



Board of Directors Meeting

Wednesday, November 18, 2020

5:00 pm

<https://us02web.zoom.us/j/87023071843>

Join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 929 205 6099 or

+1 301 715 8592 or 888 475 4499 (Toll Free) or 877 853 5257 (Toll Free)

Webinar ID: 870 2307 1843

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 736-4981 or cob@ebce.org.

If you have anything that you wish to be distributed to the Board, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. Welcome & Roll Call

2. Pledge of Allegiance

3. Public Comment

This item is reserved for persons wishing to address the Board on any EBCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to three minutes per speaker and must complete an electronic [speaker slip](#). The Board Chair may increase or decrease the time allotted to each speaker.

CONSENT AGENDA

4. Approval of Minutes from October 21, 2020
5. Contracts entered into (Informational Item)
6. Second Amendment to the Maher Accountancy CSA
Authorize the CEO to sign the Second Amendment to the Maher Accountancy Contract Service Agreement (CSA) to extend the term of service through December 31, 2021 and increase the not to exceed contract limit by \$210,000.

REGULAR AGENDA

7. CEO REPORT
 - A. Executive Committee Meeting;
 - B. Finance, Administration and Procurement Subcommittee Meeting;
 - C. Marketing, Regulatory and Legislative Subcommittee Meeting;
 - D. Marketing and Account Services Update
8. Community Advisory Committee Report
9. Reserve Fund Allocations from 2019-2020 Fiscal Year Net Revenues (Action Item)
Adopt a Resolution to approve the proposed contributions to the reserve funds.
10. 2019 Power Source Disclosure Annual Report and Power Content Label (Action Item)
Adopt a Resolution to accept the 2019 Power Source Disclosure Program Annual Report (PSDR) and the 2019 Power Content Label (PCL).
11. East Bay Community Energy 2019 Emissions Factor (Informational Item)
Receive a staff report on East Bay Community Energy's 2019 Bright Choice emissions factor.
12. Power Procurement Project Update (Informational Item)
Update on three renewable energy projects:
 - A. Clearway - Rosamond Central Solar Energy Project;
 - B. Alameda Summit Wind Farm (Alameda County); and
 - C. Mulqueeny Wind Project (Alameda County).
13. Brilliant 100 Options (Action Item)
Decide to change the Brilliant 100 consumer electricity product in one of following way:
 - A. Close Brilliant 100 effective February 1, 2021. All current Brilliant 100 customers would be defaulted onto Bright Choice unless the city council/Board of Supervisors have affirmatively voted to default these customers onto another product, or
 - B. Set Brilliant 100 cost above PG&E - with specific premium brought to Board of Directors in December 2020. All current Brilliant 100 customers would see these new costs effective February 1, 2021. Under this option Brilliant 100 would continue to be available to all EBCE customers, or
 - C. Maintain Brilliant 100 cost at parity with PG&E for 2021, but close Brilliant 100 effective January 1, 2022.

14. Aramis RA Solar & Storage Contract Approval (Action Item)

Adopt a Resolution authorizing the CEO to execute a 10-year local Resource Adequacy purchase from a 100MW Alameda County Solar and Storage Project (“Aramis Project”) with Intersect as the developer.

The Aramis project is expected to begin to provide local Greater Bay Area Resource Adequacy to EBCE starting in April 2024 through December 2033 for a period of 10 years. The quantity will range from 14MW to 23MW and average approximately 20MW.

15. Board Member and Staff Announcements including requests to place items on future Board Agendas

**16. Adjournment - to Date: Wednesday, December 16, 2020
Time: 5:00pm**



Draft Minutes

Board of Directors Meeting

Wednesday, October 21, 2020

5:00 pm

<https://us02web.zoom.us/j/87023071843>

Join by phone:

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Webinar ID: 870 2307 1843

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If you have anything that you wish to be distributed to the Board, please email it to the clerk by 5:00 pm the day prior to the meeting.

1. Welcome & Roll Call

Present: Directors: Haggerty (Alameda County), Pilch (Albany), Arreguin (Berkeley) Hernandez (Dublin), Mendall (Hayward), Munro (Livermore), Hannon (Newark), Rood (Piedmont), Pentin (Pleasanton), Hernandez (San Leandro), Arriola (Tracy), Sutter (Community Advisory), Vice-chair Martinez (Emeryville), and Chair Kalb (Oakland)

Excused: Director Patino (Union City)

2. Pledge of Allegiance

3. Public Comment

This item is reserved for persons wishing to address the Board on any EBCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to three minutes per speaker and must complete an electronic [speaker slip](#). The Board Chair may increase or decrease the time allotted to each speaker.

Ceyda Durmas Dorgan spoke regarding missing online meeting archives and specifically requested the April and September Board members.

Barbara Stebbins spoke regarding work that the California Alliance for Community energy is doing to call for legislation that sunsets the Power Charge Indifference Adjustment (PCIA).

Jessica Tovar spoke regarding the letter sent from East Bay Clean Power alliance making recommendations on how to remain nuclear free and options for the B100 Product.

Jing Jing He spoke regarding being an EBCE customer, the need for long term solutions to current issues and also remaining nuclear free.

Blair Beekman spoke regarding B100, the future of nuclear energy and balancing community needs.

Aleta Dupree spoke regarding Time of Use rates, electric delivery costs and future aspirations for EBCE.

CONSENT AGENDA

4. Approval of Minutes from September 16, 2020
5. Contracts entered into (Informational Item)
6. **Adopt a Resolution Authorizing EBCE CEO to Negotiate and Execute a Third Amendment to the Agreement with Recurve Analytics to Implement a Pay-for-Performance Energy Efficiency Program for EBCE's Commercial Customers**
Adopt a Resolution Authorizing EBCE CEO to Negotiate and Execute n Third Amendment to the Agreement with Recurve Analytics to Implement a Pay-for-Performance Energy Efficiency Program for EBCE's Commercial Customers, for a total amount not to exceed \$275,000 through December 31, 2021.

R-2020-27
7. **Approve Second Amendment with Frontier Energy to Update Scope and Add to Budget for Technical Support on Development and Filing of Energy Efficiency Funding Request**
Adopt a Resolution Authorizing CEO to Execute Second Amendment with Frontier Energy to add additional services to the scope and an additional \$109,948 to the budget for Technical Support on Development and Filing of Energy Efficiency Funding Request.

R-2020-28
8. **Adopt a Resolution to Amend the Conflict of Interest Code to Add Four New Positions and Update the Code Reviewing Body**
Adopt a Resolution Amending the Authority's Conflict of Interest Code to add four new positions, update the code reviewing body, and other items.

R-2020-29
9. **Municipal Advisor for Prepay Transaction**
Adopt a Resolution authorizing the CEO to negotiate and execute a Consulting Services Agreement with PFM Financial Advisors, LLC to serve as the Municipal Financial Advisor on EBCE's energy prepayment transaction.

R-2020-30

10. Approve IRP Agreement Amendment

Adopt a Resolution approving Amended Agreement with Ascend Analytics for IRP consulting services

R-2020-31

11. Extension of Brilliant 100 product to January 31, 2021

Adopt a Resolution that extends the product offering of Brilliant 100 at 100% carbon free content and cost parity with PG&E standard rate until January 31, 2021

R-2020-32

12. Extension of Temporary Revision to Terms and Conditions Section "Failure to Pay" and Temporary Suspension of Delinquent Accounts and Collections Policy

Given the on-going public health emergency caused by COVID-19 and the associated financial strain to many households and businesses, EBCE staff recommends that the Board adopt the Resolution to Extend the Temporary Suspension of Certain Customer Terms and Conditions and Administrative Policies and extend the suspension of the "Failure to Pay" section of the Service Terms and Conditions of the Delinquent Accounts and Collections Policy for an additional 91 days until January 20, 2021.

R-2020-33

13. Fiscal Year 2019-20 Budget to Actuals

Receive report comparing EBCE's final audited financial actuals to the approved budget for the 2019-2020 fiscal year.

Blair Beekman spoke regarding ease of meeting participation, B100 and the City of San Jose's Hummingbird project.

Barbara Stebbins requested clarification of section one in the Item 11 resolution.

Director Mendall Motioned to approve the Consent Agenda. Director Arreguin seconded the motion which carried 13/0; Excused: Directors Arriola (Tracy) and Patino (Union City)

REGULAR AGENDA

14. CEO REPORT

- A. Executive Committee Meeting;
- B. Finance, Administration and Procurement Subcommittee Meeting;
- C. Marketing, Regulatory and Legislative Subcommittee Meeting;
- D. COVID-19 Community Grant Fund Update and
- E. Marketing and Account Services Update

The Board spoke regarding the power content label postcard and requested copies once they were available.

Blair Beekman spoke regarding the missing information on the website.

15. Community Advisory Committee Report

The CAC continued to receive comment on nuclear energy from the public and CAC members. The CAC received SEIU1021 submitted a letter opposing the inclusion of nuclear energy in EBCE's portfolio and requested input from the Board on the topic to help guide the CAC discussions. The Chair also thanked the CEO for his prompt response to the committee questions.

Blair Beekman spoke regarding concerns with natural gas fracking, addressing nuclear and the B100 product.

16. CEO Employment Agreement Amendment (Action Item)

Director Mendall motioned to approve the CEO Employment Agreement Amendment. Vice-chair Martinez seconded the motion which carried 14/0; Excused: Director Patino (Union City)

Blair Beekman spoke regarding the importance of funding bill debt forgiveness.

Vice-chair Martinez motioned to reconsider CEO vote to correct a typo the CEO agreement. Director Bacon seconded the motion which carried 14/0; Excused: Director Patino (Union City)

Vice-Chair Martinez motioned to approve the CEO Employment Agreement Amendment as amended: To remove language regarding matching. EBCE retirement contributions will be up to 10%

Director Haggerty seconded the motion which carried 14/0; Excused: Director Patino (Union City)

17. Treasurer's Report (Informational Item)

Presented

18. Accept Final Audited Financial Statements for 2019-2020 Fiscal Year (Action Item)

Presentation of the finalized audited financial statements for the fiscal year ending June 30, 2020.

Director Hernandez (San Leandro) motioned to accept the Audited Financial Statements for 2019-2020 Fiscal Year. Director Bacon seconded the motion which carried 14/0; Excused: Director Patino (Union City)

19. IRP Results (Informational Item)

Informational Update on the result of the completed IRP analysis

Presented

Vaugh Wolfe requested additional information on long term battery storage and associated costs.

Blair Beekman spoke regarding need to collaborate with PG&E, requested additional clarification on infographics presented and thanked EBCE for the opportunity to discuss.

Aleta Dupree spoke regarding battery storage and reducing natural gas consumption

20. EBCE's Participation in the CPUC-approved Arrearage Management Program (Action Item)

Adopt a Resolution to allow EBCE to participate in the California Public Utilities Commission approved Arrearage Management Program, provided that the CPUC approves a cost recovery approach that uses the Public Purpose Program Charge or similar socialized charge levied on the distribution portion of customers' bills, and to inform PG&E of EBCE's conditional participation.

R-2020-34

The Board requested additional information on customer participation and qualification for program.

Blair Beekman thanked staff for bringing this program forward.

Jessica Tovar spoke regarding concerns with program not supporting all customers equitably.

Cynthia Landry supports the program but also seconded previous comments regarding difficulties for customers to make additional payments. C. Landry also requested that staff seek other ways to assist customers.

Director Mendall motioned to adopt a Resolution to allow EBCE to participate in the CPUC Approved Arrearage Management program. Director Pentin seconded the motion which carried 14/0; Excused: Director Patino (Union City)

21. Aramis Solar & Storage Project (Informational Item)

Receive a presentation on the background of Intersect Power, an infrastructure development company, and Aramis, a local solar & storage project.

Presented

21 members of the public spoke regarding:

- Concerns with land use
- Environmental Impact Report (EIR)
- Battery storage
- In Support and Opposition of the project
- Alameda County Open Space
- Importance of Renewable Energy
- Job creation
- Social Justice
- Delaying contract discussions

Directors Haggerty and Bacon recused themselves prior to the item presentation and left the call.

22. Community Advisory Committee Guide and Appointment Process Updates (Action Item)

Adopt a Resolution to amend the Community Advisory Committee (CAC) Guide and Appointment Process to:

- A. Include new EBCE service areas;
- B. Assign seats based on planning areas (see chart below);
- C. Expand the committee to 12 seats (10 seats based on planning areas and two at-large seats);
- D. Appoint one alternate for each planning area;
- E. Shorten appointment terms to 2-years, maintaining the appointment maximum of 8 years (4 full 2-year terms or combination thereof); and
- F. Request the Mayors' Conference to appoint the two at-large seats.

R-2020-35

The Board discussed:

- Outreach
- Engaging the Mayors' Conference
- CAC seat numbers

Director Haggerty motioned to adopt a Resolution to amend the CAC Guide and Appointment process. Director Mendall seconded the motion which carried 14/0; Excused: Director Patino (Union City)

23. Board Member and Staff Announcements including requests to place items on future Board Agendas

24. Adjourned

| |
|---|
| Key: R - Resolution C- Contract P - Policy |
|---|



Consent Item 5

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Contracts Entered Into
DATE: November 18, 2020

RECOMMENDATION

Accept the CEO's report on contracts that EBCE has entered, as required by the Administrative Procurement Policy.

Items executed between October 14, 2020 and November 10, 2020;

C-2020-188, S2E2 LLC (Portland, OR) Consulting Services Agreement for a white paper describing the development of a load modification program with the California Energy Commission for EBCE, compensation not to exceed \$10,000 through December 31, 2020.

C-2020-189, Chapman & Cutler, Silicon Valley Clean Energy (New York, NY) Consulting Services Agreement for the purposes providing legal services to EBCE & SVCE, compensation not to exceed \$235,000 through December 31, 2021.

C-2020-190, Mercer (Los Angeles, CA) Engagement Letter Agreement, Mercer and four CCA's will partner to undertake a total remuneration benchmarking study, compensation from EBCE not to exceed \$42,000 through October 26, 2022.

C-2020-191, CLEAResult Consulting (Portland, OR) Consulting Services Agreement for providing energy efficiency program implementation services, compensation not to exceed \$250,000 through December 31, 2021.

C-2020-192 AIQUEOUS (Austin, TX) Consulting Services Agreement for the AIQUEOUS ECOiQ online platform and related services, compensation not to exceed \$82,500 through October 31, 2021.

C-2020-193 Frontier Energy (Oakland) Second Amendment to Consulting Services Agreement to add \$109,948 to the compensation amount for a total amount not to exceed \$509,948, to

expand the scope of services, to update the hourly compensation rates, and to extend the term through November 30, 2021.

C-2020-194 Regents of the University of California, on behalf of its Berkeley Campus (Berkeley) Agreement for services "Exploring bill affordability for low income electricity customers in California", compensation is not to exceed \$50,352 for a term through August 31, 2021.

C-2020-195 Arsola's Distribution Center and Community Services (Oakland) Grant awarded in the amount of \$10,000 to support current staff salaries, stipends for long-time volunteers, gas costs for grocery pickup and delivery to food distribution sites, the cost of sanitizing the vans, and the purchase of grocery bags in response to the COVID-19 pandemic.

C-2020-196 Chabot-Las Positas Community College District (Dublin) Grant awarded in the amount of \$33,333 to support the Tri-Valley Career Center's response to the COVID-19 pandemic by building capacity and developing additional programs like a Job Search Bootcamp.

C-2020-197 Downtown Streets (San Jose) Grant awarded in the amount of \$10,000 to support the purchase of grocery, pharmacy, and gas station gift cards, third part checks for cell phones, storage and rent for unhoused and at-risk program participants, in response to the COVID-19 pandemic.

C-2020-198 Fred Finch Youth Center (Oakland) Grant awarded in the amount of \$10,000 to support continuing services and expanding telehealth options, in response to the COVID-19 pandemic.



Consent Item 6

TO: East Bay Community Energy Board of Directors

FROM: Jason Bartlett, Finance Manager

SUBJECT: Second Amendment to the Maher Accountancy CSA

DATE: November 18, 2020

Recommendation

Adopt a Resolution authorizing the CEO to negotiate and execute the Second Amendment to the Maher Accountancy Consulting Service Agreement (CSA) to extend the term through December 31, 2021, add additional compensation, and update the monthly rates of compensation.

Background and Discussion

EBCE uses an independent Accountant to support ongoing financial operations. The Accountant is crucial to supporting all of EBCE's financial functioning including invoicing, payments, and reporting.

Per Resolution No R-2018-16, EBCE staff solicited bids for accounting services and selected Maher Accountancy in April of 2018. Although the Resolution allowed for a two-year engagement, the original CSA was for 13 months of service from June 1, 2018 to June 30, 2019 and was extended for a six-month period through December 31, 2019.

The First Amendment to the CSA, dated December 3, 2019, added \$200,000 to the not-to-exceed amount for a total amount not to exceed \$299,000 and extended the term of service for one calendar year from January 1, 2020 through December 31, 2020.

During the contracted period, Maher Accountancy has assisted with three audits and has performed exceptionally well in managing EBCE's books and ledgers. The firm's familiarity with the CCA space is unparalleled as they are the accounting firm for several other CCAs, including Clean Power Alliance, Marin Clean Energy, Monterey Bay Community Power, Peninsula Clean Energy, Silicon Valley Clean Energy, and Sonoma Clean Power.

For the 2021 calendar year, EBCE has negotiated a contract price with Maher Accountancy for \$16,250 per month. This new rate will place EBCE in the “middle of the pack” of what Maher Accountancy charges other CCAs for their service, which goes above \$20,000 per month for the largest CCAs. In addition to the monthly charge, Maher Accountancy charges an additional one-time fee of \$15,000 to provide accounting assistance with EBCE’s annual audit. This also remains competitive with the original CSA. The Second Amendment will increase the not-to-exceed amount by \$210,000 for a total amount not to exceed \$509,000.

EBCE wishes to continue to benefit from the expertise of Maher Accountancy and seeks Board approval to extend the current contract for an additional year through December 31, 2021 and to add an additional \$210,000 to the contract budget.

