burks, Executive Director
Subject	Fiscal Year 2026-2027 Recommended Budget

Summary

Staff introduced the draft fiscal year 2026-2027 budget at the May meeting of the RCEA Board of Directors and received feedback on potential strategies to better balance the final recommended budget. The draft budget showed a net loss based on current power cost projections and forecasted electricity sales revenue. The recommended budget includes using cash reserves and assumes a retail rate increase to address the net loss.

Background

The recommended Fiscal 2026-2027 budget is attached. While RCEA's cash reserves can be used to offset power and operational expenses that exceed electricity sales revenue, efforts to reduce the anticipated net loss are necessary to adhere to the adopted Reserve Policy.

Board Feedback

At the May Board of Directors Meeting, staff received the following feedback:

- Keep the Director of Engagement and Climate Planning in the Personnel budget
- Retain a 100% renewable and carbon free energy portfolio
- Avoid electricity retail rate increases to the extent feasible
- Target maintaining a reserve level of 160 days CCE operating expense as unrestricted cash on hand
- Reduce funds allocated for E-bike and EV rebates (staff recommendation is \$130,000 compared to \$160,000 last year)
- Remove funds allocated for strategic planning consulting services (reduced from \$175,000 to \$10,000 without consultants)



Rates

Since first starting the Community Choice Energy program in 2017, RCEA has been able to offer retail rates that are discounted from competitor investor-owned utility, PG&E. Retail rates are here defined as electricity generation rate plus the Power Charge Indifference Adjustment (PCIA) and franchise fees. This has ranged from 3% to the current 0.5% discount.

The volatility of the PCIA has been an ongoing concern but heightened in 2026 when, due to changes in PCIA policy, the PCIA increased over 200% from the prior year. Currently, for the most typical customer, the PCIA adds approximately 51% on top of RCEA's generation charge. If RCEA only had to recover our generation costs, our current rate would be 31% lower than PG&E's generation rate. However, once the PCIA is included, we cannot recover power costs and remain at a total retail rate lower than PG&E. Current forecasting indicates that PCIA will remain high in the years to come. Without PCIA reform, the ongoing fiscal health of the CCE program is a serious concern.

Staff recommend raising RCEA's retail rates (inclusive of the PCIA charged by PG&E) to 12.5% above PG&E's current generation rates beginning in September 2026. This will allow RCEA to maintain 160 days cash on hand through the end of calendar year 2027 without facing higher rate increases in later months.

Advocacy

Feedback from the Board included increasing advocacy around the importance of PCIA reform. PCIA reform is CalCCA's top advocacy priority this year. RCEA is contributing to these discussions as well as directly engaging with our state representatives to convey the dire need for reform. Hiring a full-time Staff General Counsel will continue and further advance RCEA's advocacy abilities.

Power Products

Some community choice aggregators automatically enroll their customers in a "premium" high renewable energy content service at a rate higher than the investor-owned utility option but then allow customers to "opt-down" to a product that has a lower proportion of renewable power with rates at or below the investor-owned utility. The Board asked staff to explore if this approach might be effective for RCEA.

Some important factors to consider include:

1. Cost of alternative portfolios. Would a less than 100% renewable and carbon free power mix be significantly cheaper to procure? At this time, renewable energy certificate prices have come down significantly, reducing the cost savings potential of a portfolio having lower renewable energy content. Adjusting RCEA's power portfolio to just meet minimum state standards would result in about \$3 million in savings this year, which would not be enough to cover costs and have rate parity with PG&E. Staff have yet to explore if having options for customers that include no environmental attributes would result in cost savings.
2. Customer participation. If RCEA does offer an option that includes little or no renewable or carbon free power in order to be at parity with PG&E rates, and customer participation is high, RCEA risks non-compliance with state renewable standards.
3. Equity. Does offering different power portfolio products raise equity issues? Some CCE programs have chosen to automatically opt down their customers who receive CARE and FERA income-



based discounts to a low- or no-renewable energy service. This could be construed as assuming that lower income customers put less value on using clean energy.

4. Climate action impacts. The Regional Climate Action Plan (RCAP) assumes that RCEA will continue to retain a 100% renewable and carbon free power mix. Does deviating from this create unintended consequences for achieving meaningful greenhouse gas reductions in our region?

At the Board's direction RCEA staff can begin to explore some of these questions and engage the Community Advisory Committee as well.

Staff Recommendation

Adopt recommended RCEA Fiscal Year 2026-2027 Annual Budget.

Attachments

1. RCEA Fiscal Year 2026-2027 Draft Budget
2. RCEA Fiscal Year 2026-2027 Annual Budget Narrative

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Redwood Coast Energy Authority Fiscal Year 2026-2027 Draft Budget

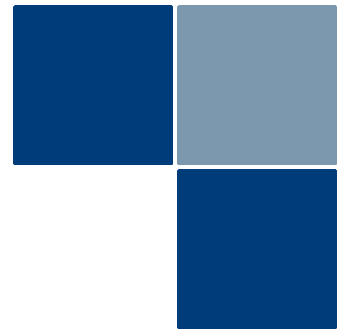
	State Resilience Grant (Governor's Office of Land Use and Climate	Regional Charging Network Grant (CEC)	WFIP (CEC)	Northern Rural Energy Network (CPUC) Implementation	NREN Portfolio Administration	Federal TERAS (DOE)	Non-government PG&E LGP	Enterprise Core CCA
Revenue Earned								
State Contracts	2,000,000	21,200	275,000	2,988,896	12,110,686			
Non-government Contracts							399,996	
Electricity Sales								54,669,877
Other Income						152,560		600,000
Total	2,000,000	21,200	275,000	2,988,896	12,110,686	152,560	399,996	55,269,877
Expense								
WHOLESALE POWER SUPPLY								
Sub-total	-	-	-	-	-	-	-	52,790,011
PERSONNEL EXPENSES								
Sub-total	93,355	15,390	38,822	1,373,794	648,223	83,843	276,072	1,706,157
FACILITIES AND OPERATIONS								
Sub-total	-	-	-	10,850	536,232	-	-	-
COMMUNICATIONS AND OUTREACH								
Sub-total	-	-	191,000	50,963	-	-	-	125,500
PROFESSIONAL & PROGRAM SERVICES								
Regulatory & Legislative					379,601			20,500
Legal				5,000	60,000	20,000		64,500
Accounting								35,000
Program Related Professional Services								
Organization Dues & Memberships					155,000			313,839
Subcontractors/Consultants	1,866,039		27,000	45,000	929,281			3,300
CC Power - special projects								86,487
NREN Partner Pass-thru					6,110,548			
Wholesale Services - TEA								1,146,894
Procurement Credit - TEA								-
Data Management - Calpine								774,452
Customer Billing - PG&E								254,994
Sub-total	1,866,039	-	27,000	50,000	7,634,430	20,000	-	2,699,966
INCENTIVES & REBATES								
Sub-total	-	-	-	745,505	2,948,541	-	-	760,000
NON OPERATING COSTS								
Sub-total	-	-	-	-	-	-	-	126,000
Total Expense	1,959,394	15,390	256,822	2,231,112	11,767,426	103,843	276,072	58,207,634
Net Income								
Pre-pay savings of 8%								(1,914,261)
Net Income w/ Pre-pay								

Redwood Coast Energy Authority Fiscal Year 2026-2027 Draft Budget

	Redwood Community Airport Microgrid			Indirect	Proposed Fiscal Year 2026-2027
	Redwood Community Airport Microgrid	REVNet	Regional Climate Planning	G&A	TOTAL
Revenue Earned					
State Contracts					17,395,782
Non-government Contracts				115,536	515,532
Electricity Sales		152,404			54,822,281
Other Income	2,930,582				3,683,142
Total	2,930,582	152,404	-	115,536	76,416,737
Expense					
WHOLESALE POWER SUPPLY					
Sub-total	-	-	-	-	52,790,011
PERSONNEL EXPENSES					
Sub-total	94,051	31,278	305,368	2,182,489	6,848,843
FACILITIES AND OPERATIONS					
Sub-total	194,500	103,000	1,100	567,244	1,412,926
COMMUNICATIONS AND OUTREACH					
Sub-total	-	-	-	16,000	383,463
PROFESSIONAL & PROGRAM SERVICES					
Regulatory & Legislative					400,101
Legal			5,000	57,000	211,500
Accounting	53,000			35,000	123,000
Program Related Professional Services					
Organization Dues & Memberships					468,839
Subcontractors/Consultants					2,870,620
CC Power - special projects					86,487
NREN Partner Pass-thru					6,110,548
Wholesale Services - TEA					1,146,894
Procurement Credit - TEA					-
Data Management - Calpine					774,452
Customer Billing - PG&E					254,994
Sub-total	53,000	-	5,000	92,000	12,447,435
INCENTIVES & REBATES					
Sub-total	-	-	-	-	4,454,047
NON OPERATING COSTS					
Sub-total	-	-	-	3,300	129,300
Total Expense	341,551	134,278	311,468	2,861,033	78,466,024
Net Income					(2,049,287)
Pre-pay savings of 8%					1,914,261
Net Income w/ Pre-pay					(135,026)



REDWOOD COAST
EnergyAuthority



Budget

Fiscal Year 2026-27

Considered for Adoption: June 25, 2026

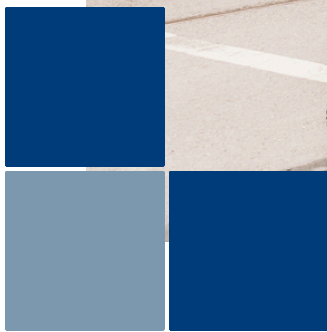


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Executive Director's Message

Elizabeth Burks

RCEA EXECUTIVE DIRECTOR

Welcome to the Redwood Coast Energy Authority FY 2026-2027 Budget. This fiscal year ending June 30, 2027, marks RCEA's 24th anniversary as a local joint powers authority and the 10th anniversary of the Community Choice Energy (CCE) program. As RCEA matures as an organization and electricity provider, we continue to find ways to implement meaningful programs in Humboldt County and beyond, and harness outside funding to make local dollars go further.

The FY 2026-2027 recommended budget includes \$76.4 million in revenues and \$78.4 million in expenses and will require the use of cash reserves to balance the budget. The budget was developed based on delivering 556,176 megawatt hours of energy to customers, realizing more than \$17 million of State contracts and grant revenues, and providing 39 full-time jobs.

The financial position of RCEA continues to be of utmost concern as we face volatility of the Power Charge Indifference Adjustment (PCIA), wholesale power costs, and affordability. This budget represents efforts to provide clean power and useful programs to our customers, minimize electricity rate increases, and maintain minimum financial reserves consistent with our Reserve Policy while also delivering clean power and useful programs for our customers.



556,176

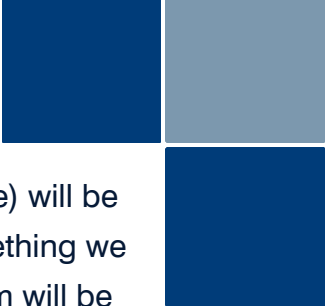
megawatt hours of energy to customers

\$17.9M

in contracts and grant revenues

39

full-time jobs



For the first time, RCEA's retail rates (electricity generation rate plus the PCIA fee) will be above Pacific Gas & Electric Company (PG&E) retail rates. This step is not something we take lightly but is necessary to ensure the health of the organization. PCIA reform will be necessary to ensure competitive rates in the coming years.

The Northern Rural Energy Network (NREN) continues to roll out customer energy-savings programs under the current business plan cycle. Officially launched in 2025, NREN programs bring public purpose funds, paid by all electricity consumers within PG&E's service territory, back to Humboldt County to help reduce energy costs and improve the comfort of our residences and businesses. NREN now fully supports 13 full-time RCEA employees, including administration and implementation staff, as well as a portion of RCEA's overhead costs.

Budget Highlights

- Continued focus on financial health of the organization, including maintaining a minimum financial reserve of 160 days of CCE operating expense as cash-on-hand.
- A 100% renewable and carbon-free power portfolio.
- NREN-funded customer programs including energy efficiency assessments for homes, businesses, and government facilities; rebates and incentives for energy efficiency improvements; and workforce, education and training activities.
- Popular e-bike and electric vehicle rebate program for customers
- Hiring a Director of Engagement and Regional Climate Planning, which will allow RCEA to begin leading Regional Climate Action Plan efforts.
- A partnership with the Humboldt Bay Harbor, Recreation, and Conservation District, funded by the California Energy Commission, to assist with community outreach related to developing the heavy-lift marine terminal that will support future offshore wind development.

As RCEA navigates the risks and volatility within state and national energy policy and the California energy market, this budget allows a balance of RCEA's continued financial resilience, sensitivity to affordability, and delivery of customer programs. In the coming years, RCEA will continue to collaborate, lead, and innovate to bring tangible and practical solutions that create opportunities for all in our community to be part of, and benefit from a more sustainable future.

Introduction

RCEA was created to serve as a local leader in the effort to advance secure, sustainable, and affordable energy resources in Humboldt County. Founded as a Joint Powers Authority in 2003, RCEA's mission is to lead, coordinate, and integrate regional efforts to create a cleaner, greener energy future for our community. In 2017, we launched the Community Choice Energy (CCE) program, taking on the responsibility of purchasing renewable electricity for Humboldt County customers, directly empowering local control over energy choices. Revenues generated through the CCE program are invested back into the Humboldt County community through customer programs, education, and the development of local renewable energy projects.

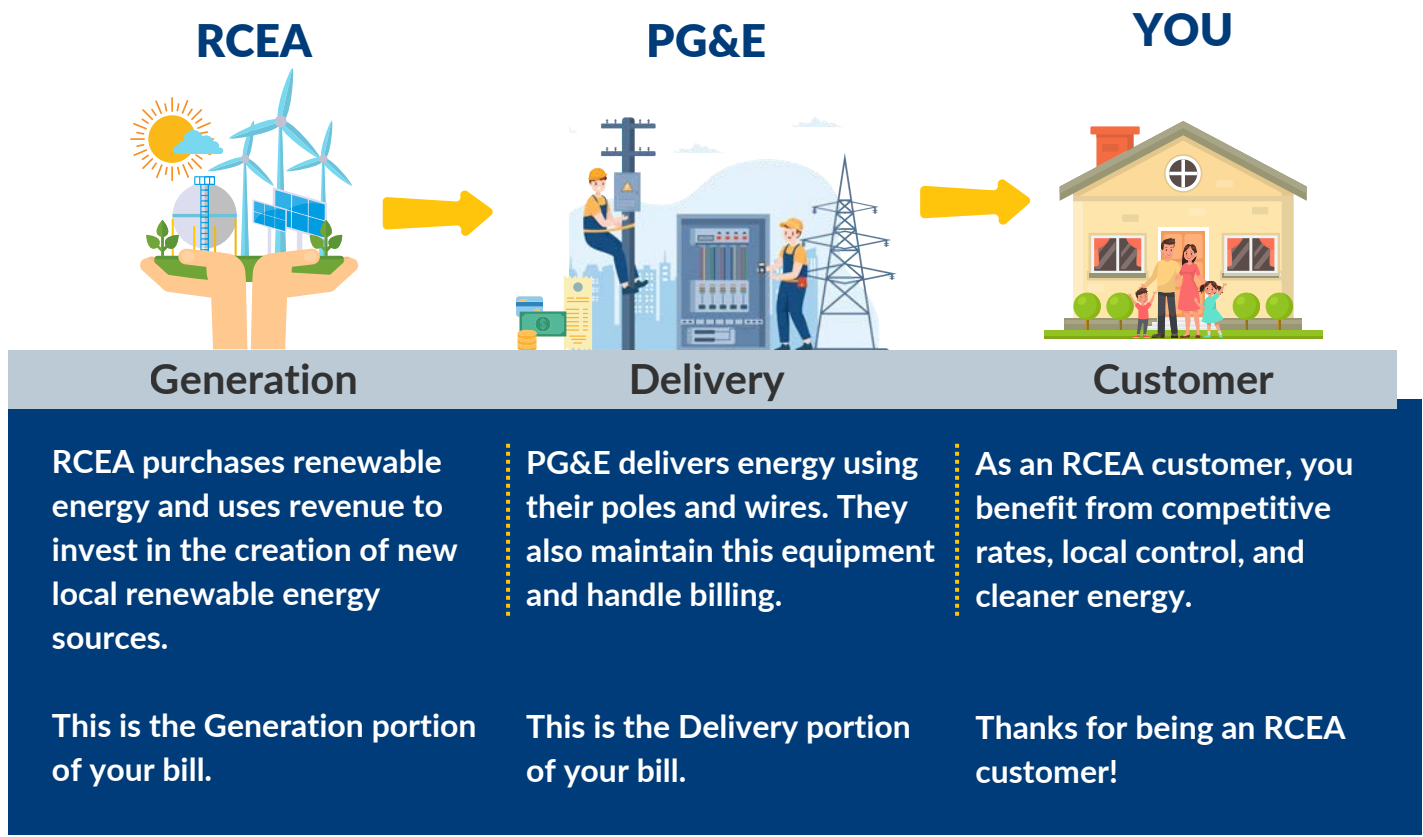
Redwood Coast Energy Authority's mission and purpose as established through the formation of the Joint Powers Agency is to:

"Develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency and advance the use of clean, efficient and renewable resources available in the region."