Fiscal Impact

The Amendment will provide for a monthly fixed rate of \$16,250 through the calendar year, which is \$195,000. An additional charge of \$15,000 is included to provide accounting services to assist with the annual audit for the 2020-2021 fiscal year. Together, the total not-to-exceed amount for the term of January 1, 2021 through December 31, 2021 is \$210,000.

Attachments

- A. Resolution Authorizing the CEO to Execute a Second Amendment to the Consulting Services Agreement with Maher Accountancy
- B. Second Amendment to the Consulting Services Agreement for Services by and Between East Bay Community Energy Authority and Maher Accountancy

RESOLUTION NO. __

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CEO TO EXECUTE A SECOND AMENDMENT TO THE CONSULTING SERVICES AGREEMENT WITH MAHER ACCOUNTANCY

THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

WHEREAS, The East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

WHEREAS, The Board of Directors delegated authority to the CEO to select an accounting firm in April 2018, after EBCE solicited bids.

WHEREAS, EBCE entered into a Consulting Services Agreement with Maher Accountancy for a term of one year from May 31, 2018 through June 30, 2019. EBCE then entered into another Consulting Services Agreement with Maher Accountancy from July 1, 2019 through December 31, 2019.

WHEREAS, EBCE executed a First Amendment to the July 1, 2019 Consulting Services Agreement with Maher Accountancy for a term of one year from January 1, 2020 through December 31, 2020.

WHEREAS, Maher Accountancy has extensive experience providing accounting services to CCAs specifically, and it continues to provide service at competitive costs relative to similar services provided to other CCAs.

WHEREAS, EBCE would like to continue to benefit from Maher Accountancy’s expertise through December 31, 2021.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board of Directors hereby authorizes the CEO to negotiate and execute a Second Amendment to the Consulting Services Agreement with Maher Accountancy to extend the term through December 31, 2021, to increase the total compensation by an amount not to exceed \$210,000, and to update the monthly rates of compensation.

ADOPTED AND APPROVED this 18th day of November, 2020.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board

**Second Amendment to Consulting Services Agreement by and Between
East Bay Community Energy Authority and Maher Accountancy**

This Second Amendment to the Agreement with Maher Accountancy for Consulting Services (“Second Amendment”) is made this 18th day of November, 2020, by and between the East Bay Community Energy Authority, a Joint Powers Agency formed under the laws of the State of California (“EBCE”) and Maher Accountancy, a California corporation, for the purposes extending the termination date, adding additional compensation, and updating the monthly rates of compensation.

Recitals

- A. EBCE and Maher Accountancy entered into that certain Consulting Services Agreement dated July 1, 2019 (“Agreement”), wherein Maher Accountancy agreed to provide accounting services to EBCE, with compensation not to exceed \$99,000 through December 31, 2019.
- B. EBCE and Maher Accountancy entered into that certain First Amendment to the Consulting Services Agreement on December 3, 2019 to extend the term through December 31, 2020 and to increase the not-to-exceed amount by \$200,000 for a total amount not to exceed \$299,000.
- C. EBCE and Maher Accountancy now desire to further amend the Agreement to extend the term, to add additional compensation, increasing the not-to-exceed amount by \$210,000 for a total amount not to exceed \$509,000, and to update the monthly rates of compensation.

Now therefore, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- 1. Section 2 of the Agreement (“Term”) is amended to extend the term of the Agreement through December 31, 2021.
- 2. Section 6 of the Agreement (“Compensation and Payment”) is amended in part to increase the total compensation of the Agreement by \$210,000 for a total amount not to exceed five hundred nine thousand dollars (\$509,000)..
- 3. Exhibit E (“Compensation/Budget”) of the Agreement is replaced in its entirety by Exhibit E, attached hereto.
- 4. All other terms and conditions in the Agreement not otherwise modified by this Second Amendment will remain in full force and effect.

In witness whereof, the Parties have entered this Amendment on the date written above.

East Bay Community Energy Authority,
A Joint Powers Authority

Maher Accountancy
A California corporation

Nick Chaset
Chief Executive Officer

John W. Maher
President

Date: _____

Date: _____

Approved as to form:

Michael Maher
Vice President and Treasurer

EBCE General Counsel

Date: _____

Exhibit E

COMPENSATION/BUDGET

Compensation

Monthly Financial Operational Assistance Fee: **\$16,250**

Annual Financial Statement Audit Management Fee: **\$15,000**

The maximum compensation allowed under this Agreement is not to exceed \$509,000. The maximum compensation for the term of January 1, 2021 through December 31, 2021 is not to exceed **\$210,000**.

Additional services not included in the scope of this document will be subject to an additional charge as agreed upon by the parties.^[MG1]

Reimbursable Expenses:

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by EBCE and shall only be reimbursed to the extent consistent with EBCE's travel policy. Transaction fees for cloud-based accounts payable system (Bill.com) will be borne by EBCE.

Exhibit E

COMPENSATION/BUDGET

Compensation

Monthly Financial Operational Assistance Fee: **\$16,250**
Annual Financial Statement Audit Management Fee: **\$15,000**

The maximum compensation under this Agreement is **\$210,000**.

Additional services not included in the scope of this document will be subject to an additional charge as agreed upon by the parties.

Reimbursable Expenses:

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by EBCE and shall only be reimbursed to the extent consistent with EBCE's travel policy. Transaction fees for cloud-based accounts payable system (Bill.com) will be borne by EBCE.



Staff Report Item 7

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: CEO Report (Informational Item)
DATE: November 18, 2020

Recommendation

Accept Chief Executive Officer (CEO) report on update items below.

Executive Committee Meeting

The October and November meetings for The Executive Committee were cancelled. A Special Executive Committee Meeting will be held on Friday December 4, 2020 at 12 pm.

Finance, Administration and Procurement Subcommittee Meeting

No meeting for the Finance, Administration and Procurement Subcommittee took place in the month of November. The next meeting will be held on December 11, 2020 at 3 pm.

Marketing Regulatory and Legislative Subcommittee Meeting

The Marketing, Regulatory and Legislative Subcommittee met on Thursday November 5, 2020 and received updates from both the Marketing and Account Services Team and the Policy Team. There is no meeting scheduled for the month of December.

Marketing and Account Services Update

Summary of Customer Awareness Survey

In October, EBCE Staff coordinated 300 online surveys of people within zip codes in our current service area. The survey focused on queries about sources of news and information, ranking of importance of various energy topics, and awareness of EBCE.

Highlights of the survey results include:

- 300 surveys completed within current service territory.
- Top news/information sources are website-based news, television, and family/friends/neighbors.
- Facebook is the most used social media platform.
- Reliable electricity is extremely important, followed by low rates.
- 26% of respondents said they were thinking of buying an electric vehicle in the next year.
- 35% of respondents said they were familiar with EBCE.

The full survey results report is provided as an attachment.

PSPS and Flex Alert Emails

The EBCE service territory experienced two PSPS events in October. Below is a summary of the impact:

| Start Date | Total Impacted Customers | Impacted Medical Baseline Customers | Impacted Areas |
|------------|--------------------------|-------------------------------------|---|
| 10/14/20 | 4,679 | 159 | Montclair/Piedmont Pines area in Oakland, Vasco Road in Livermore, and southeastern Fremont/unincorporated Alameda County near Calaveras Road. |
| 10/25/20 | 13,575 | 570 | Berkeley/Oakland Hills, 35th Ave south of 580, Lake Chabot, Niles Canyon, Calaveras Road, Mines Road, Del Valle Reservoir, Vasco Road, Tassajara Road, Eden Canyon, Palomares Hills, Crow Canyon Roads. |

EBCE supported customers during the PSPS events by posting updates to our website and social media accounts, as well as reaching out via email to impacted customers prior to the event.

The California Independent System Operator issued a Flex Alert on October 15, asking electricity consumers to reduce their use between 3 PM and 10 PM on that day. In response, EBCE staff providing messaging to our member JPA partners, posted information on social media, and posted information on our website. Additionally, we emailed nearly 2,000 commercial customers and over 43,500 residential customers that are voluntary time-of-use rates to ask them to conserve during the critical period. These customers were selected as a population that has already made a proactive decision to be on a rate that is time-dependent and are therefore more likely to respond to this call for action.

Power Content Label Mailer

During the week of November 9th, the Power Content Label mailer will be sent to customers who were served by EBCE during calendar year 2019. Customers with a valid email address on record will receive the mailer electronically. All other customers will receive a postcard mailer. Specific figures on open rates and mailer numbers will be provided next month. The final version of the mailer is provided as an attachment.

Attachments

- A. EBCE Customer Survey Report - October 2020
- B. Final EBCE Power Content Label Mailer



EBCE MARKET AWARENESS SURVEY OCT 2020

EBCE MARKET AWARENESS SURVEY OCT 2020

EXECUTIVE SUMMARY

1. 300 Surveys within current service territory
2. Top news/information sources are website-based news, television, and family/friends/neighbors
3. Facebook is the most used social media platform
4. Reliable electricity is extremely important, followed by low rates
5. 26% of respondents said they were thinking of buying an electric vehicle in the next year
6. 35% of respondents said they were familiar with EBCE



SPECIFICATIONS:

Responses: 300/300

Launched: October 08 2020

Completed: October 16 2020

TARGET MARKET:

Country: United States

Location: Postal ZIP codes: 94536, 94538,

94539, 94541, 94542, 94544, 94545,

94546, 94550, 94551, 94552, 94555,

94568, 94577, 94578, 94579, 94580,

94586, 94587, 94601, 94602, 94603,

94605, 94606, 94607, 94608, 94609,

94610, 94611, 94612, 94613, 94618,

94619, 94621, 94702, 94703, 94704,

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94557, 94604, 94614, 94615, 94617,

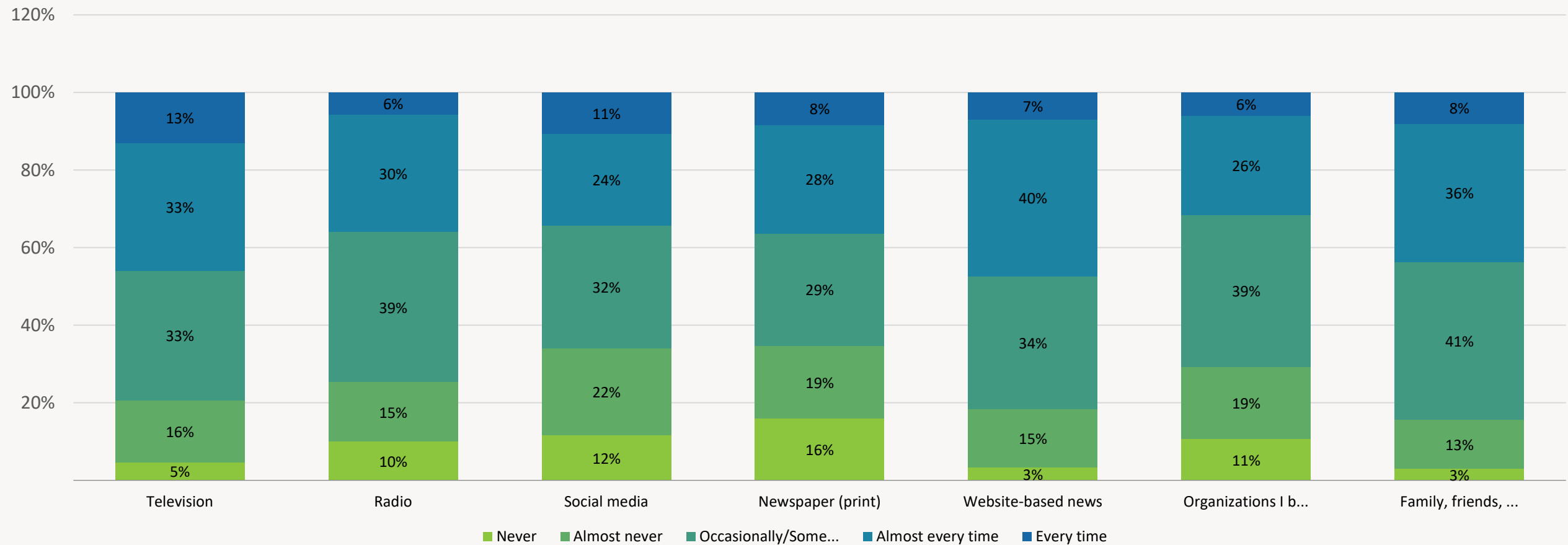
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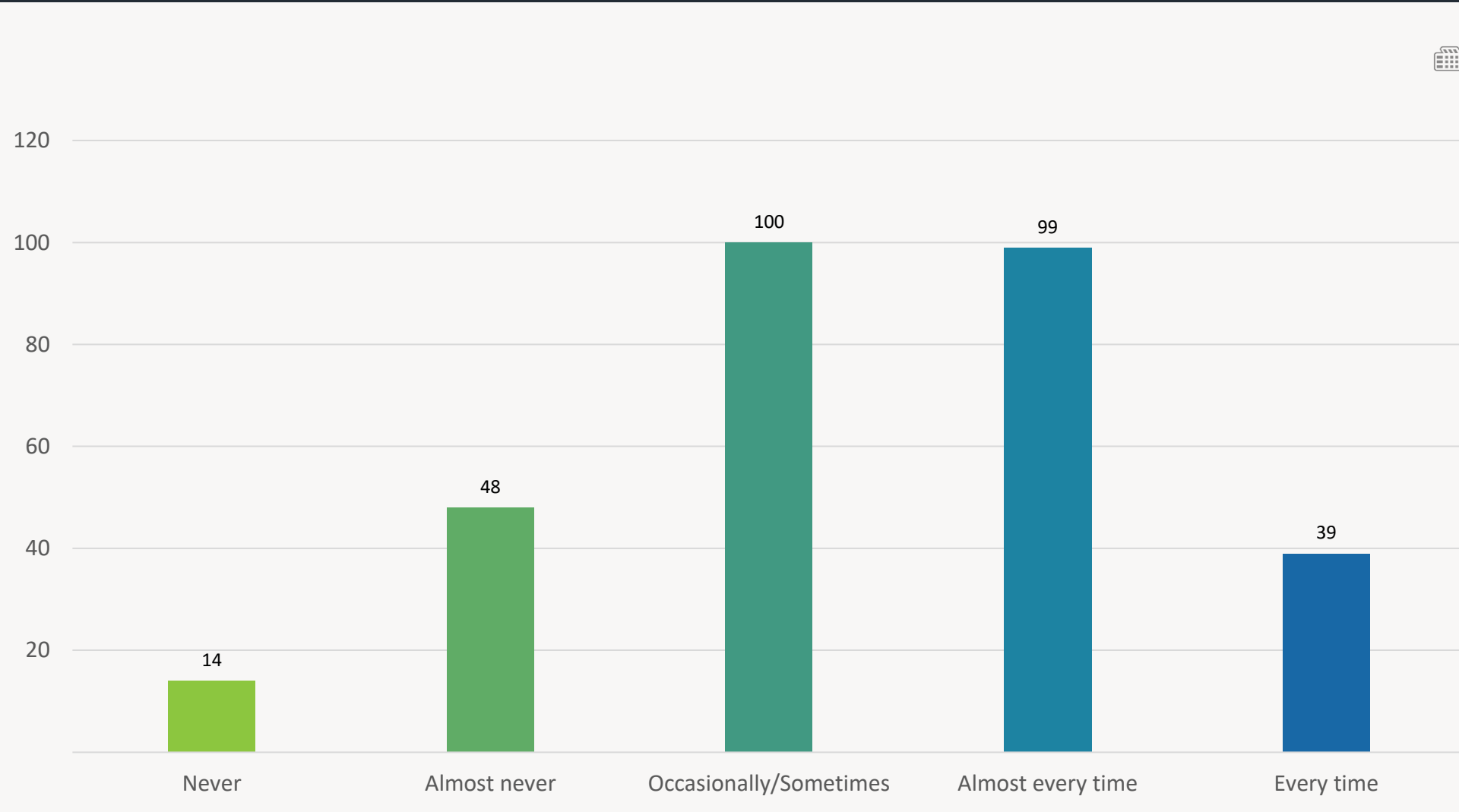
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94701, 94712