This mission continues to drive our work and motivate our team.



How it Works



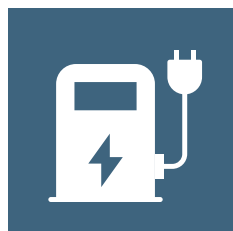
As a Community Choice Energy Provider:



RCEA purchases power from renewable sources like wind and solar, and PG&E continues to deliver it to your home or business through its infrastructure.



Customers are automatically enrolled in RCEA's program, though you can choose to opt out at any time.



Our programs also include support for energy efficiency, electric vehicles, and local renewable energy projects.

Customer Benefits

Why Choose Redwood Coast Energy Authority?



Competitive Rates

Redwood Coast Energy Authority is committed to competitive and stable electricity generation rates.



Powered By the Community

We are powered by the communities we serve, not by corporate shareholders.



Renewable Energy

Every RCEA customer receives 100% renewable and carbon-free electricity and access to energy saving programs and rebates.



Local Governance

RCEA customers and community members benefit from a unique governance model that prioritizes local decision-making. Unlike traditional electricity providers like PG&E, RCEA is a not-for-profit locally governed Joint Powers Agency, empowering Humboldt County residents to shape their energy future.

Our Board of Directors and Community Advisory Committee work together to ensure that community priorities drive the decisions we make. This collaborative approach not only supports renewable energy adoption and sustainability but also creates opportunities for public participation in shaping programs, policies, and investments.

Member Agencies



The County of Humboldt



Arcata



Blue Lake



Blue Lake Rancheria



Eureka



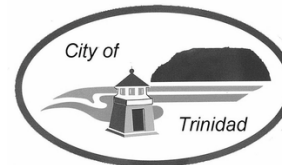
Ferndale



Fortuna



Rio Dell



Trinidad



Yurok Tribe

Board of Directors

RCEA customers and community members benefit from a community-focused approach where local government leaders make decisions about our energy. Our public Board meetings are your chance to stay informed, share your opinions, and help shape the future of energy in Humboldt County. Board members are appointed by RCEA's member agencies: the County of Humboldt, the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad, the Blue Lake Rancheria, and the Yurok Tribe.

Sarah Schaefer
Vice Chair, City of Arcata

Carlos Diaz
City of Fortuna

Elise Scafani
City of Blue Lake

Frank Wilson
City of Rio Dell

Mike Wilson
County of Humboldt

Jack Tuttle
City of Trinidad

Scott Bauer
City of Eureka

Michael Gerace
Chair, Yurok Tribe

Skip Jorgensen
City of Ferndale

Jason Ramos
Blue Lake Rancheria

Community Advisory Committee

The Community Advisory Committee (CAC) was established by the Redwood Coast Energy Authority Board of Directors to enhance public engagement and provide valuable input and decision-making support to the Board. The CAC plays a critical role in ensuring that RCEA programs and initiatives align with community priorities.

Carol Schmitt

At-Large

Hope Sakho

At-Large

Norman Bell

Arcata

Kit Mann

Blue Lake

Vacancy

Blue Lake Rancheria

Luna Latimer

County 1

Ethan Lawton

County 2

Benjamin Fordham

County 3

Deborah Dukes

Eureka

Dennis Leonardi

Ferndale

Vacancy

Fortuna

Vacancy

Rio Dell

Richard Johnson

Trinidad

Vacancy

Yurok Tribe

FY 2025-26 Accomplishments



**100% of RCEA's
electricity is from
renewable and carbon-
free sources**

RCEA achieved this goal on schedule in 2025, reflecting our commitment to a clean energy future.

**Regional Resilience Grant
Program (RRGP) solar
trailers delivered**

Through the RRGp, RCEA delivered mobile solar trailers that provide clean, resilient power for community events, emergency response, and critical needs during outages. These trailers are already helping reduce reliance on fossil-fueled generators while increasing local energy resilience.

**Exceptional local
customer service**

Our customer service team continues to be a point of pride. In FY 2025-26, staff answered 1,492 customer calls, providing trusted, local support to help customers understand their bills, explore programs, and make informed energy choices.

Foster Clean Power is online

Foster Clean Power is the first new-build, utility-scale solar and storage project under a power purchase agreement with RCEA to be completed in our Humboldt County service area. It now generates enough electricity for about 3,000 homes right here from the Arcata Bottoms. This project is an important step toward increasing local renewable generation and keeping energy investments close to home.



Northern Rural Energy Network residential programs launched

RCEA administers residential energy programs across 17 rural Northern California counties and brings these programs home to Humboldt County. Along with partners Lake Area Planning Council, Mendocino Council of Governments, and the Sierra Business Council, the Northern Rural Energy Network (NREN) helps customers save energy and money. In FY 25-26, RCEA distributed 463 Energy Efficiency Kits and \$99,049 in energy efficiency rebates locally. Plus, staff conducted 30 phone-based energy assessments and provided custom reports.



E-bike and EV rebates

Our popular e-bike and electric vehicle rebate programs helped residents afford lower-emission ways to get around. In FY 25-26, RCEA provided 57 EV rebates (value of \$114,000) and 83 E-Bike vouchers (redeemed value of \$41,550).



New charging stations added to REVNet

RCEA continued expanding the Rural Electric Vehicle Network (REVNet), adding new public EV charging stations across Humboldt County to support cleaner transportation and reduce range anxiety for local drivers. In FY 25-26, we added 10 new Level 2 charging ports. We now have 76 ports at 39 stations throughout the County.



Community outreach across the county

Our team was out in the community all year, sharing information about RCEA programs and the benefits of community choice energy. In FY 2025-26, we delivered 24 community presentations and participated in 33 events throughout Humboldt County.

Strengthening organizational capacity

RCEA completed an internal reorganization focused on more closely aligning departments with RCEA's core mission and activities. A classification and compensation study was completed by an outside consultant, resulting in the adoption of a new salary schedule and the institution of a 34-hour work week.

Building purchase

After years of searching for a building to house staff under the same roof, RCEA purchased 718 3rd Street, Eureka, on June 4, 2026. Future renovations will include a Board and public meeting room, and allow RCEA to collect lease revenue for part of the building.

Background Documents

[RCEA Joint Powers Agreement](#)

The Amended Joint Powers Agreement is the governing document that establishes the Redwood Coast Energy Authority as a joint powers authority and defines its purpose, powers, membership, and governance structure. It outlines how participating agencies collaborate to administer regional energy programs, including Community Choice Aggregation, and sets the rules for Board voting, member responsibilities, amendments, and withdrawal.

[RePower Humboldt](#)

The Redwood Coast Energy Authority's Comprehensive Action Plan for Energy. RePower Humboldt serves as RCEA's strategic plan.

[Energy Risk Management Policy](#)

The Energy Risk Management Policy establishes RCEA's Energy Risk Management Program, including functions and procedures to manage the risks associated with power procurement activities. To help RCEA increase the likelihood of achieving its goals, this policy specifies management responsibilities, organizational structures, risk management standards, and operating controls and limits necessary to identify and manage RCEA's exposure to risk.

[Reserve Policy](#)

RCEA's Reserve Policy sets a suitable cash balance to meet target levels of annual operating expenses. This cash balance provides for the following objectives: maintain long-term RCEA financial independence and rate stability; meet RCEA strategic objectives; secure favorable commercial terms with vendors and power providers; support RCEA's pursuit of and maintenance upon receiving, a credit rating; provide a source of funds for unanticipated expenditures; and make cash available for other operational needs as approved by the Board of Directors.