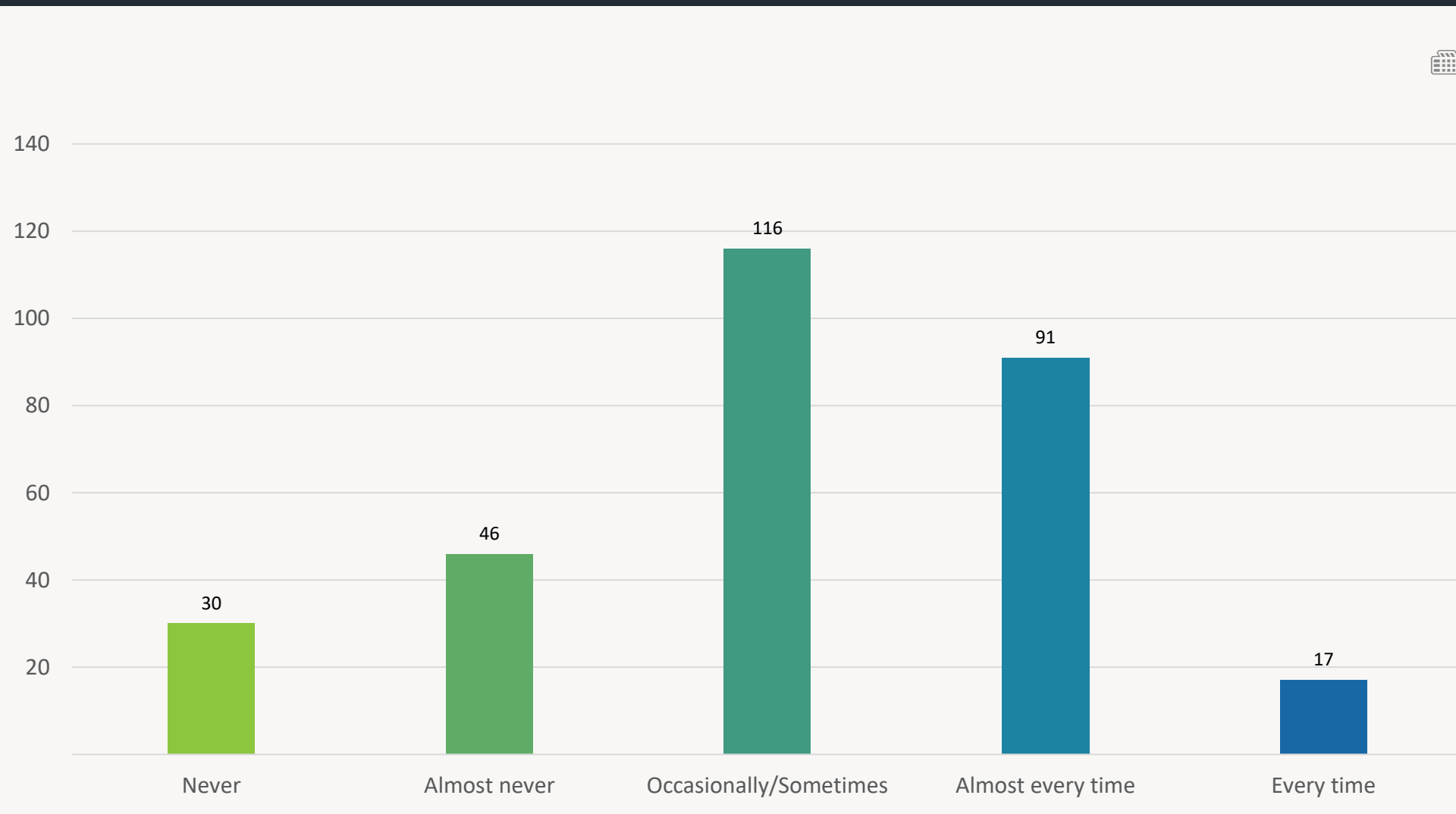
Language: English

Age Range: 18 - 65+ years old

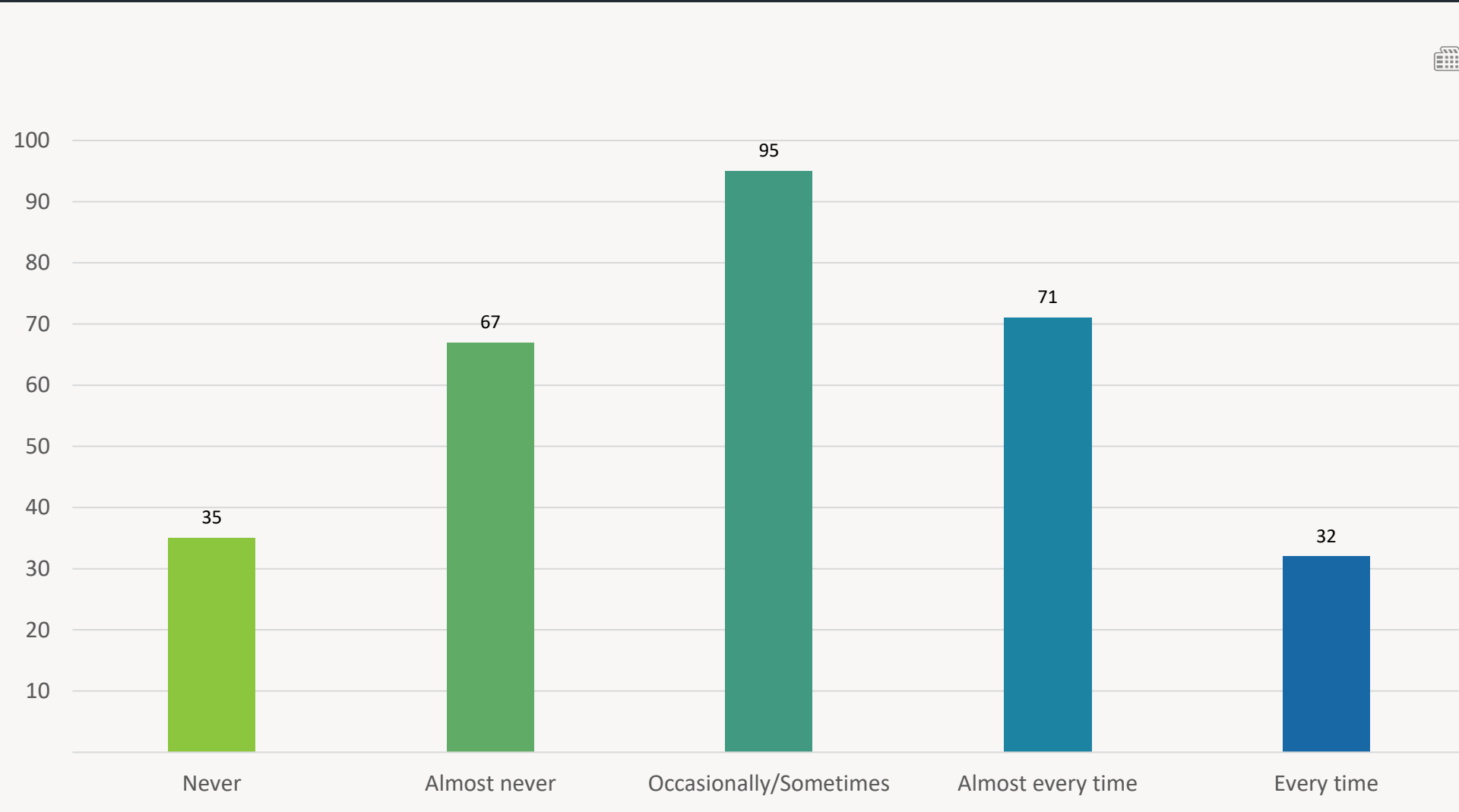




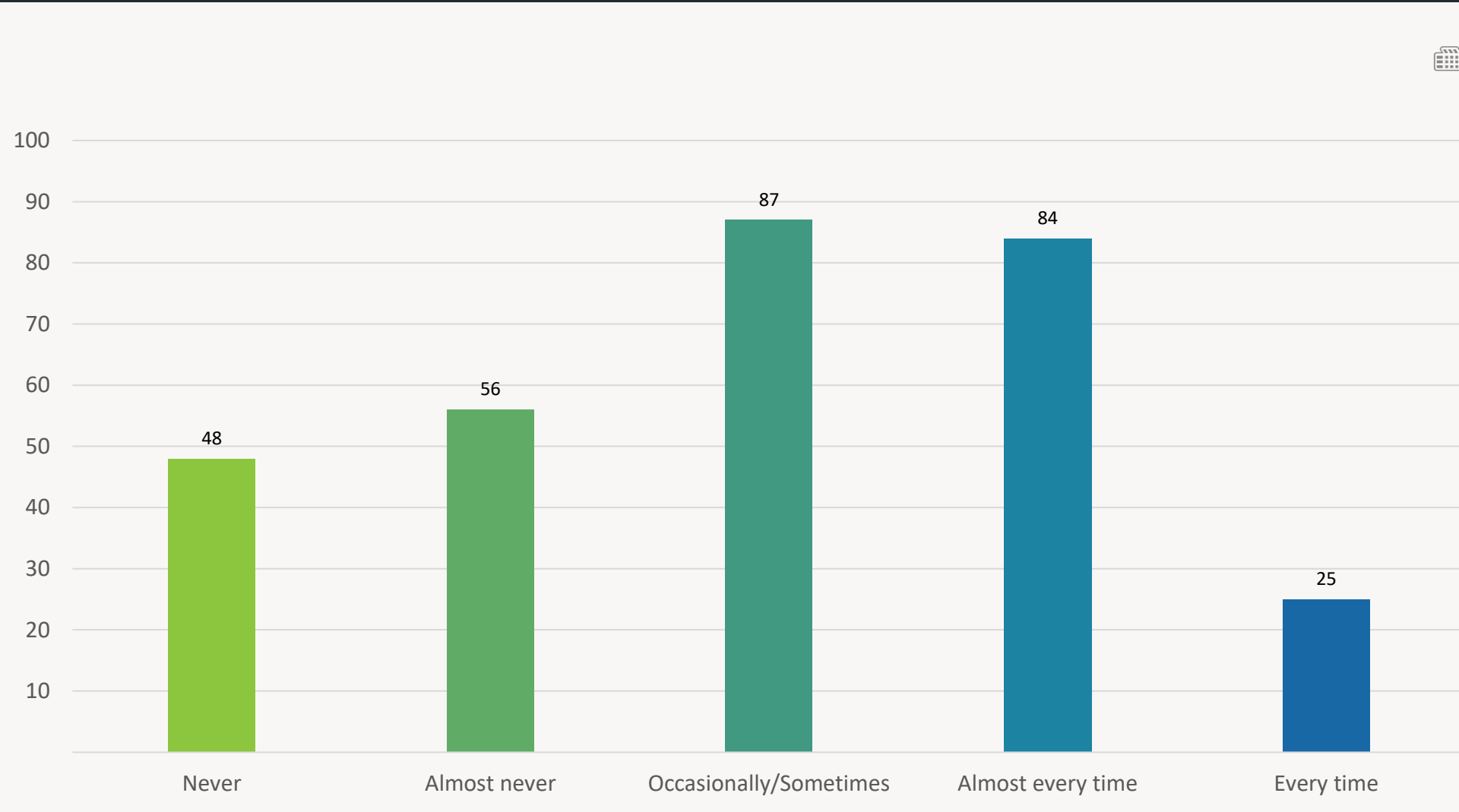
| | | |
|----|------------------------|-------------|
| A1 | Never | 4.67%(14) |
| A2 | Almost never | 16.0%(48) |
| A3 | Occasionally/Sometimes | 33.33%(100) |
| A4 | Almost every time | 33.0%(99) |
| A5 | Every time | 13.0%(39) |



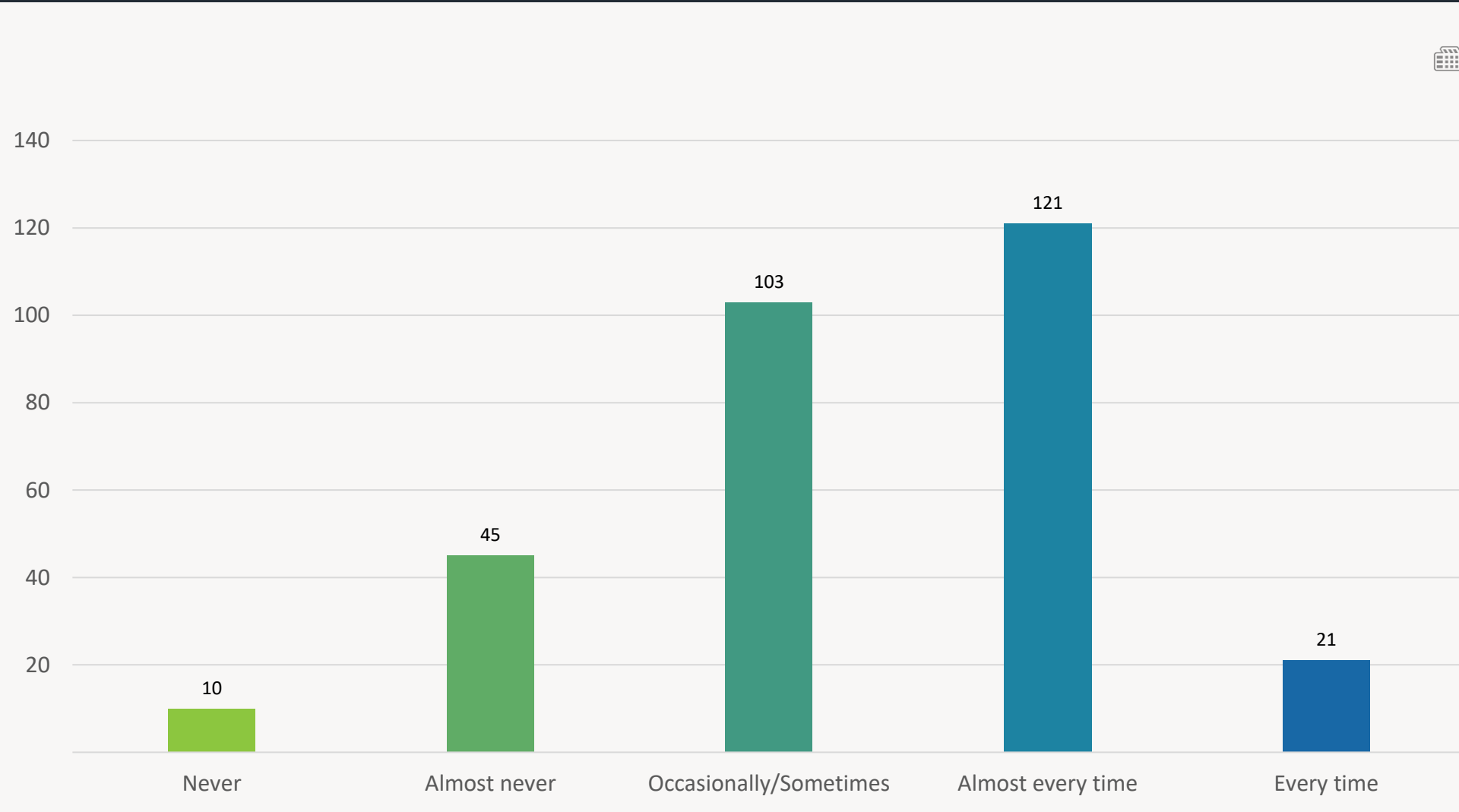
| | | |
|----|------------------------|-------------|
| A1 | Never | 10.0%(30) |
| A2 | Almost never | 15.33%(46) |
| A3 | Occasionally/Sometimes | 38.67%(116) |
| A4 | Almost every time | 30.33%(91) |
| A5 | Every time | 5.67%(17) |



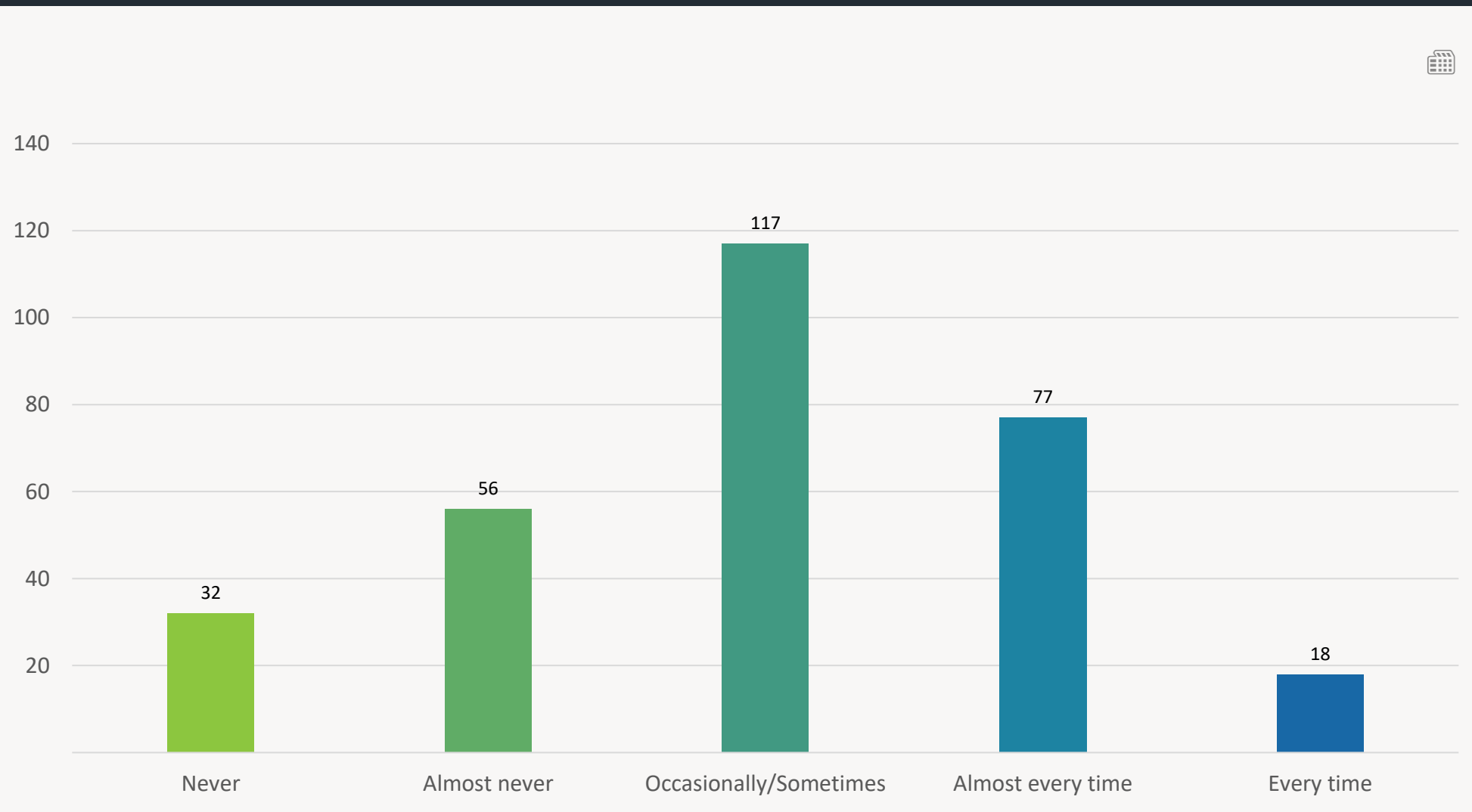
| | | |
|----|------------------------|------------|
| A1 | Never | 11.67%(35) |
| A2 | Almost never | 22.33%(67) |
| A3 | Occasionally/Sometimes | 31.67%(95) |
| A4 | Almost every time | 23.67%(71) |
| A5 | Every time | 10.67%(32) |



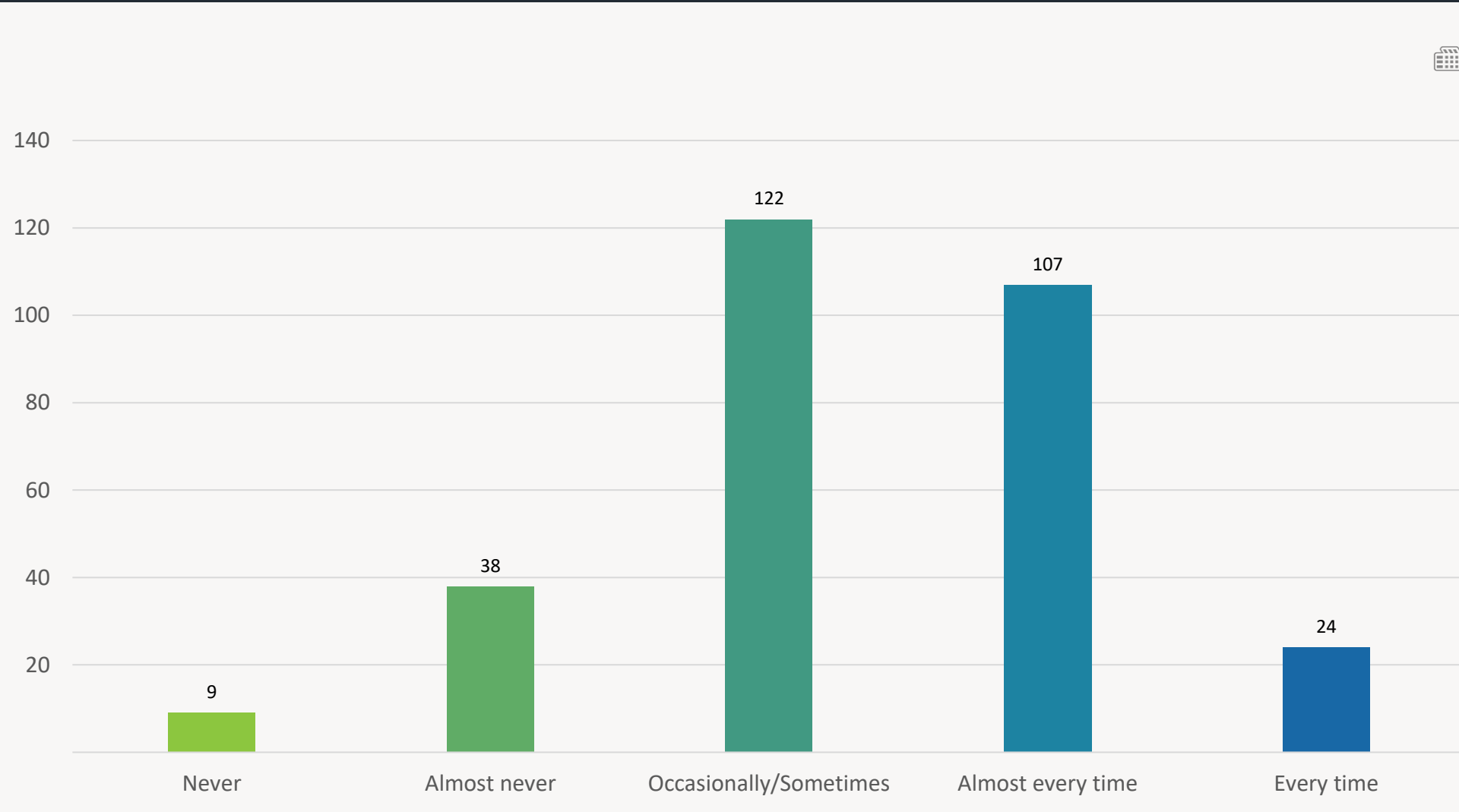
| | | |
|----|------------------------|------------|
| A1 | Never | 16.0%(48) |
| A2 | Almost never | 18.67%(56) |
| A3 | Occasionally/Sometimes | 29.0%(87) |
| A4 | Almost every time | 28.0%(84) |
| A5 | Every time | 8.33%(25) |



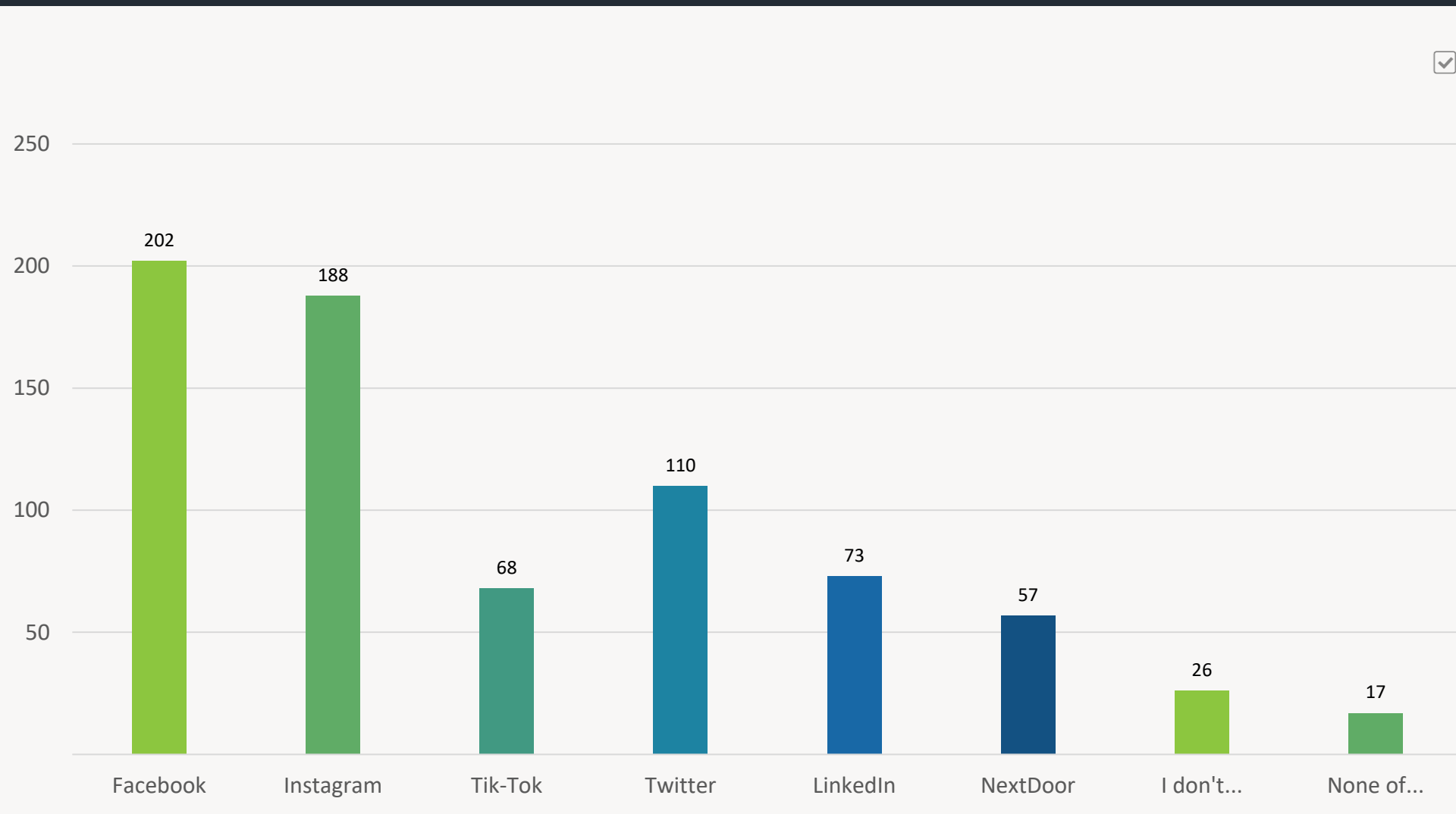
| | | |
|----|------------------------|-------------|
| A1 | Never | 3.33%(10) |
| A2 | Almost never | 15.0%(45) |
| A3 | Occasionally/Sometimes | 34.33%(103) |
| A4 | Almost every time | 40.33%(121) |
| A5 | Every time | 7.0%(21) |



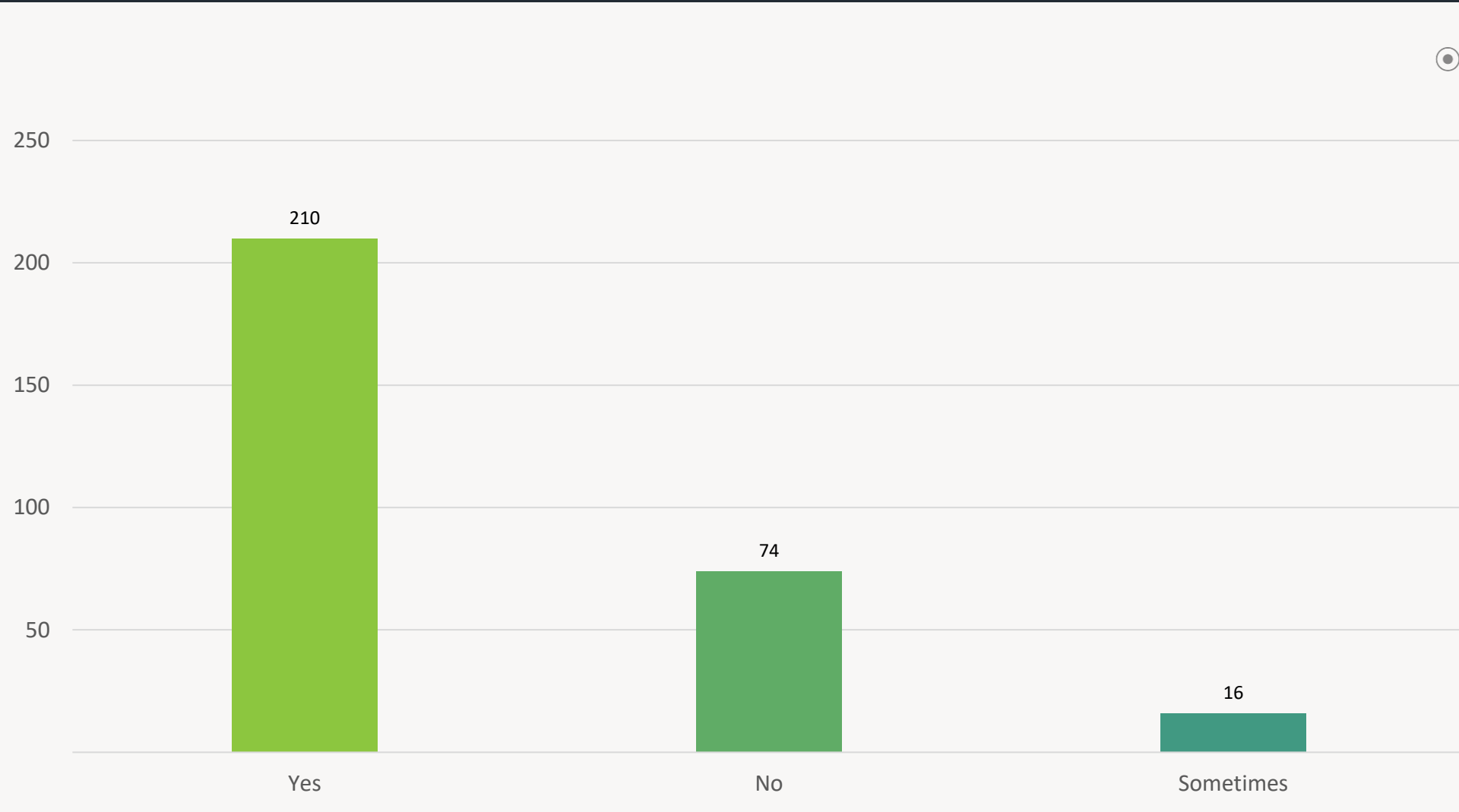
| | | |
|----|------------------------|------------|
| A1 | Never | 10.67%(32) |
| A2 | Almost never | 18.67%(56) |
| A3 | Occasionally/Sometimes | 39.0%(117) |
| A4 | Almost every time | 25.67%(77) |
| A5 | Every time | 6.0%(18) |



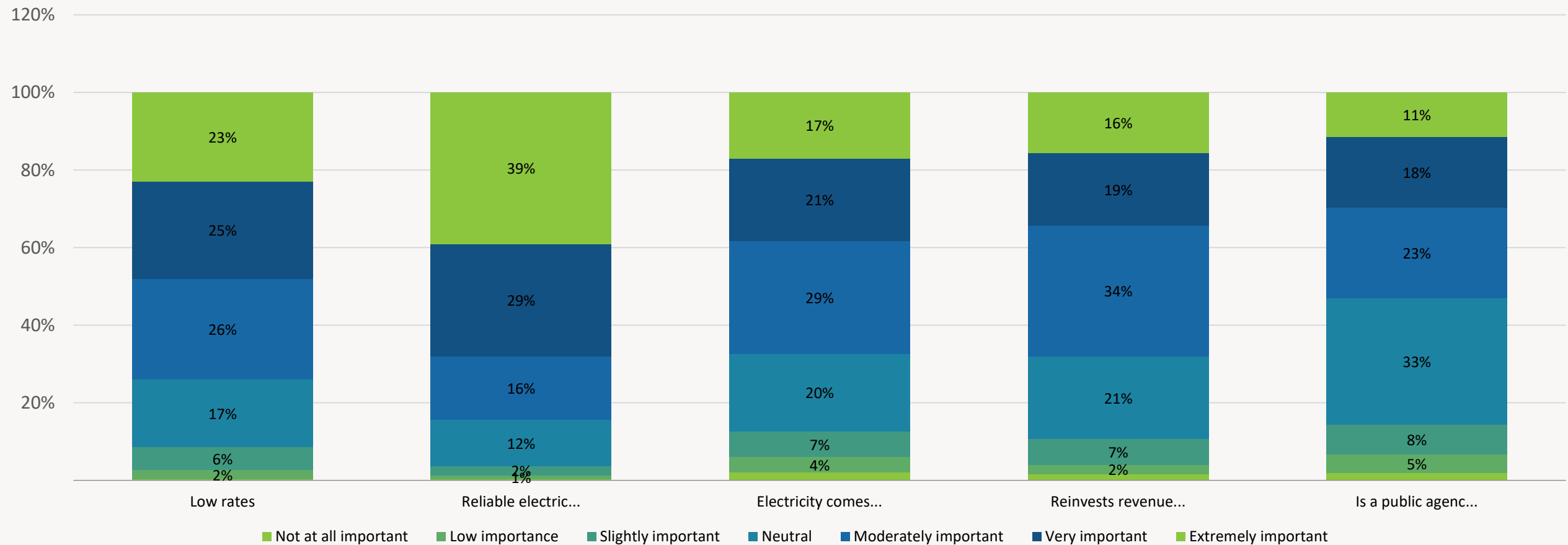
| | | |
|----|------------------------|-------------|
| A1 | Never | 3.0%(9) |
| A2 | Almost never | 12.67%(38) |
| A3 | Occasionally/Sometimes | 40.67%(122) |
| A4 | Almost every time | 35.67%(107) |
| A5 | Every time | 8.0%(24) |

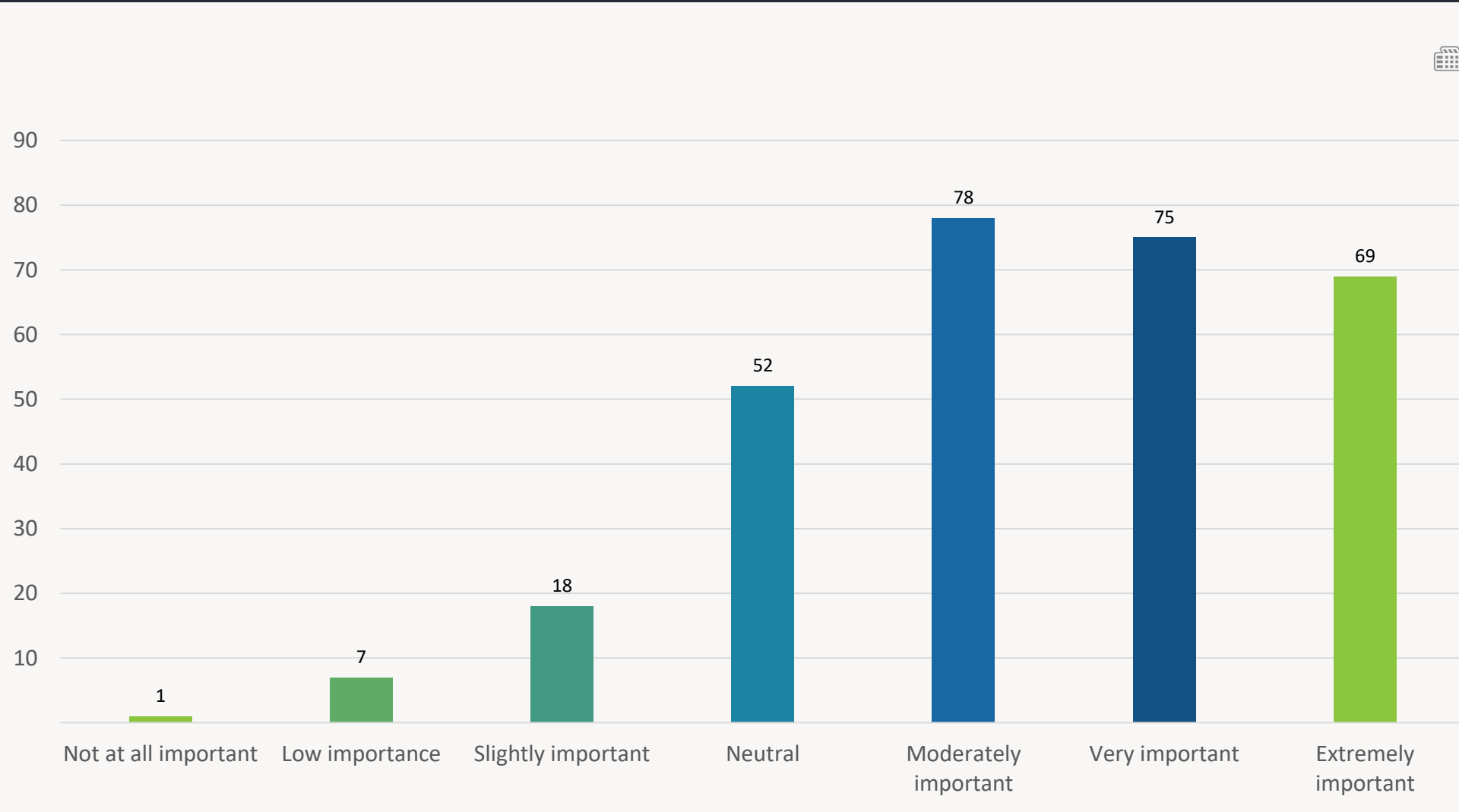


| | | |
|----|--------------------------|--------------|
| A1 | Facebook | 67.33% (202) |
| A2 | Instagram | 62.67% (188) |
| A3 | Tik-Tok | 22.67% (68) |
| A4 | Twitter | 36.67% (110) |
| A5 | LinkedIn | 24.33% (73) |
| A6 | NextDoor | 19.0% (57) |
| A7 | I don't use social media | 8.67% (26) |
| A8 | None of the above | 5.67% (17) |