[Investment Policy](#)

The Investment Policy provides objectives and guidelines to RCEA officers and employees for the management of cash, deposits, and investments at RCEA. This policy covers all funds and investment activities under the direct authority of RCEA, as set forth in the California Government Code, Sections 53600 et seq.

[Procurement Policy](#)

The Procurement Policy establishes clear guidelines for authorization, soliciting, and appropriate conduct of purchasing activities relating to the acquisition of approved goods and services. This policy is intended to promote impartial, transparent, and fair processes that seek to provide the best value for RCEA and ensure compliance with federal and state requirements. All purchases must be made in accordance with this policy, other RCEA policies and procedures, as well as any and all applicable laws and are subject to audit at any time.

FY 2026-27 Priorities

Financial Health

- Maintain reserves
- Maintain affordability & explore options for rate setting
- PCIA reform

Operations

- Begin RCEA office construction
- Provide exceptional customer service
- Make Redwood Coast Airport Microgrid and REVNet self-sustaining

Vision Setting

- Strategic Plan Update
- Strengthen Community Advisory Committee engagement

Regional Coordination

- Lead the Regional Climate Action Plan
- Increase coordination with member agencies

Programs

- Full launch & implementation of the NREN programs.
- EV & E-bike rebates
- Tribal Energy Resilience and Sovereignty project, Regional Resilience Grant Program, Local Government Program



Budget

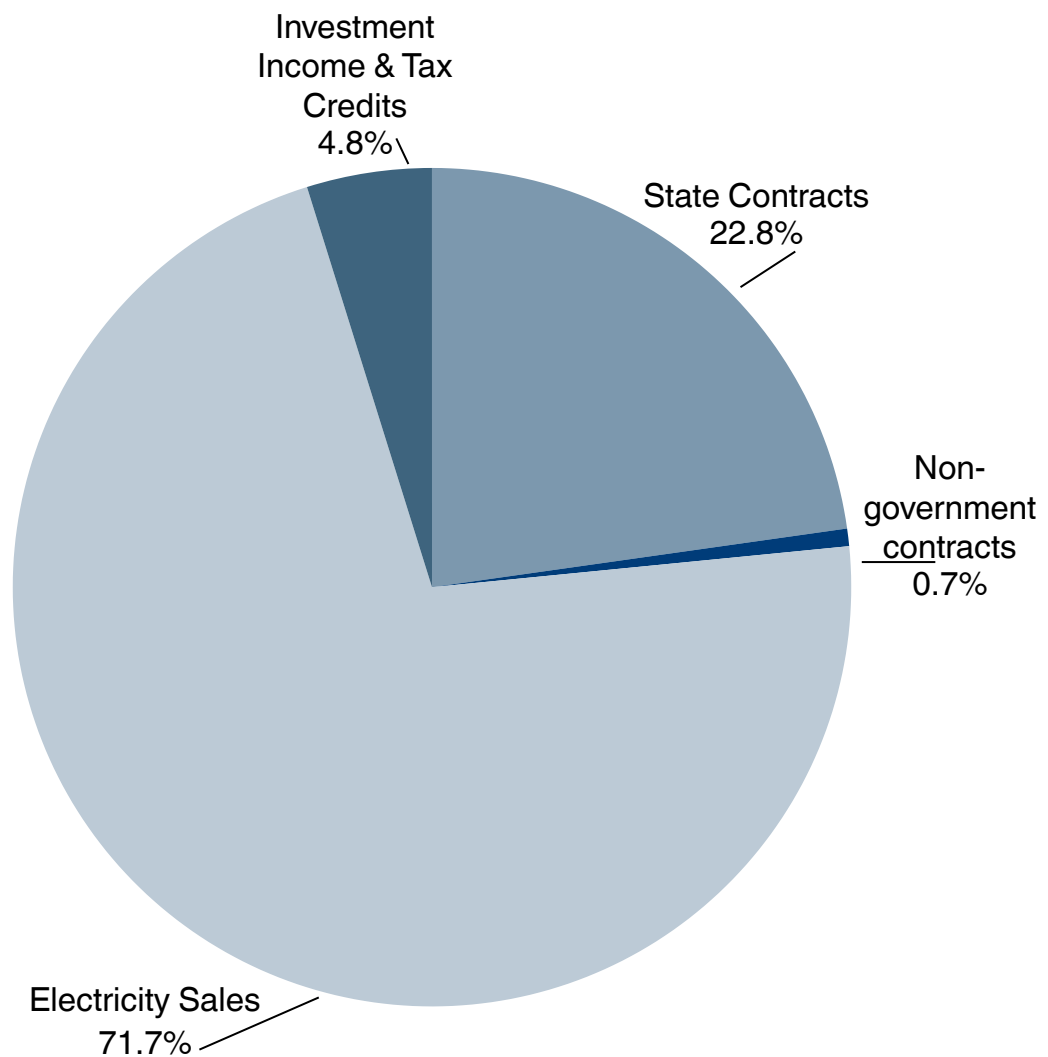
Fiscal Year 2026-27 Summary

Redwood Coast Energy Authority Fiscal Year 2026-2027 Budget Summary

Revenues		Mid-year Amended	Recommended	Variance	
		FY 2025-26	FY 2026-27	\$	%
	State Contracts	\$11,086,773	\$17,395,782	\$6,309,009	56.9%
	Non-government Contracts	\$426,888	\$515,532	\$88,645	20.8%
	Electricity Sales	\$55,972,669	\$54,822,281	-\$1,150,388	-2.1%
	Investment Income & Tax Credits	\$1,000,000	\$3,683,142	\$2,683,142	268.3%
Total Revenues		\$68,486,330	\$76,416,737	\$7,930,408	11.6%
Expenses By Expense Type		Mid-year Amended	Recommended	Variance	
		FY 2025-26	FY 2026-27	\$	%
	Wholesale Power Supply	\$49,327,598	\$52,790,011	\$3,462,413	7.0%
	Personnel	\$5,364,096	\$6,848,843	\$1,484,746	27.7%
	Facilities and Operations	\$1,773,801	\$1,412,926	-\$360,875	-20.3%
	Communications and Outreach	\$291,246	\$383,463	\$92,217	31.7%
	Professional and Program Services	\$9,758,191	\$12,447,435	\$2,689,244	27.6%
	Incentives and Rebates	\$1,682,655	\$4,454,047	\$2,771,392	164.7%
	Non Operating	\$129,200	\$129,300	\$100	0.1%
By Department		Mid-year Amended	Recommended	Variance	
		FY 2025-26	FY 2026-27	\$	%
	Deputy Executive Director/Facilities	\$576,948	\$579,673	\$2,724	0.5%
	General and Administrative	\$3,229,883	\$2,861,033	-\$368,849	-11.4%
	Power Resources	\$53,366,828	\$58,077,634	\$4,710,806	8.8%
	Engagement & Regional Climate Planning	\$264,260	\$568,291	\$304,030	115.0%
	Customer Programs	\$10,888,867	\$16,379,393	\$5,490,526	50.4%
Total Expense		\$68,326,787	\$78,466,024	\$10,139,237	14.8%
Contribution to/(from) Net Position		\$159,542	-\$2,049,287	-\$2,208,829	-1384.5%