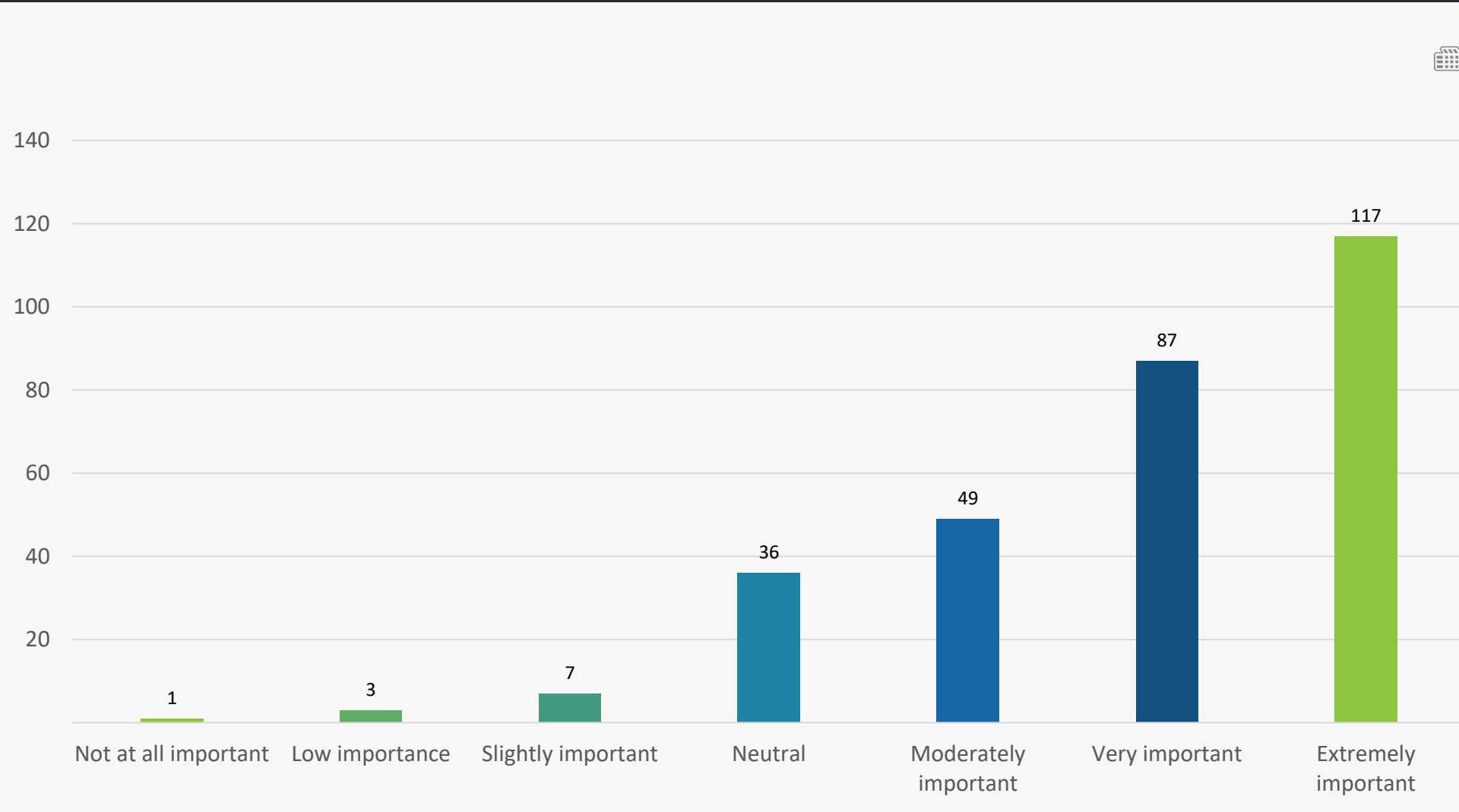


| | | |
|----|-----------|-------------|
| A1 | Yes | 70.0% (210) |
| A2 | No | 24.67% (74) |
| A3 | Sometimes | 5.33% (16) |

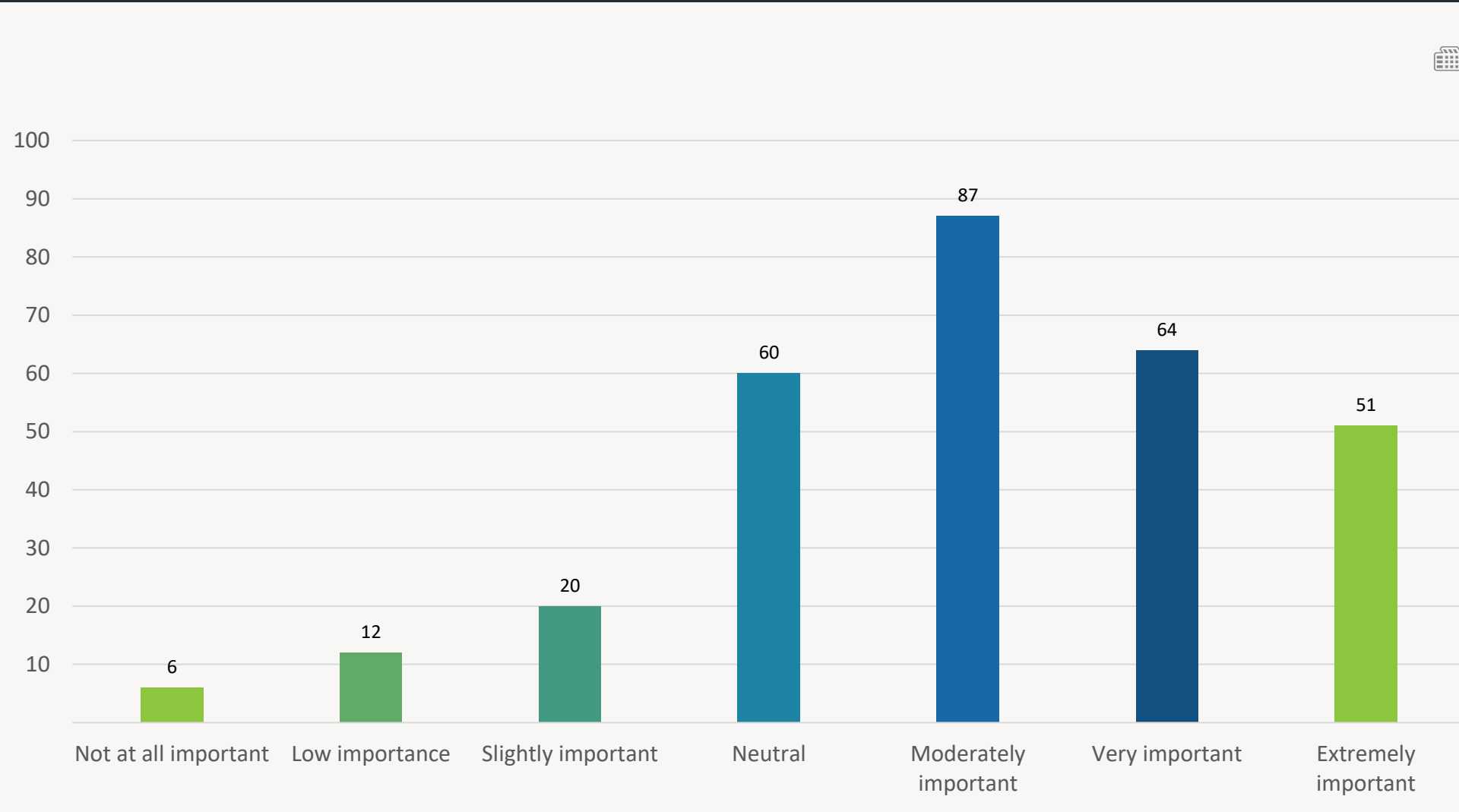




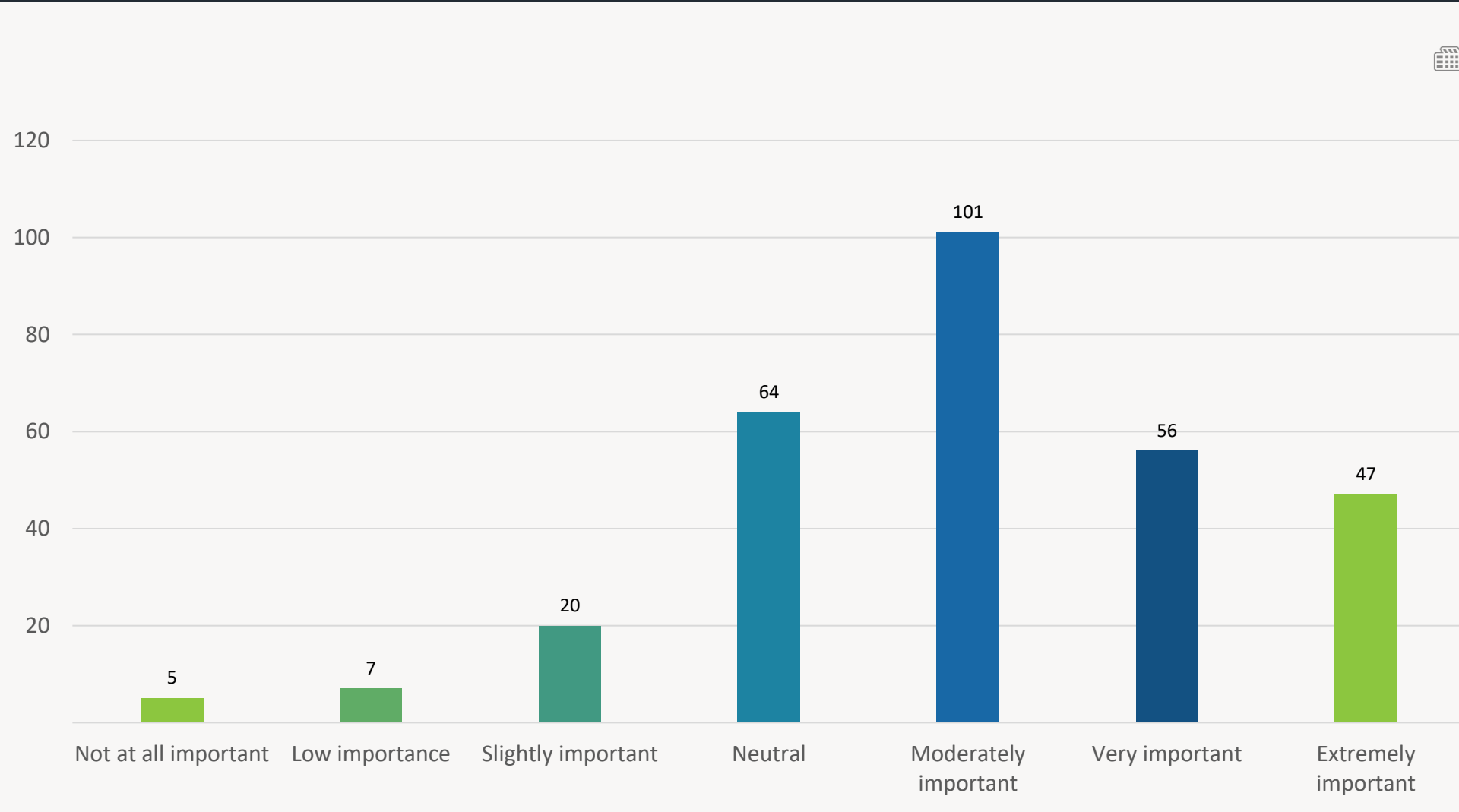
| | | |
|----|----------------------|------------|
| A1 | Not at all important | 0.33%(1) |
| A2 | Low importance | 2.33%(7) |
| A3 | Slightly important | 6.0%(18) |
| A4 | Neutral | 17.33%(52) |
| A5 | Moderately important | 26.0%(78) |
| A6 | Very important | 25.0%(75) |
| A7 | Extremely important | 23.0%(69) |



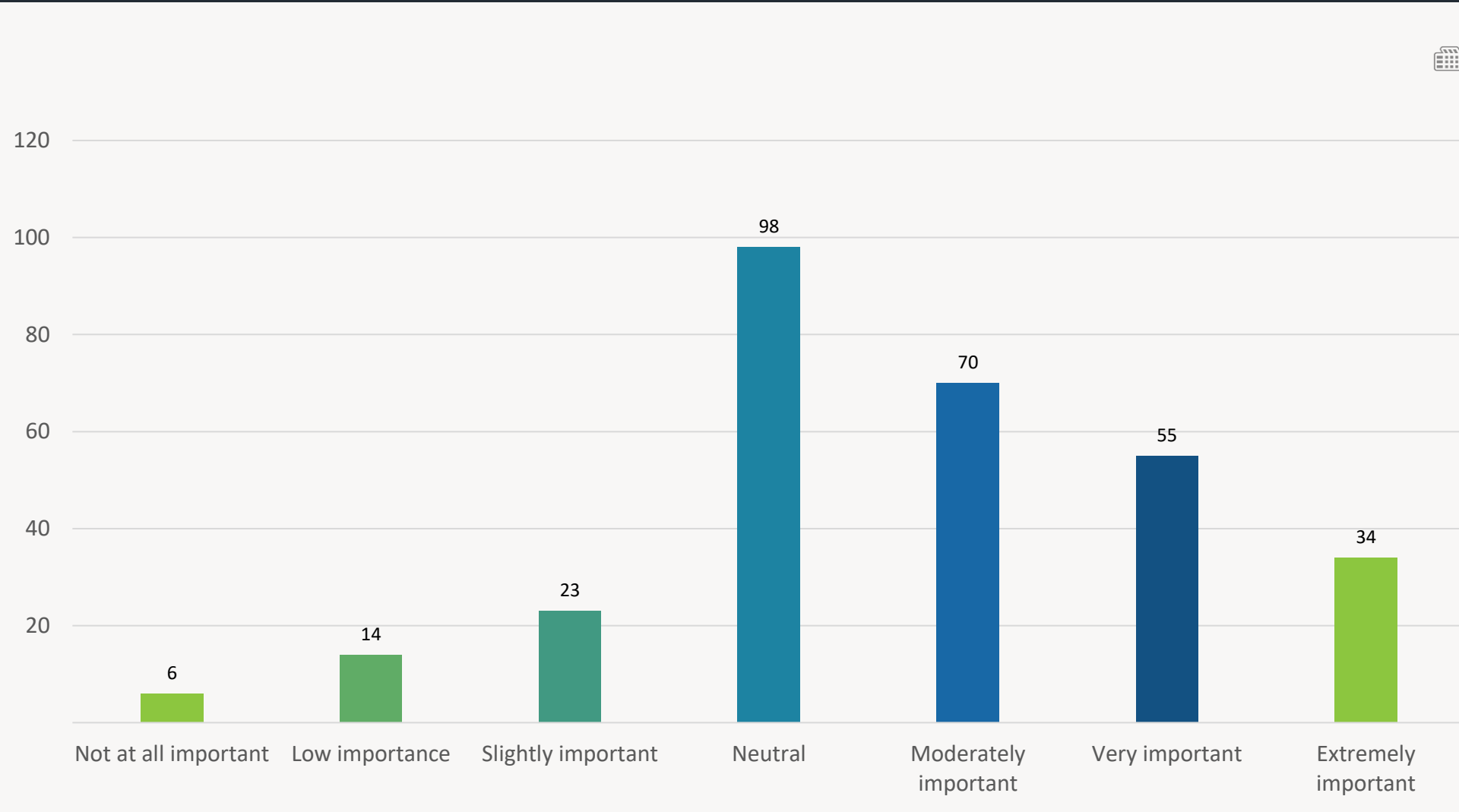
| | | |
|----|----------------------|------------|
| A1 | Not at all important | 0.33%(1) |
| A2 | Low importance | 1.0%(3) |
| A3 | Slightly important | 2.33%(7) |
| A4 | Neutral | 12.0%(36) |
| A5 | Moderately important | 16.33%(49) |
| A6 | Very important | 29.0%(87) |
| A7 | Extremely important | 39.0%(117) |



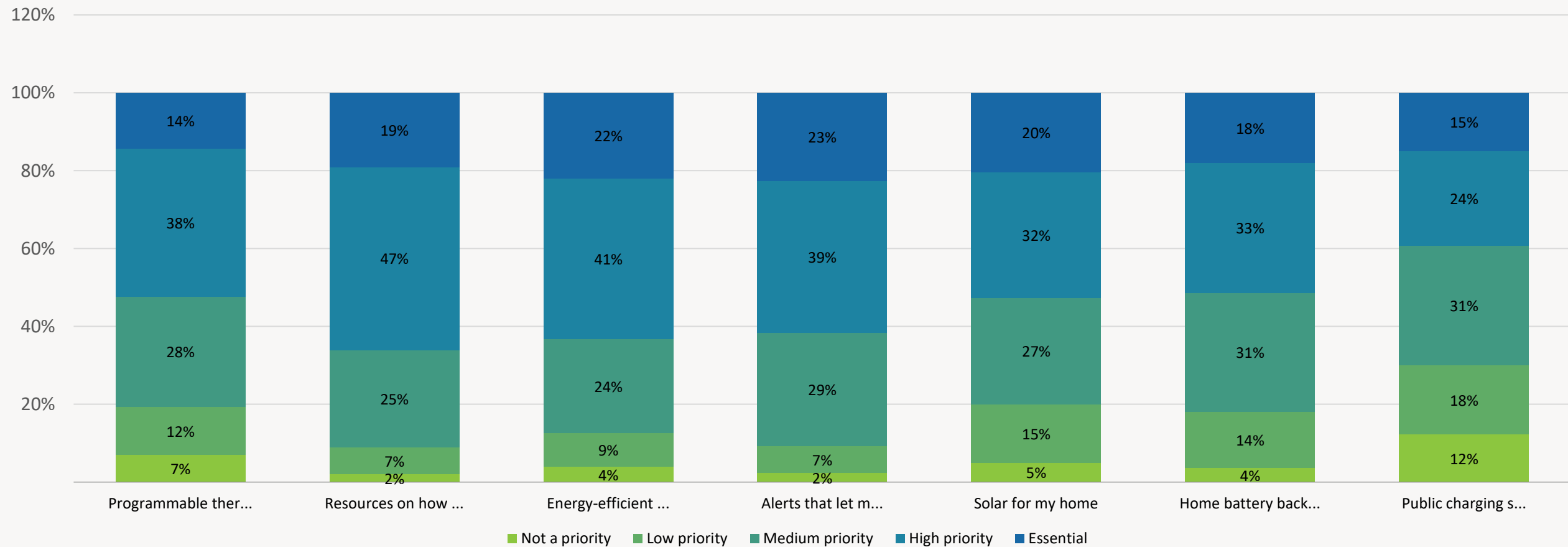
| | | |
|----|----------------------|------------|
| A1 | Not at all important | 2.0%(6) |
| A2 | Low importance | 4.0%(12) |
| A3 | Slightly important | 6.67%(20) |
| A4 | Neutral | 20.0%(60) |
| A5 | Moderately important | 29.0%(87) |
| A6 | Very important | 21.33%(64) |
| A7 | Extremely important | 17.0%(51) |

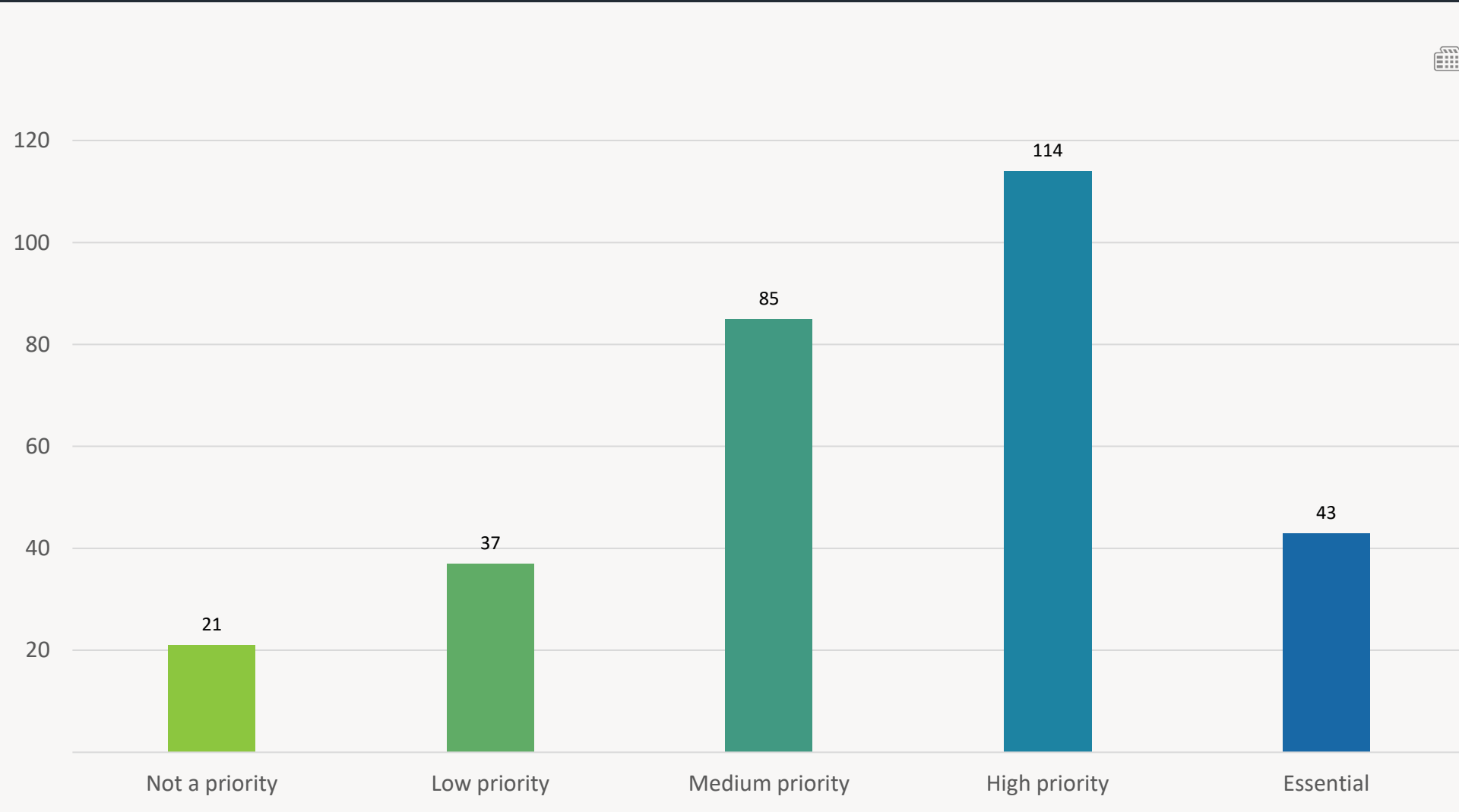


| | | |
|----|----------------------|-------------|
| A1 | Not at all important | 1.67%(5) |
| A2 | Low importance | 2.33%(7) |
| A3 | Slightly important | 6.67%(20) |
| A4 | Neutral | 21.33%(64) |
| A5 | Moderately important | 33.67%(101) |
| A6 | Very important | 18.67%(56) |
| A7 | Extremely important | 15.67%(47) |

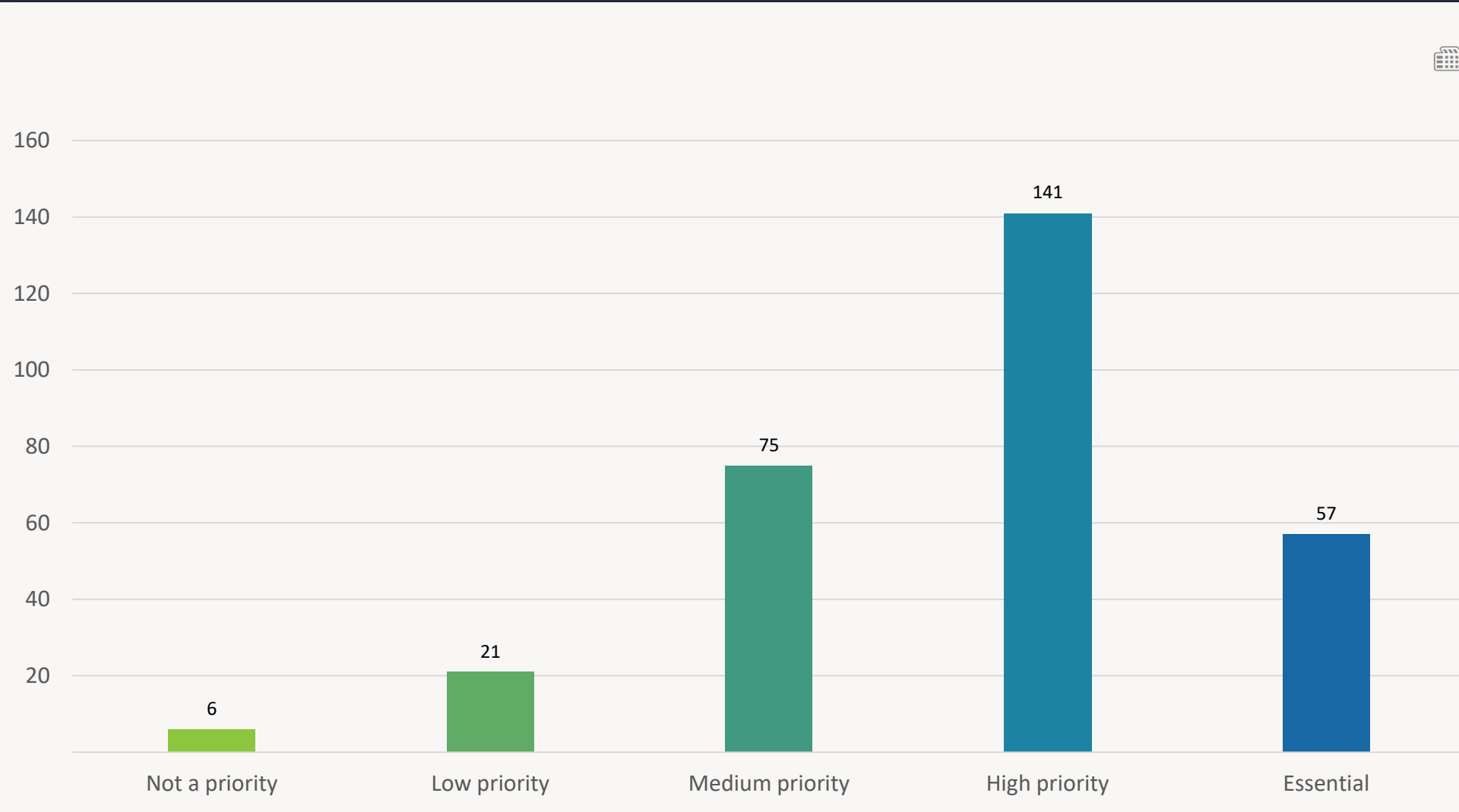


| | | |
|----|----------------------|------------|
| A1 | Not at all important | 2.0%(6) |
| A2 | Low importance | 4.67%(14) |
| A3 | Slightly important | 7.67%(23) |
| A4 | Neutral | 32.67%(98) |
| A5 | Moderately important | 23.33%(70) |
| A6 | Very important | 18.33%(55) |
| A7 | Extremely important | 11.33%(34) |

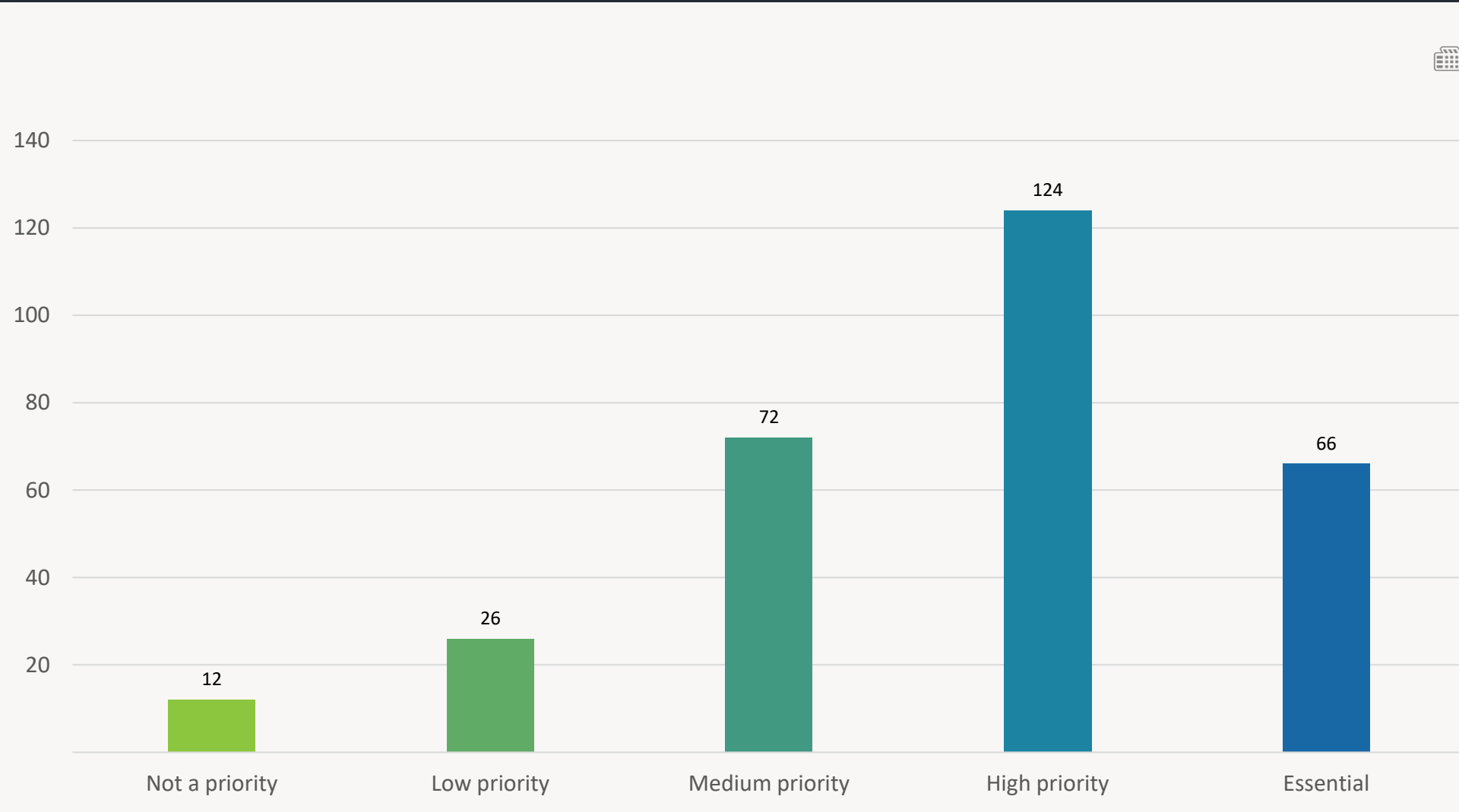




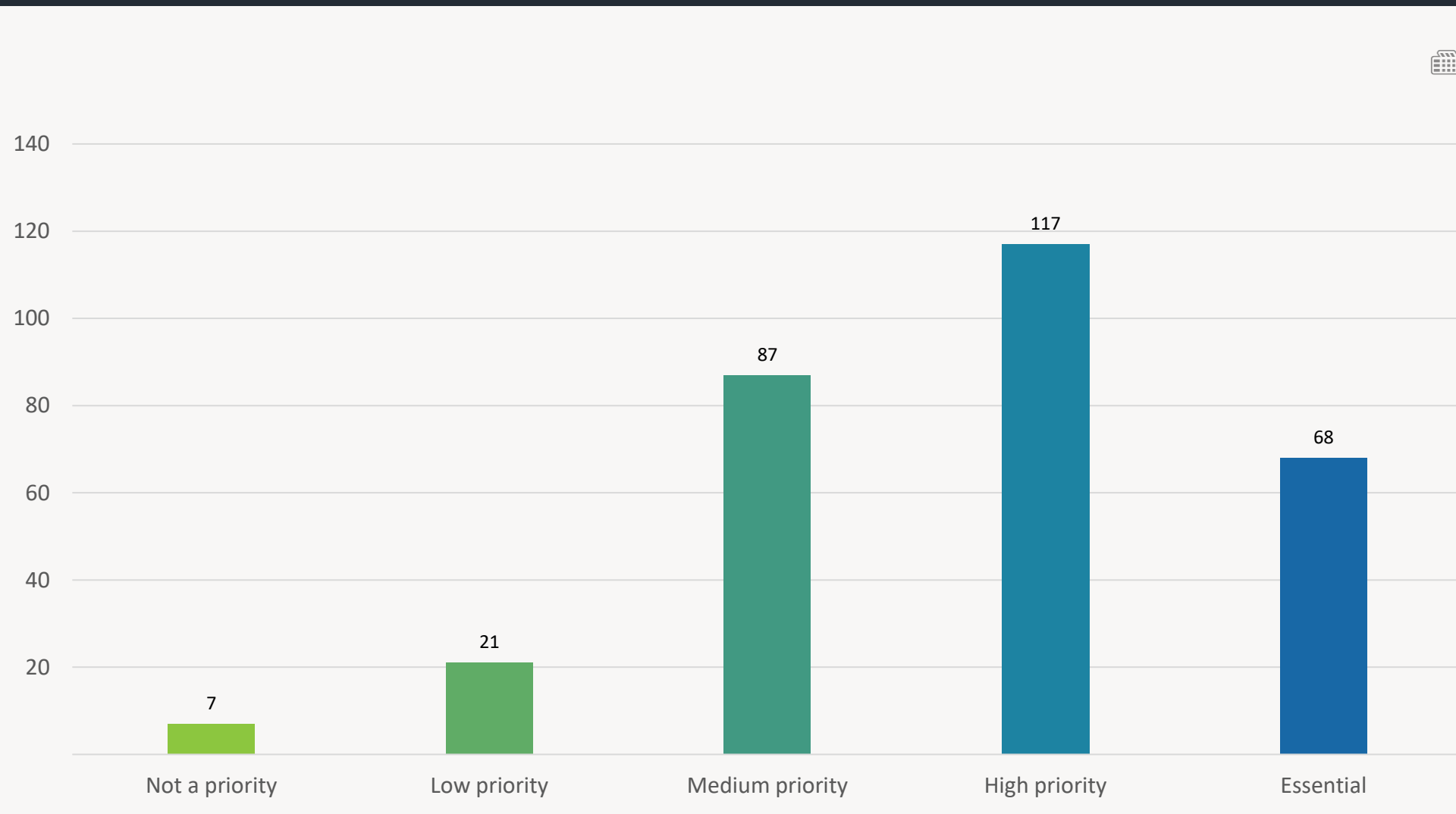
| | | |
|----|-----------------|------------|
| A1 | Not a priority | 7.0%(21) |
| A2 | Low priority | 12.33%(37) |
| A3 | Medium priority | 28.33%(85) |
| A4 | High priority | 38.0%(114) |
| A5 | Essential | 14.33%(43) |