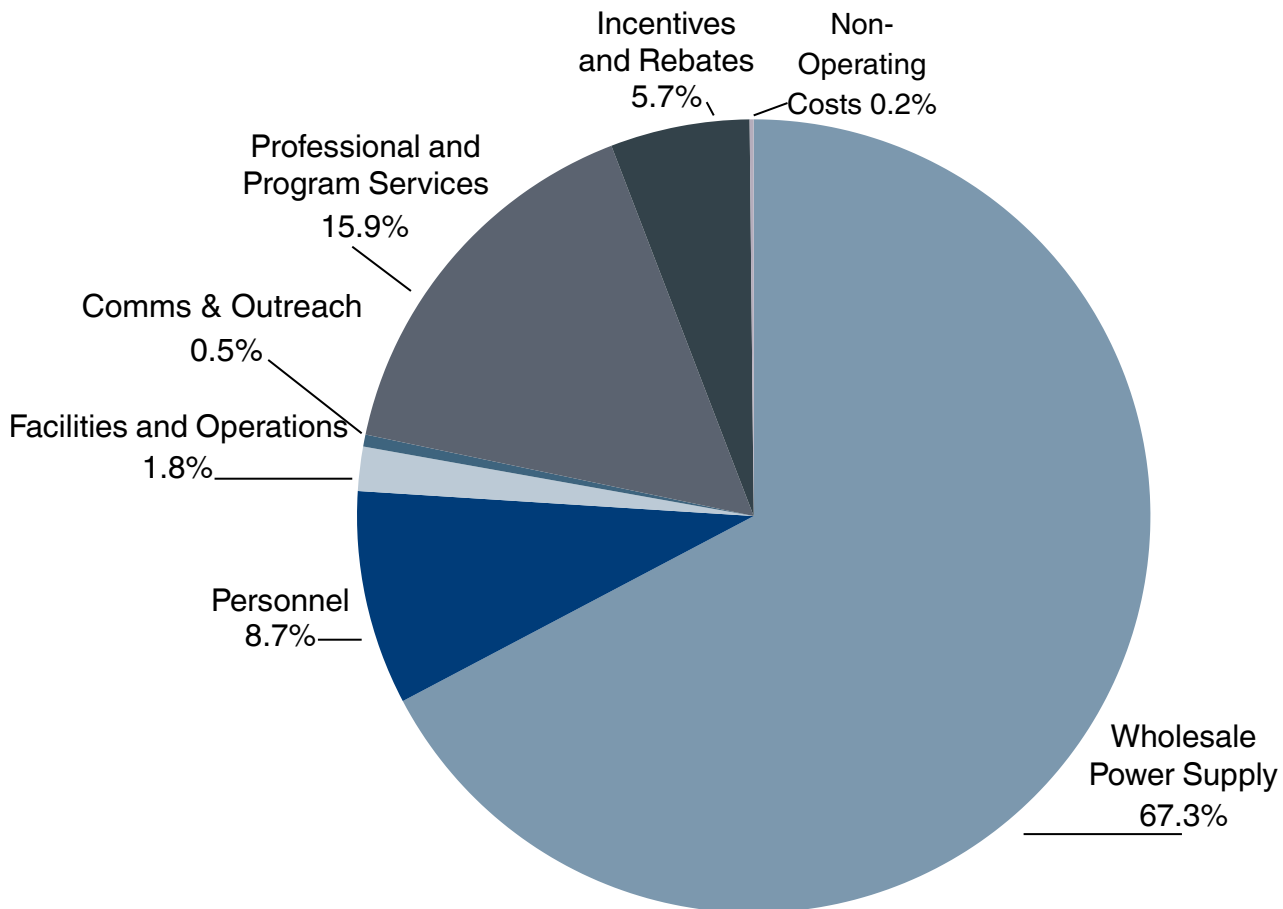
Revenues

	FY 2026-2027
State Contracts	\$17,395,782
Non-government Contracts	\$515,532
Electricity Sales	\$54,822,281
Investment Income & Tax Credits	\$3,683,142
Total	\$76,416,737



Expenses

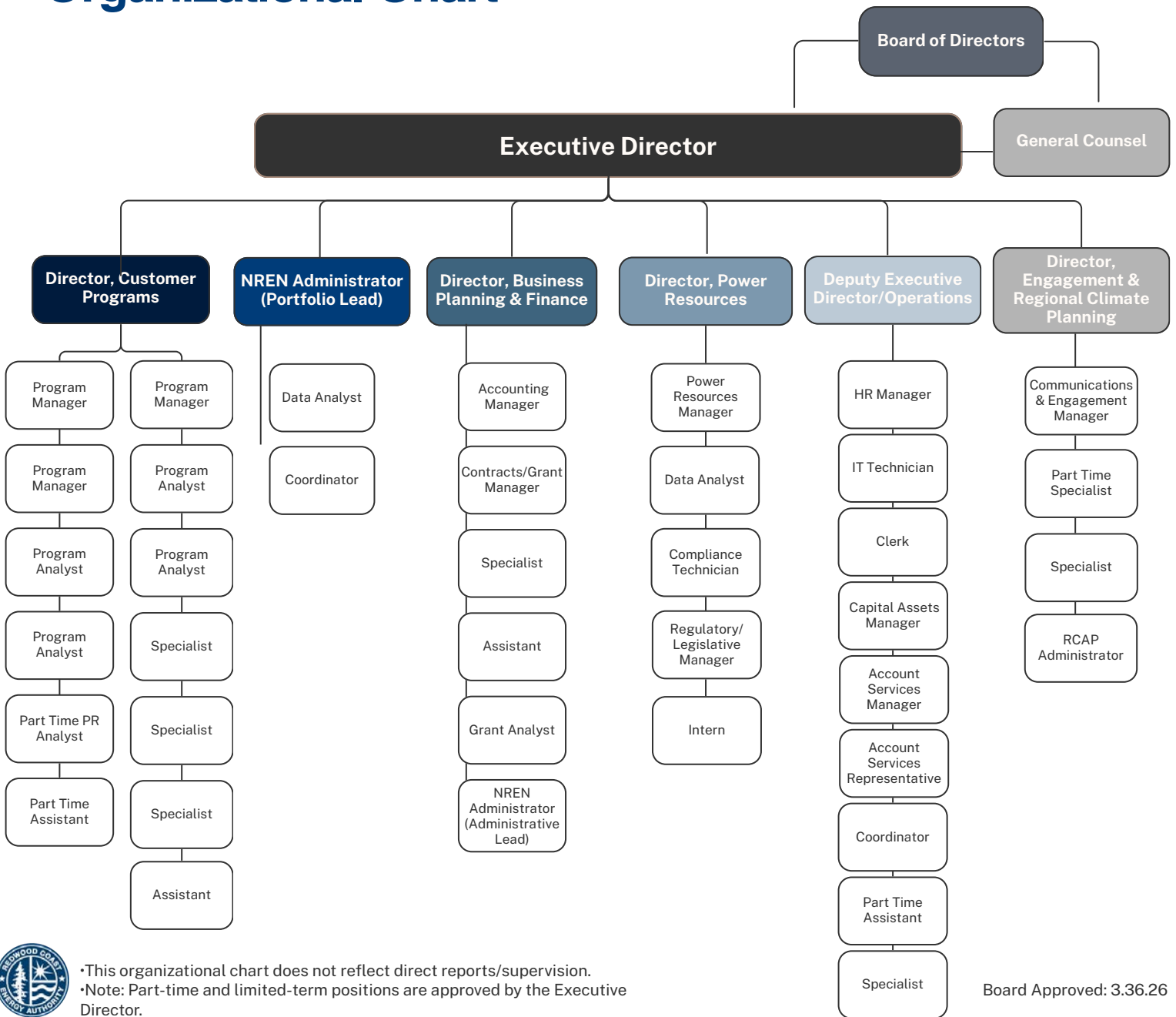
	FY 2026-2027
Wholesale Power Supply	\$52,790,011
Personnel	\$6,848,843
Facilities and Operations	\$1,412,926
Communications and Outreach	\$383,463
Professional and Program Services	\$12,447,435
Incentives and Rebates	\$4,454,047
Non Operating	\$129,300
Total	\$78,466,024



Department Overview

In March 2026, the RCEA Board approved an update to the agency's organizational structure. Some changes were effective immediately, such as renaming the Demand Side Management Department as the Customer Programs Department. Other changes will be implemented in Fiscal Year 26-27, such as forming the Department of Engagement and Regional Climate Planning and hiring an in-house general counsel.