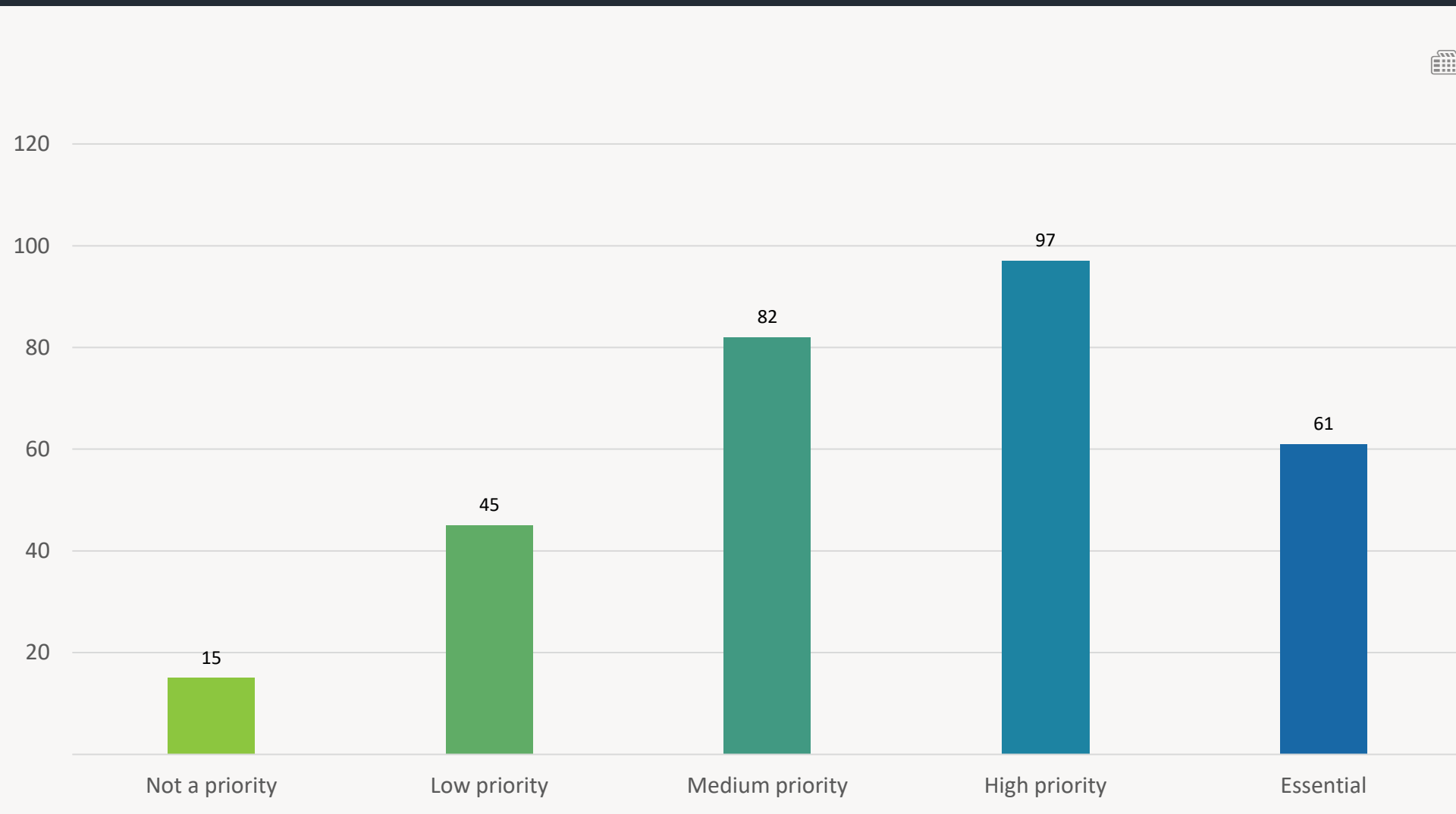
| | | |
|----|-----------------|------------|
| A1 | Not a priority | 2.0%(6) |
| A2 | Low priority | 7.0%(21) |
| A3 | Medium priority | 25.0%(75) |
| A4 | High priority | 47.0%(141) |
| A5 | Essential | 19.0%(57) |



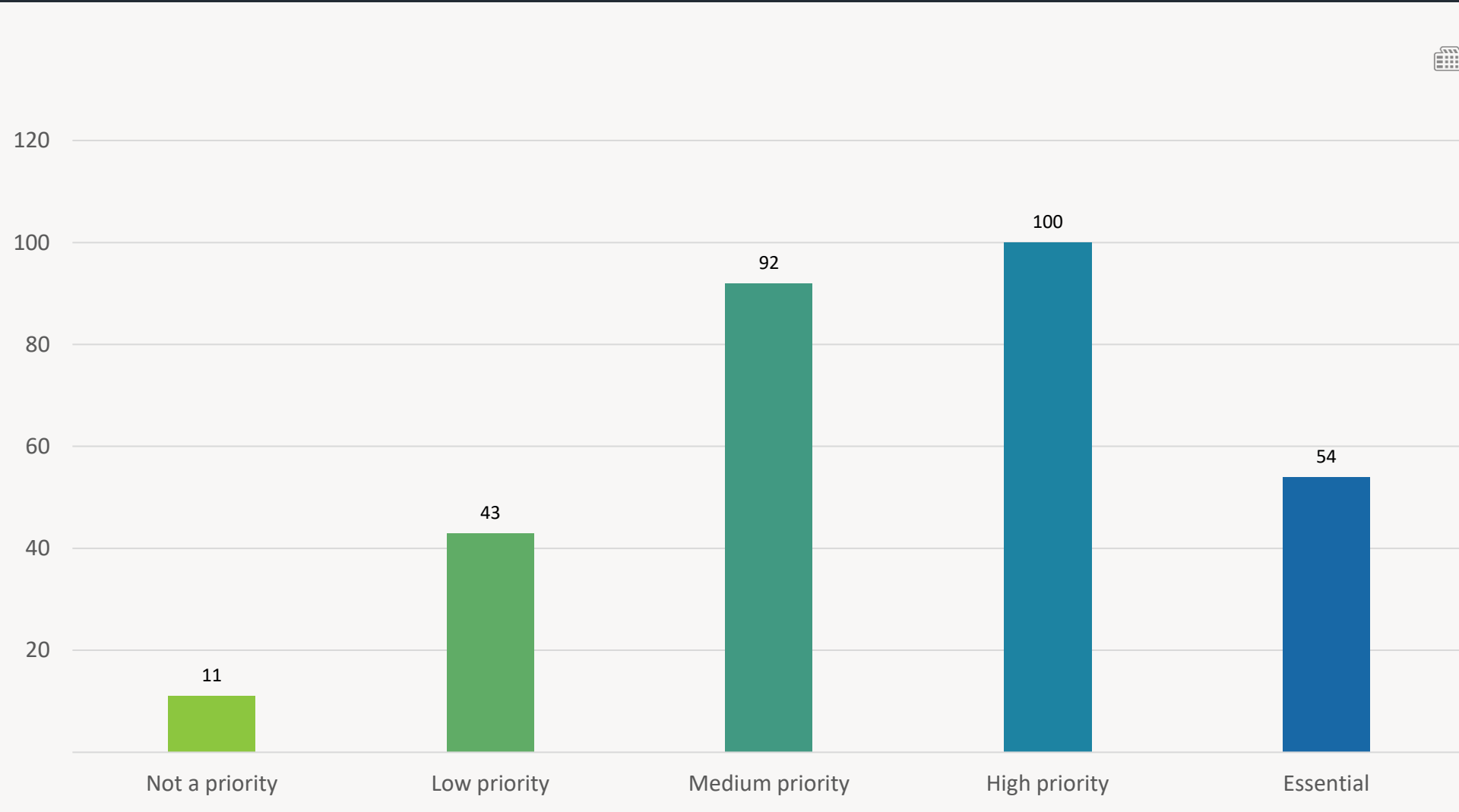
| | | |
|----|-----------------|-------------|
| A1 | Not a priority | 4.0%(12) |
| A2 | Low priority | 8.67%(26) |
| A3 | Medium priority | 24.0%(72) |
| A4 | High priority | 41.33%(124) |
| A5 | Essential | 22.0%(66) |



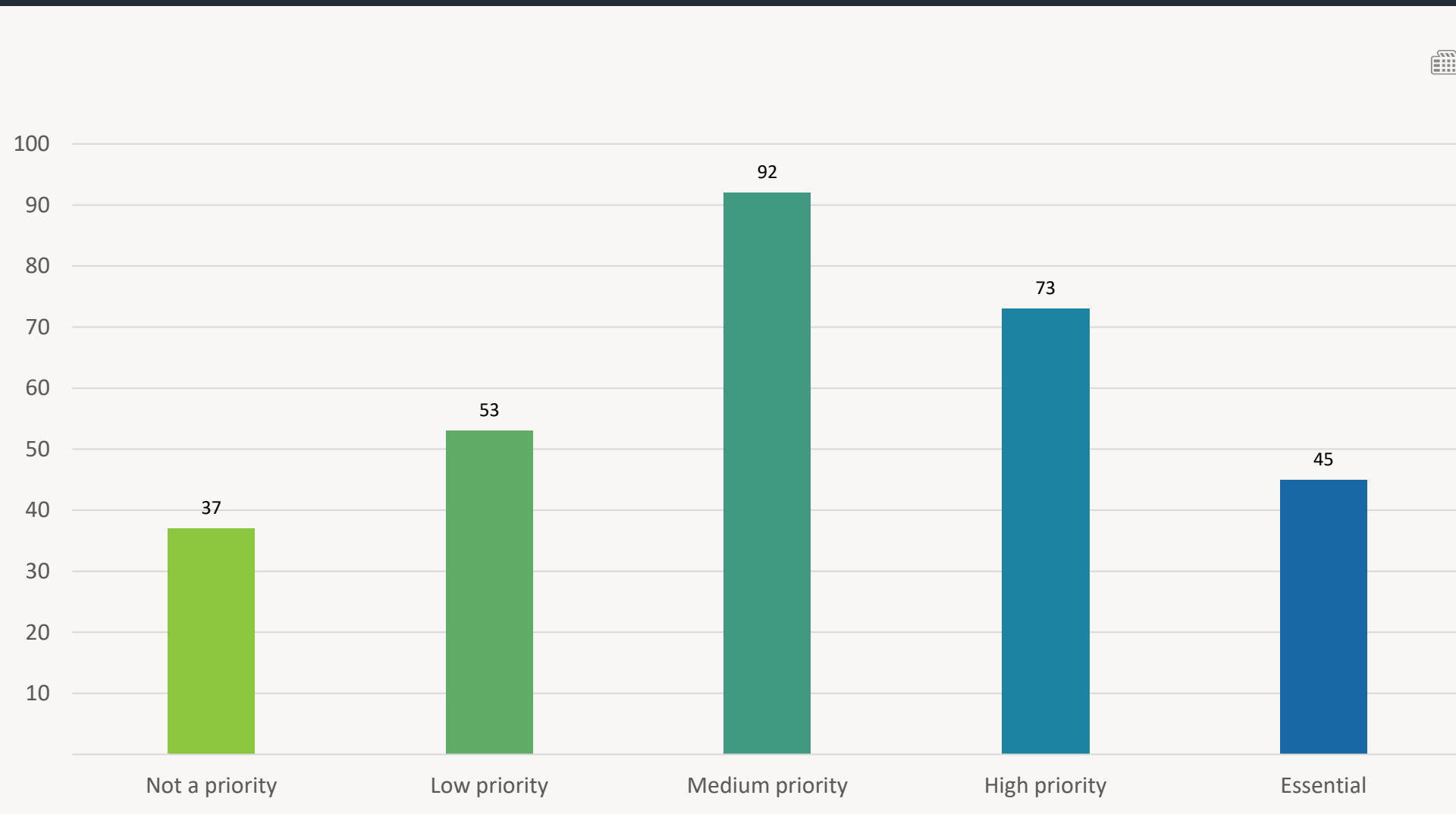
| | | |
|----|-----------------|------------|
| A1 | Not a priority | 2.33%(7) |
| A2 | Low priority | 7.0%(21) |
| A3 | Medium priority | 29.0%(87) |
| A4 | High priority | 39.0%(117) |
| A5 | Essential | 22.67%(68) |



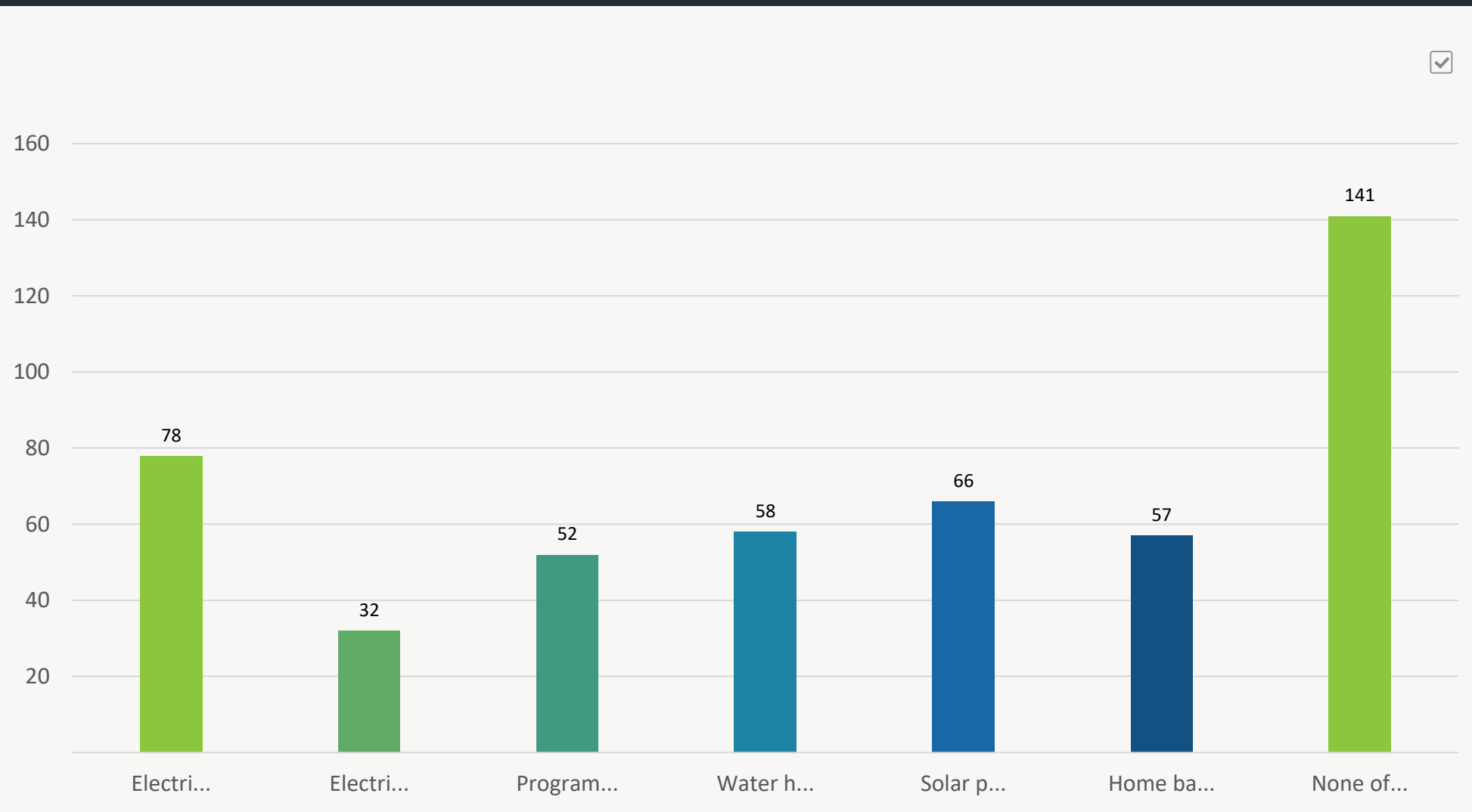
| | | |
|----|-----------------|------------|
| A1 | Not a priority | 5.0%(15) |
| A2 | Low priority | 15.0%(45) |
| A3 | Medium priority | 27.33%(82) |
| A4 | High priority | 32.33%(97) |
| A5 | Essential | 20.33%(61) |