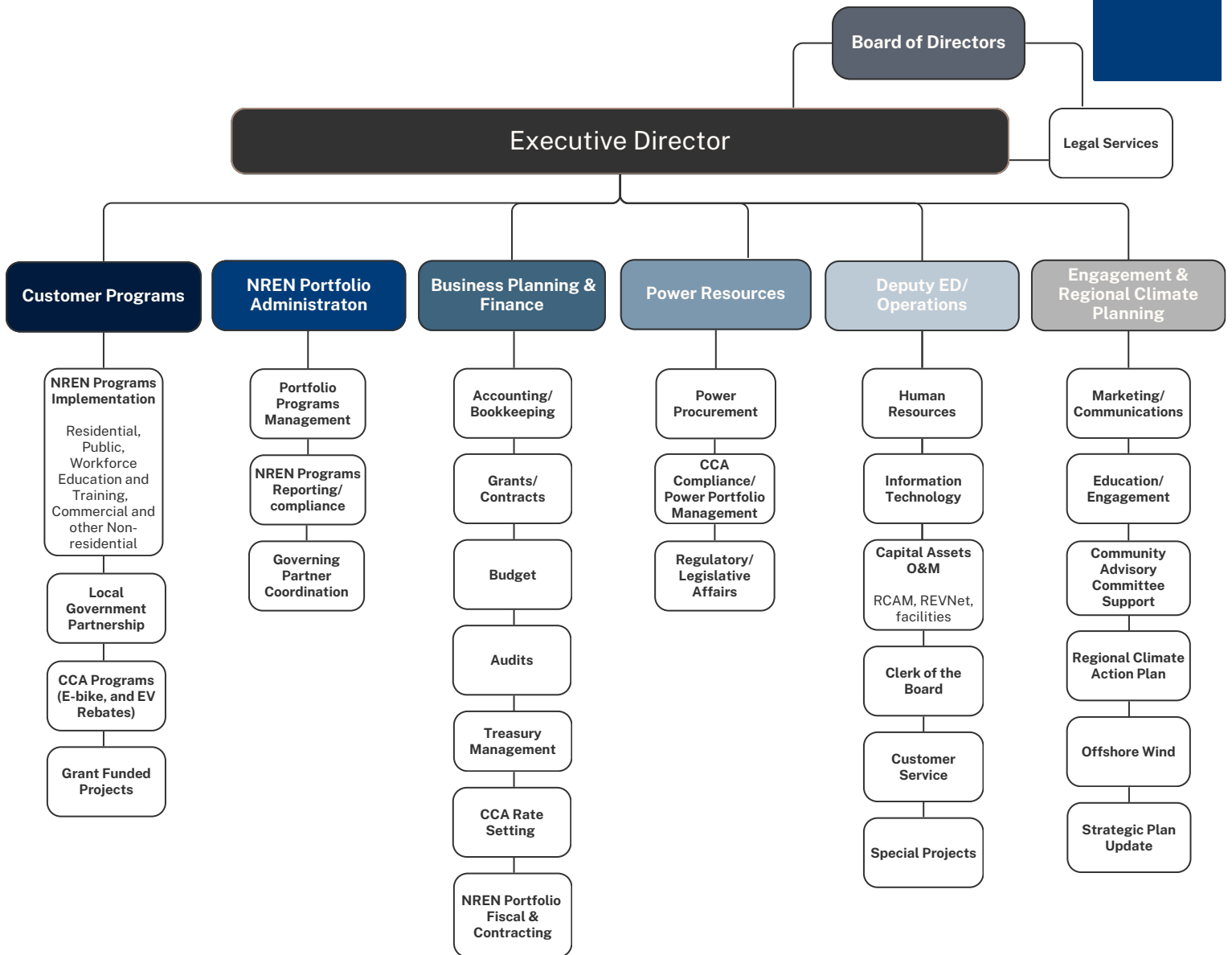
Organizational Chart



*This organizational chart does not reflect direct reports/supervision.
 *Note: Part-time and limited-term positions are approved by the Executive Director.

Board Approved: 3.36.26

Functional Organization Chart



RCEA has five organizational departments fulfilling the following operational functions: Deputy Executive Director/Operations, Business Planning and Finance, Power Resources, Customer Programs, and Engagement and Regional Climate Planning. Each department has a director who reports to the Executive Director. Additionally, the NREN Portfolio (Programs) Administrator reports to the Executive Director. The in-house General Counsel (once hired) is appointed by the Board of Directors and receives administrative direction from the Executive Director.

Deputy Executive Director/ Operations

The Deputy Executive Director/Operations Department includes management of human resources, information technology, data security, infrastructure assets/facilities, the Board clerk, as well as special projects as needed, including coordinating RCEA’s role in realizing federal funding for the TERAS project. Customer/account service functions will be transferred to this department in the coming fiscal year, for a total of eight full-time and one part-time employee. There is currently one vacancy (Administrative Specialist) that will not be filled for at least six months as a cost-saving measure.

Infrastructure projects that RCEA owns and operates include the Redwood Coast Airport Microgrid and Rural Electric Vehicle Charging Network (REVNet).

REVNet currently offers 76 charging ports in 23 locations around Humboldt County. RCEA staff maintain these stations with the help of electricians when necessary. Budgeted revenue from charging fees is estimated each year based on usage patterns. This budget proposes a slight increase to the charging fees to ensure that the revenue generated from the stations covers the cost to operate and maintain them.

RCEA’s newest asset is the commercial building at 718 and 720 3rd Street, Eureka. This will become RCEA’s new office location after construction to build out the vacant warehouse is complete. Associated planning and construction costs are still being contemplated and are not included in this budget. Known costs associated with the purchase, including insurance, are included in the budget under General & Administrative costs. The building has a long-term tenant, and rental revenue is included under General & Administrative Non-government contracts.

Expenses	Infrastructure Assets & TERAS
Personnel	\$209,173
Facilities	\$297,500
Professional Services	\$73,000
Total	\$579,673

Business Planning and Finance

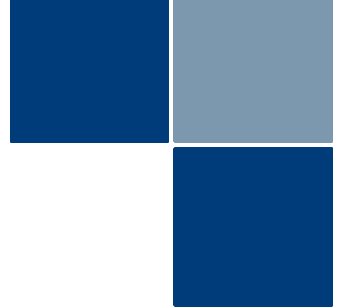
The Business Planning and Finance Department manages all accounting functions, including accounts payable and accounts receivable; finalizing payroll; financial reporting and financial audit support; purchasing; grants and contracts compliance and legal support coordination; as well as special projects as needed, such as coordinating the cost of service and rate study, and energy prepayment transactions. The Director of this department is RCEA's treasurer and is responsible for daily cash management, investing consistent with the Investment Policy, maintaining cash reserves consistent with the Reserve Policy, and preparing and managing the annual budget. This department will also be responsible for the CCE program's retail rate setting this coming fiscal year, and supervision of the NREN portfolio administrative lead, a role that will work in conjunction with the NREN portfolio programs lead.

This department currently includes four full-time employees. There are three vacancies (Contracts and Grants Manager, Finance Coordinator, and Financial Assistant) on this team. The recommended budget includes freezing the Contracts and Grants Manager position anticipating that a full-time General Counsel will take up much of the grants and contracts management workload. Upon final award for the TERAS project, staff will revisit hiring a Contracts and Grants Manager to take over work from the Deputy Executive Director. The Finance Coordinator will remain vacant for the full year, and the Financial Assistant will not be filled for at least six months as a cost saving measure.

The Business Planning and Finance department works across departments but is largely an indirect expense included in the General & Administrative budget category.

Expenses	General & Administrative
Personnel (including all employee Paid Time Off)	\$2,182,489
Facilities & Operations	\$567,244
Communications & Outreach	\$16,000
Professional Services	\$92,000
Non-Operating	\$3,300
Total	\$2,861,033

Power Resources



The Power Resources Department manages wholesale power purchasing and other key components of being an electricity load-serving entity in California. The department issues solicitations for energy procurement, analyzes offers received, and negotiates and manages energy product contracts. Department staff collaborates closely with several external partners in planning and managing RCEA’s power portfolio, including The Energy Authority, and with California Community Power on joint energy procurement with other CCAs. This department handles dozens of CCA-specific State compliance filings and works closely with the California Community Choice Association on policy advocacy. All regulatory and legislative tracking and advocacy efforts are led from this department, mostly as applicable to RCEA’s CCA function, but serving other RCEA departments as needed.

The department currently includes five full-time employees and one part-time employee.

Expenses	Power Resources
Power Supply	\$52,790,011
Personnel	\$1,706,157
Communications & Outreach	\$125,500
Professional & Programs Services	\$2,699,966
Incentives (Net Energy Metering)	\$630,000
Non-Operating	\$126,000
Total	\$58,077,634

Engagement and Regional Climate Planning



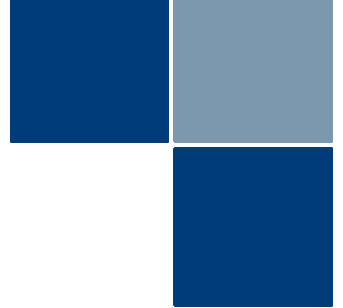
The Engagement and Regional Climate Planning Department was recently adopted onto RCEA’s organizational chart. The department will not directly replace the previous Infrastructure Planning and Transportation Department, the functions of which have been divided between the Customer Programs and Operations Departments. Instead, the department represents a renewed RCEA focus on community engagement and regional planning activities.

This department will house the Community Strategies team and work on the Regional Climate Action Plan, as well as coordinate an overdue strategic plan update for RCEA. This department will also provide support and staffing to RCEA’s Community Advisory Committee and participate in State and regional offshore wind planning and engagement efforts and special projects as needed, including the Harbor District’s Waterfront Facility Improvement Program Grant.

The Community Strategies team is responsible for RCEA education, outreach, and marketing. This group will be supervised by the Executive Director until the Department Director is hired. This department currently includes three full-time and one part-time employee. The budget includes filling the Director position by October 2026. The Regional Climate Action Plan Administrator position will be filled once external funding becomes available.

Expenses	Engagement & Regional Climate Planning
Personnel	\$344,191
Communications & Outreach	\$192,100
Professional & Programs Services	\$32,000
Total	\$568,291

Customer Programs



The Customer Programs Department includes 12 full-time staff and one part-time employee to implement the NREN, which focuses on increasing energy efficiency in residences and businesses in 17 Northern California counties, the PG&E-funded Local Government Partnership program to increase energy efficiency at public agencies, and maintaining RCEA’s Energy Efficiency Lending Library and CCE customer rebate programs, including the E-bike voucher and electric vehicle rebate programs.

Additionally, the Customer Programs Department takes on special projects as needed, which currently includes implementing the construction of solar plus battery storage energy systems at several remote fire stations funded through the Governor’s Office of Land Use and Climate Innovation, Regional Resilience Grant Program.

Expenses	Customer Programs
Personnel	\$2,406,833
Direct Operations	\$547,082
Communications & Outreach	\$50,963
Professional & Programs Services (including pass-thru funding)	\$9,550,469
Incentives & Rebates	\$3,824,047
Total	\$16,379,393

Debt Service and Cash Reserves

RCEA maintains a loan from the Federal Financing Bank, granted through the Rural Utilities Service for the construction of the Redwood Coast Airport Microgrid. The annual debt service for this loan totals \$381,199.68 for principal and interest. Interest expenses are included in this budget under Non-operating Costs.

The Board adopted the RCEA Reserve Policy in January 2025 which defines cash reserves as RCEA's unrestricted cash position and sets the reserve target at between 120 and 180 days of forecasted annual CCE operating expenses. The target is approximately \$26.5 million for this fiscal year's budget. Energy markets and forecasted retail rates can change drastically during the fiscal year and may change the net revenue projections. Maintaining cash reserves is crucial to stabilizing rates and continuing operations. Having a healthy reserve has the added benefit of improving RCEA's creditworthiness, which in turn reduces operating costs associated with maintaining credit and posting security deposits.



Staff Report

Agenda Item #10.3

Information

Agenda Date	June 25, 2026
To	Board of Directors
Prepared by	Richard Engel, Power Resources Director Jocelyn Gwynn, Senior Power Resources Manager Faith Carlson, Regulatory & Legislative Policy Manager
Subject	2026 CPUC Integrated Resource Plan Portfolio

Summary

Staff are seeking Board input on the power resource portfolio to be filed in RCEA's 2026 Integrated Resource Plan (IRP) with the California Public Utilities Commission (CPUC). IRPs are comprehensive plans for what power resources a load serving entity (LSE) anticipates meeting their electric load over a long-term horizon, in this case, 20 years. The portfolio options presented are results of optimization modeling analysis conducted by The Energy Authority using assumptions provided by staff around resource types, locations and cost. Staff's assumptions are based on policy considerations in RCEA's Strategic Plan as well as system modeling results by the CPUC and their consultants.

Modeling Assumptions

Two portfolios were analyzed, one that is policy driven, and one that is economics driven. The differences between the portfolios are what resources were included as contracted regardless of economic performance (**contract** resources), and what resources were left up to the optimization model to include or exclude based on economic performance (**market** resources). Economic performance depends on whether a resource's net cost, calculated as the assumed contract price minus anticipated energy market revenues, is forecasted to be lower than other market resources the optimizer can select from. The modeling assumptions for various resource types are summarized in the following table.

(continued next page)



Resource/Contract	Policy Portfolio	Economic Portfolio
Projects Already Under Contract	All modeled as contract resources (whether operational or still in development)	
Offshore Wind	Load share of North Coast, Central Coast and CADEMO capacity modeled as contract resources	Load share of North Coast, Central Coast and CADEMO capacity modeled as market resources
Small Hydropower	Single local project modeled as contract resource	Single local project modeled as market resource
Geothermal	Specified CC Power resources and strategic, in-state enhanced geothermal capacity modeled as contract resources	Specified CC Power resources and strategic, in-state enhanced geothermal capacity modeled as market resources
Biomass	Continued procurement of HSC beyond current contract term and generic new biomass modeled as market resources	
Solar	Generic small- and large-scale CA solar modeled as market resources	
Onshore Wind	Generic northern and southern CA wind modeled as market resources	

Results & Discussion

The IRP portfolio options resulting from preliminary modeling are presented in Attachment 1. The optimizer selected generic geothermal, solar and onshore wind resources in both portfolios, as well as specified geothermal, small hydro and biomass resources, indicating they performed well economically. The optimizer did not select offshore wind and some specified geothermal resources when they were modeled as market resources in the Economic Portfolio due to higher net cost than other modeled resources. Therefore, these resources were modeled as contracted resources in the Policy Portfolio, resulting in a higher overall cost than the Economic Portfolio. Modeling is still underway to quantify how much the premium is and will be presented to the Board at the meeting. To give the Board a sense of the relative cost of various resources, assumed costs of planned resources are included in Attachment 1, based on the CPUC’s IRP Inputs & Assumptions Report (2021). These prices do not take into account the anticipated market revenue of the resources, which generally result in higher value for baseload resources such as geothermal and biomass, offsetting their higher cost, and lower value for intermittent resources such as solar and wind.

Despite the higher cost, the Policy Portfolio aligns with key RCEA and state policy objectives: 1) the need for transmission development, which is directly driven by the IRP process, to enable deliverability of offshore wind and geothermal capacity, 2) the importance of a diverse resource mix of renewable generating resources, and 3) consistency with the CPUC’s modeled portfolio and California’s broader climate goals. Staff are interested in Board feedback on the two portfolio options and the specific



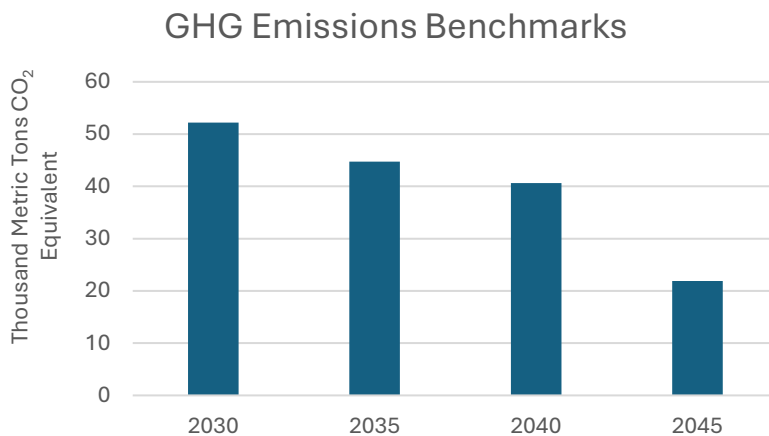
resources being modeled in each. Next month, the Board will be asked to approve the IRP filing in draft form in advance of submission to the CPUC by the August 10 filing deadline.

Background

Integrated resource planning is a standard planning exercise conducted by Load Serving Entities to analyze supply and demand resources needed to meet customer load at affordable rates. In California, IRPs also address non-energy requirements that the LSE must meet, such as system reliability, dependence on unspecified system power, renewable resource integration, greenhouse gas (GHG) emissions targets, and consideration of impacts that power portfolios may have on disadvantaged communities. The IRPs are used by the California Independent System Operator (CAISO) in their Transmission Planning Process.

CPUC Filing Requirements

For CPUC-jurisdictional LSEs, IRPs are mandated compliance filings, typically due every two years. The last IRP was submitted in 2022, and the 2024 IRP filing was delayed two years due to the CPUC deliberating on a holistic redesign of the IRP program, which is still ongoing but ultimately was not implemented this cycle. This cycle, the CPUC is requiring LSEs to submit a single portfolio, at minimum, that conforms to a GHG emissions benchmark for the electric sector of 8 million metric tons (MMT) statewide in 2045 and is consistent with the portfolio of new resources identified by the CPUC¹ modeling. RCEA’s share of the sector-wide GHG emissions benchmarks are shown in the chart below. Given RCEA’s power portfolio only includes zero- or low-GHG emitting resources, staff expect our IRP portfolio to be well below our allotted GHG emissions share.

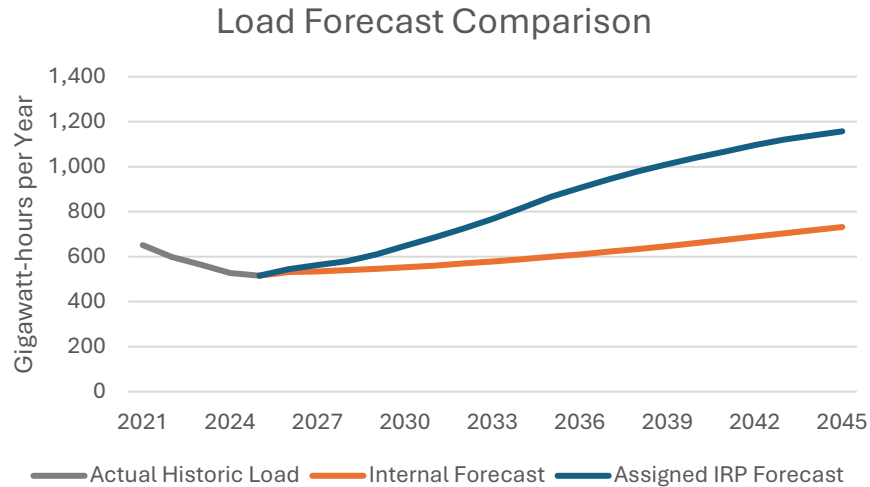


In addition to meeting RCEA’s allotted GHG emissions benchmark, the portfolio must conform to other guidelines including meeting an assigned load forecast and capacity reliability standard. The IRP load forecast is from the California Energy Commission’s (CEC) Integrated Energy Policy Report (IEPR), which shows RCEA’s load forecast increasing substantially over the next twenty years due to data center and other large load growth, as well as building and transportation electrification. The chart below shows

¹ <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M595/K085/595085015.PDF>



this assigned forecast against RCEA’s actual historic load, which has been declining since 2021, and RCEA’s internal load forecast, which was submitted to the CPUC for use in the IRP but ultimately rejected in favor of the CEC IEPR forecast. Staff have been engaging with the CEC and CPUC regarding the accuracy of this load forecast in an effort to establish a more realistic load forecast for future IRP cycles. However, given the assigned forecast this cycle, RCEA will need to show more resources than it actually expects to procure, especially in the latter years of the planning horizon.



CAC Engagement

In anticipation of an earlier IRP filing deadline, staff engaged the Community Advisory Committee in September 2025 to solicit their input on portfolio makeup. Staff referred back to public workshops held in 2023 as part of the Humboldt’s Electric Future project to solicit community input for the next IRP, then expected to fall due in 2024. For those workshops, staff presented five hypothetical portfolios of resources to fill the roughly 60% of RCEA’s power needs for 2035 that would not be under existing long-term contracts at that time. The majority of workshop participants selected the portfolio that would reduce GHGs at lowest net cost, even though this was the only portfolio of the five that included a non-renewable resource, namely large hydropower. Another portfolio offered the quickest path to 100% renewables by de-emphasizing local project procurement. The other three portfolios each maximized 1) local resources, 2) resource diversity, or 3) offshore wind.

In their discussion CAC members noted that affordability has come into focus more since the Humboldt’s Electric Future workshops took place, which perhaps reinforces the preference the public expressed for the lowest cost portfolio. They discussed what might have motivated the workshop participants to prefer this portfolio, whether it was cost or desire to achieve GHG reduction as quickly as possible. The CAC members expressed interest in emissions-free technologies including ocean wave energy, geothermal power, and hydroelectric power at all scales but generally agreed that resources need to be affordable and commercially proven.

The CAC did not come up with a specific portfolio recommendation for the Board. Individual CAC members proposed some principles for the Board to consider in approving an IRP portfolio:



- While resources like large hydropower and nuclear may not be preferred, there is no additional harm done by including existing resources of this type in the portfolio. Staff note that the CPUC views reliance on existing resources not already under contract as a risky planning approach.
- Biomass power should be phased out after the existing contract expires.
- Keep looking for opportunities to include emerging technologies like advanced geothermal and wave energy as these become technically proven and affordable.

Equity Impacts

The IRP is a required compliance filing but does require narrative discussion of impacts LSEs' power portfolios could have on disadvantaged communities.

Alignment with RCEA's Strategic Plan

Although the IRP is primarily a compliance exercise, the proposed plan is consistent with RCEA's Strategic Plan, specifically the following goals:

- 4.1.1 Maximize the Use of Local Renewable Energy to the Extent Technically and Economically Feasible and Prudent.
- 4.1.2 Minimize Greenhouse Gas Emissions Associated with RCEA's CCE Program.
- 4.1.4 Maximize Renewable Energy Content of RCEA's CCE Program.
- 4.1.9.2 Procure Local Offshore Wind Energy.
- 4.1.11.2 Procure Local Biomass Energy.
- 4.1.13.1 Support Existing and New Local Small-scale Hydroelectric Power.

Financial Impact

Apart from staff and consultant time required to prepare the IRP, there is no direct cost or other financial impact associated with the filings themselves. Currently, IRPs do not carry binding commitments for procurement, although the information submitted in them is used by the CPUC to issue procurement orders in the IRP proceeding. However, development of the IRP in particular is a risk management activity that mitigates financial risk exposure for RCEA by ensuring holistic, high-level decision-making regarding RCEA's power portfolio, while ensuring conformance with regulatory mandates from the State.

Staff Recommendation

Provide feedback to staff on the 2026 Integrated Resource Plan portfolio.

Attachments

1. Preliminary IRP Portfolio Options Table

Resource Type	Policy Portfolio (GWh)		Economic Portfolio (GWh)		Contracted Resources	Planned Resources	Planned Resource Costs (\$/MWh)
	2035	2045	2035	2045			
Small Hydro	20	15	20	15	Cove Hydro (expires in early 2035)	Local Small Hydro Project	\$90
Biomass	66	54	66	54	Humboldt Sawmill Company (through 2031)	Humboldt Sawmill Company (recontracted through 2045)	\$110
Conventional Geothermal	264	413	387	549	Fish Lake, Ormat Portfolio	CC Power Geothermal Projects, Generic Conventional Geothermal	\$89 - \$130
Enhanced Geothermal	153	116	0	0	None	Strategic In-State Enhanced Geothermal	\$118 - \$132
Onshore Wind	7	49	8	65	Paradigm Wind	Generic In-State Wind	\$33 - \$47
Offshore Wind	12	41	0	0	None	North Coast, Central Coast, CADEMO	\$129 - \$182
Utility Scale Solar	302	486	328	486	Sandrini, RCAM, Foster Clean Power, Hatchery Road, North Coast Highway Solar	Generic Large Scale Solar	\$19 - \$30
<i>Customer Solar¹</i>	<i>108</i>	<i>131</i>	<i>108</i>	<i>131</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Battery Storage (MW)	156	59	156	59	Storage Paired w/ Solar Projects, Tumbleweed, Flycatcher, Drifter	None	N/A
Total Generation Supply ²	824	1174	808	1168			
Assigned Load Forecast ³	865	1,157	865	1,157			

¹RCEA would not contract for behind-the-customer-meter solar, but this generation is accounted for in RCEA's assigned load forecast

²Represents supply before combined heat and power assignment and curtailments during high generation hours; does not include customer solar or battery storage capacity

³Includes customer solar generation, energy efficiency savings, and load from data centers, electric vehicles and building electrification