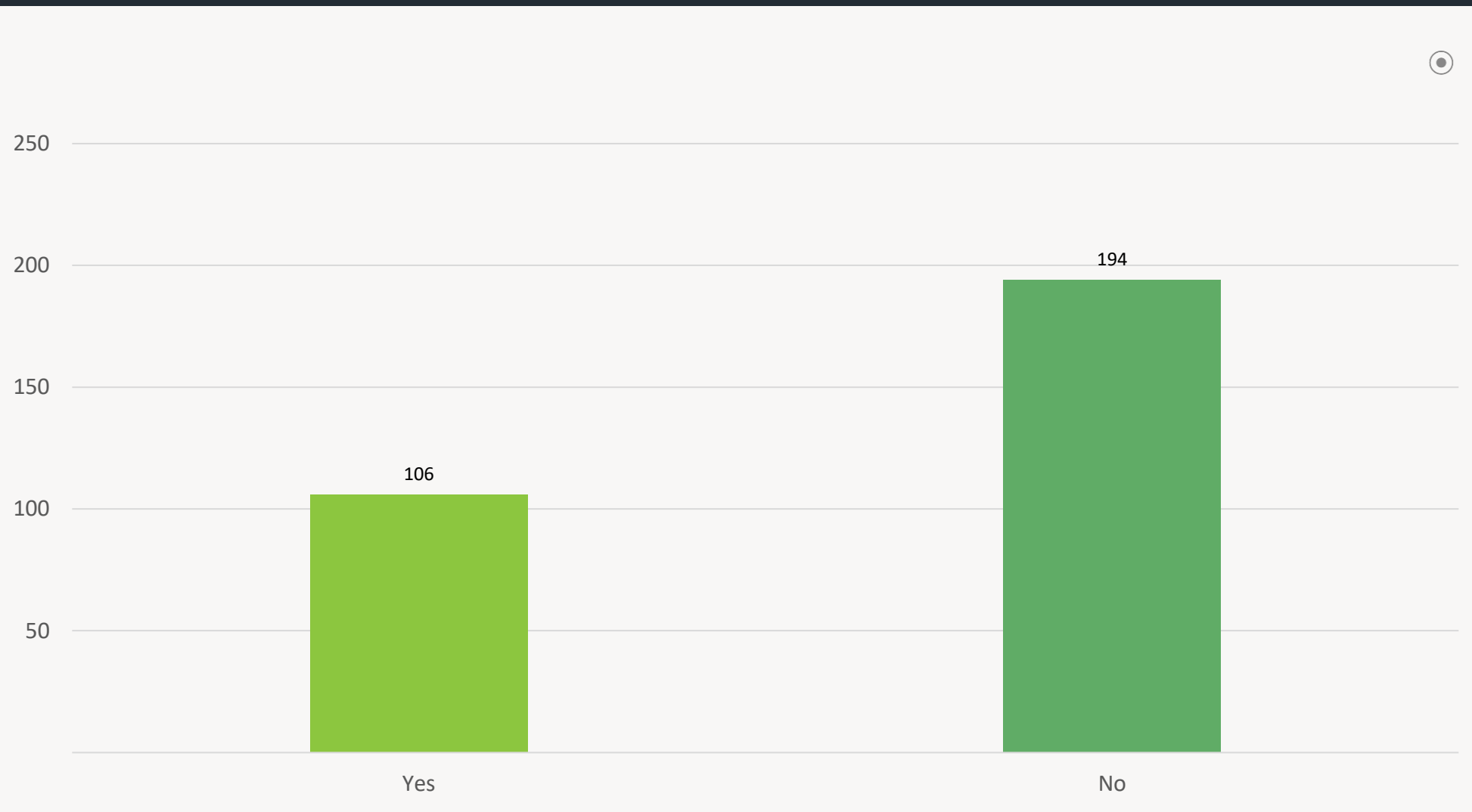
| | | |
|----|-----------------|-------------|
| A1 | Not a priority | 3.67%(11) |
| A2 | Low priority | 14.33%(43) |
| A3 | Medium priority | 30.67%(92) |
| A4 | High priority | 33.33%(100) |
| A5 | Essential | 18.0%(54) |



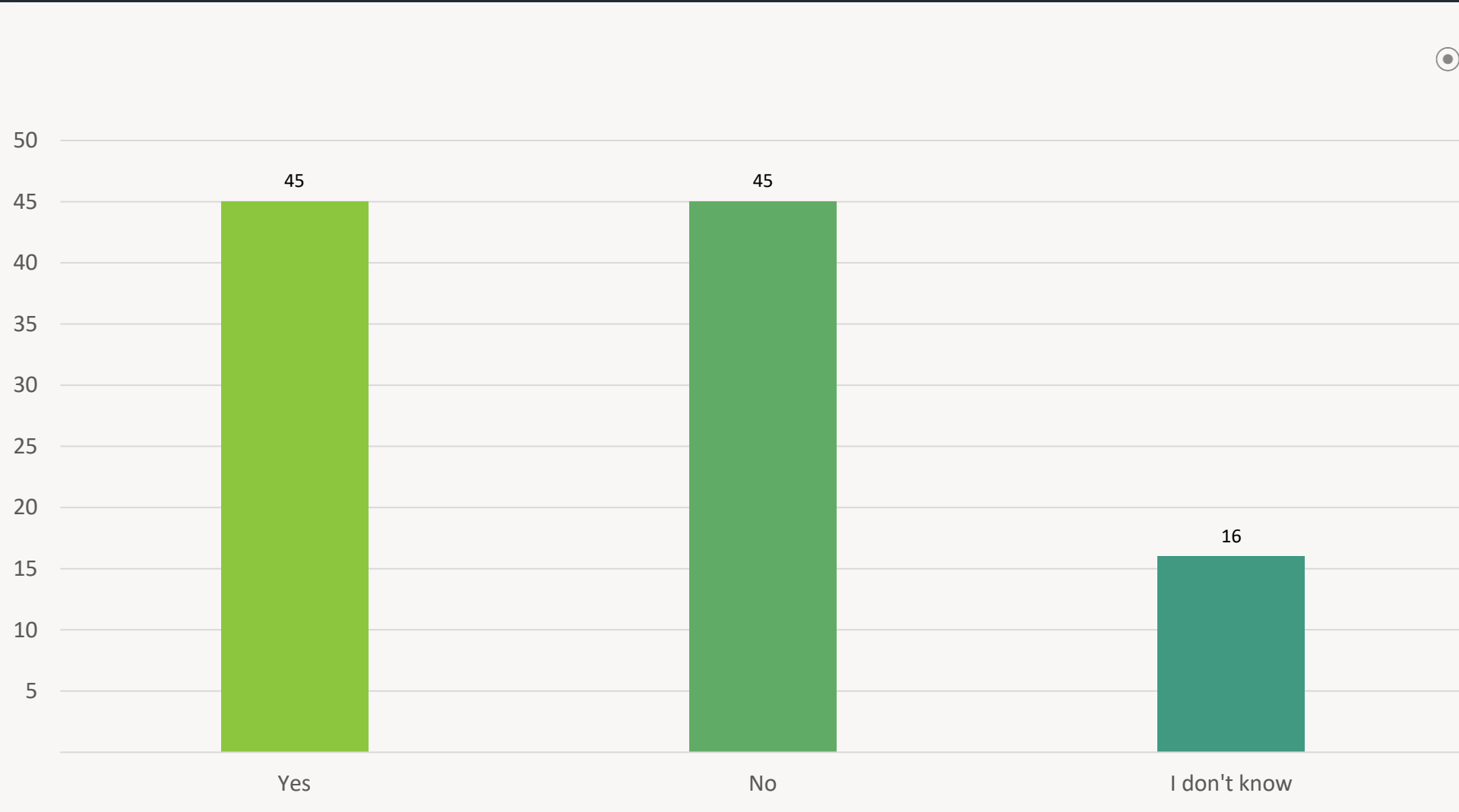
| | | |
|-----------|-----------------|-------------------|
| A1 | Not a priority | 12.33%(37) |
| A2 | Low priority | 17.67%(53) |
| A3 | Medium priority | 30.67%(92) |
| A4 | High priority | 24.33%(73) |
| A5 | Essential | 15.0%(45) |



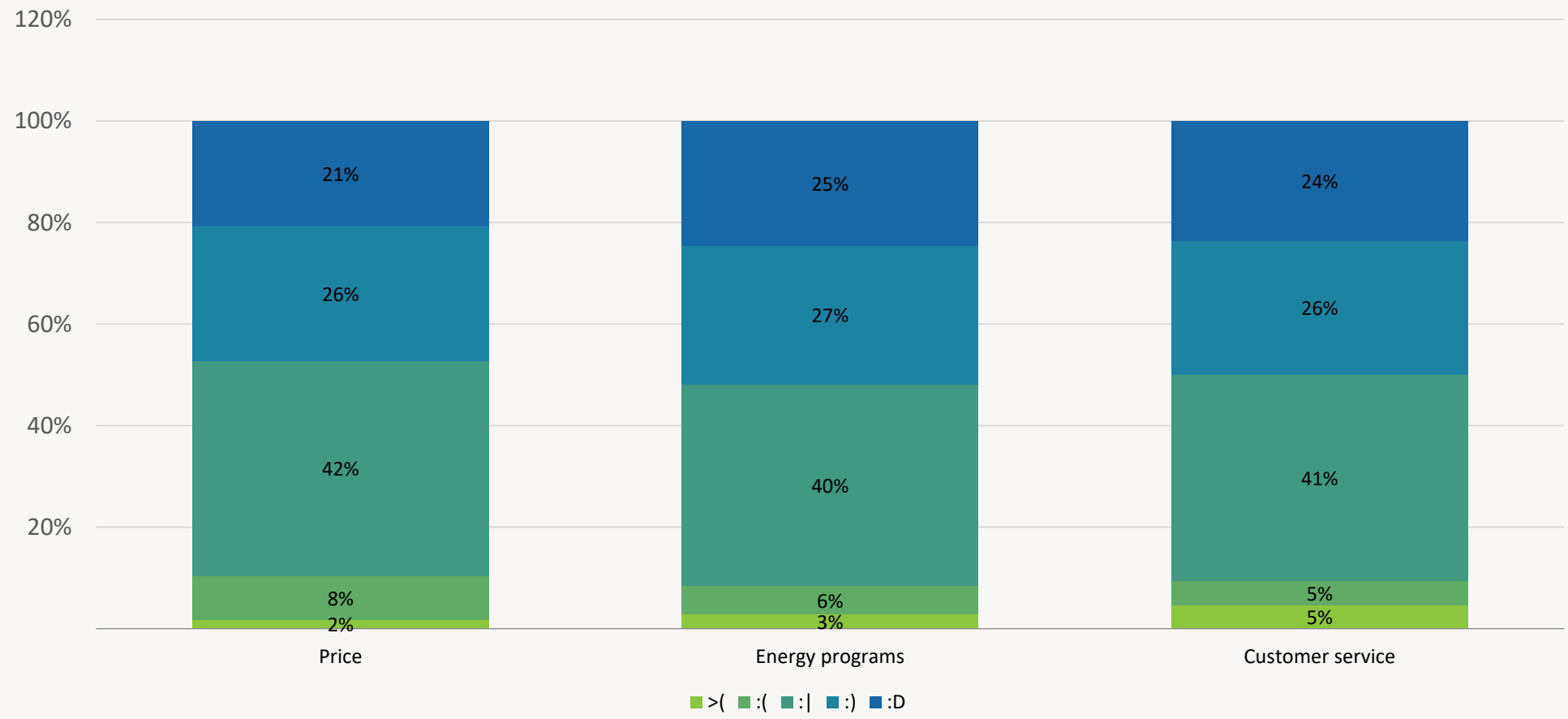
| | | |
|-----------|-----------------------------|--------------------|
| A1 | Electric car | 26.0% (78) |
| A2 | Electric cooking range | 10.67% (32) |
| A3 | Programmable thermostat | 17.33% (52) |
| A4 | Water heater | 19.33% (58) |
| A5 | Solar panels for my home | 22.0% (66) |
| A6 | Home battery back-up system | 19.0% (57) |
| A7 | None of the above | 47.0% (141) |



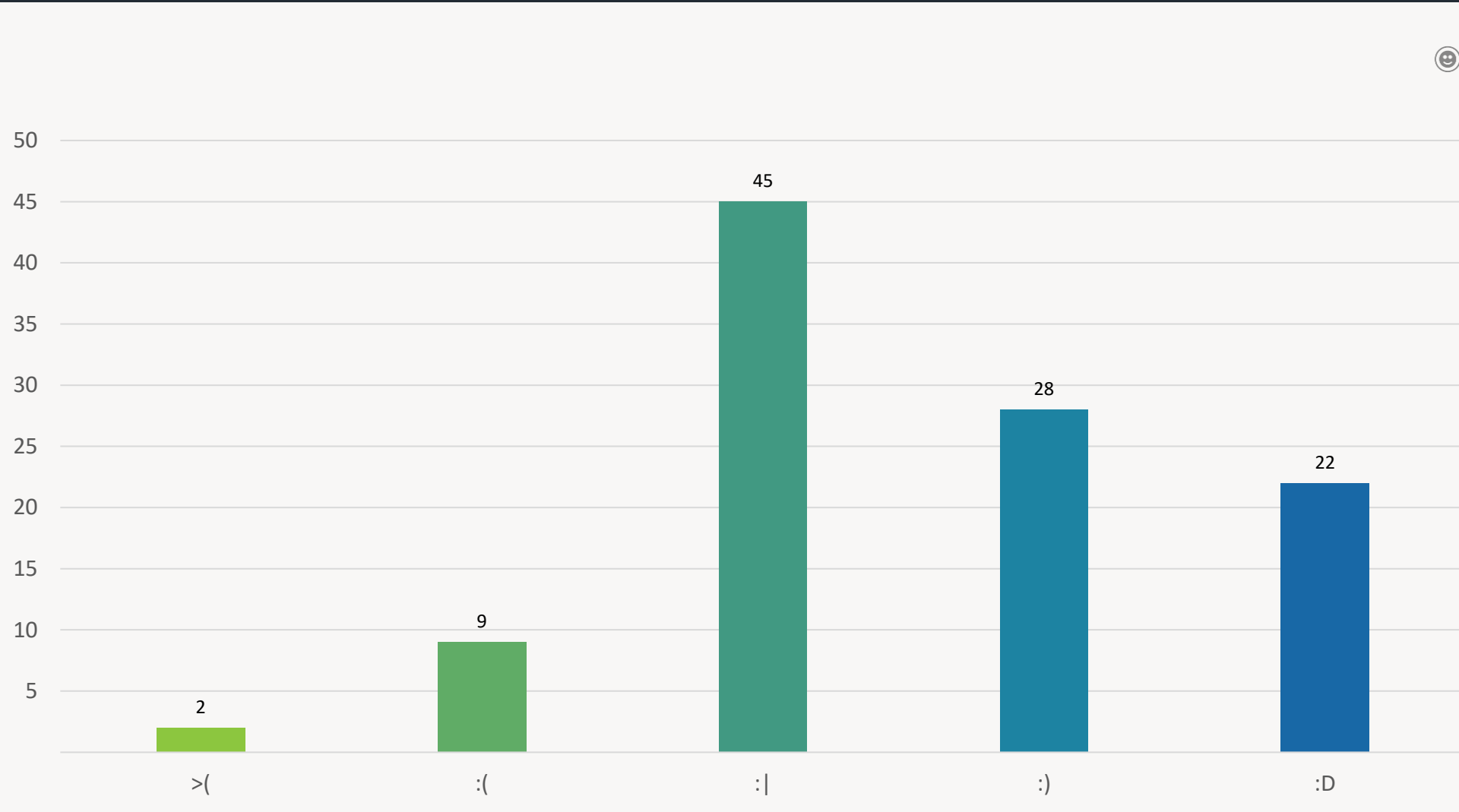
| | | |
|----|-----|--------------|
| A1 | Yes | 35.33% (106) |
| A2 | No | 64.67% (194) |



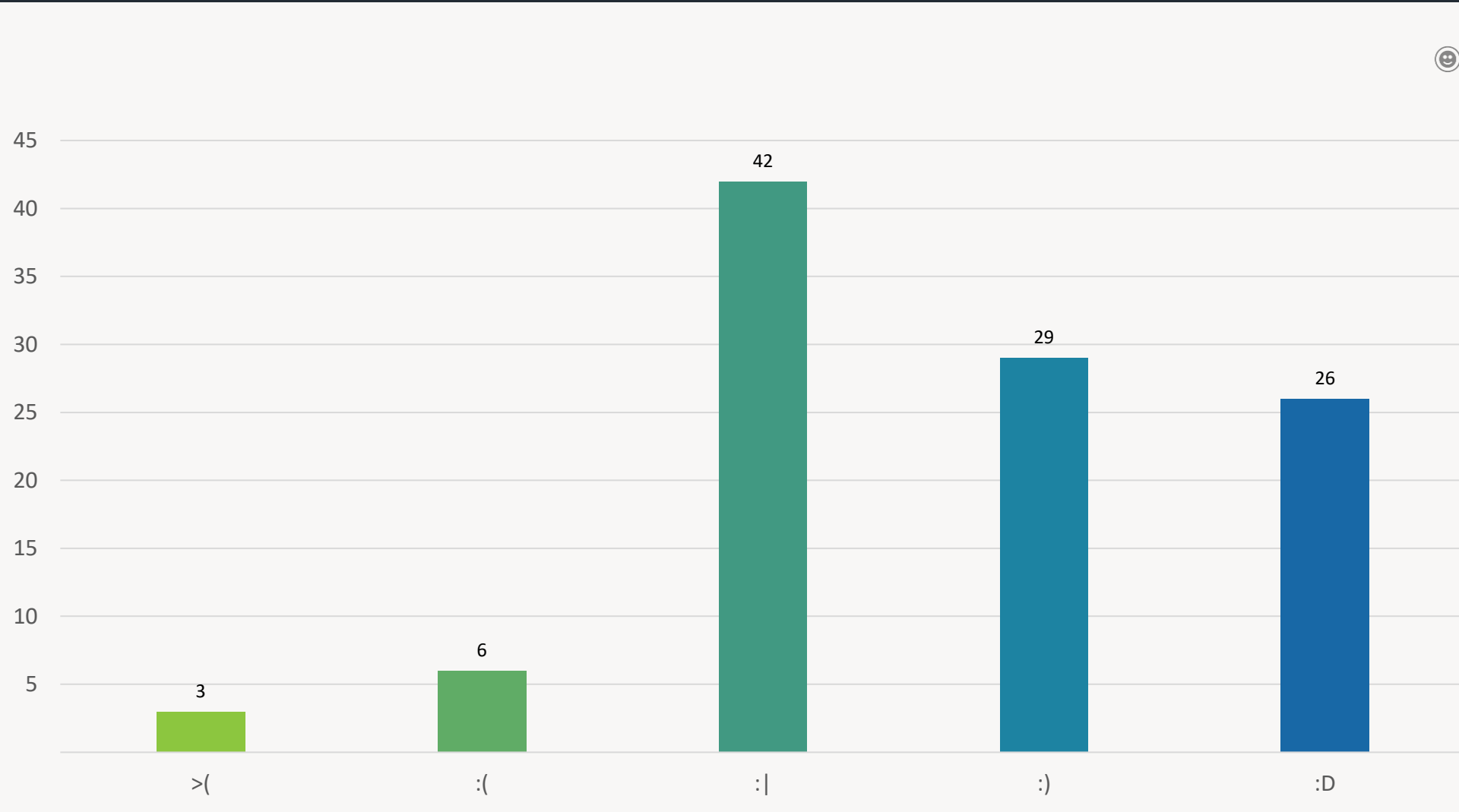
| | | |
|----|--------------|-------------|
| A1 | Yes | 42.45% (45) |
| A2 | No | 42.45% (45) |
| A3 | I don't know | 15.09% (16) |



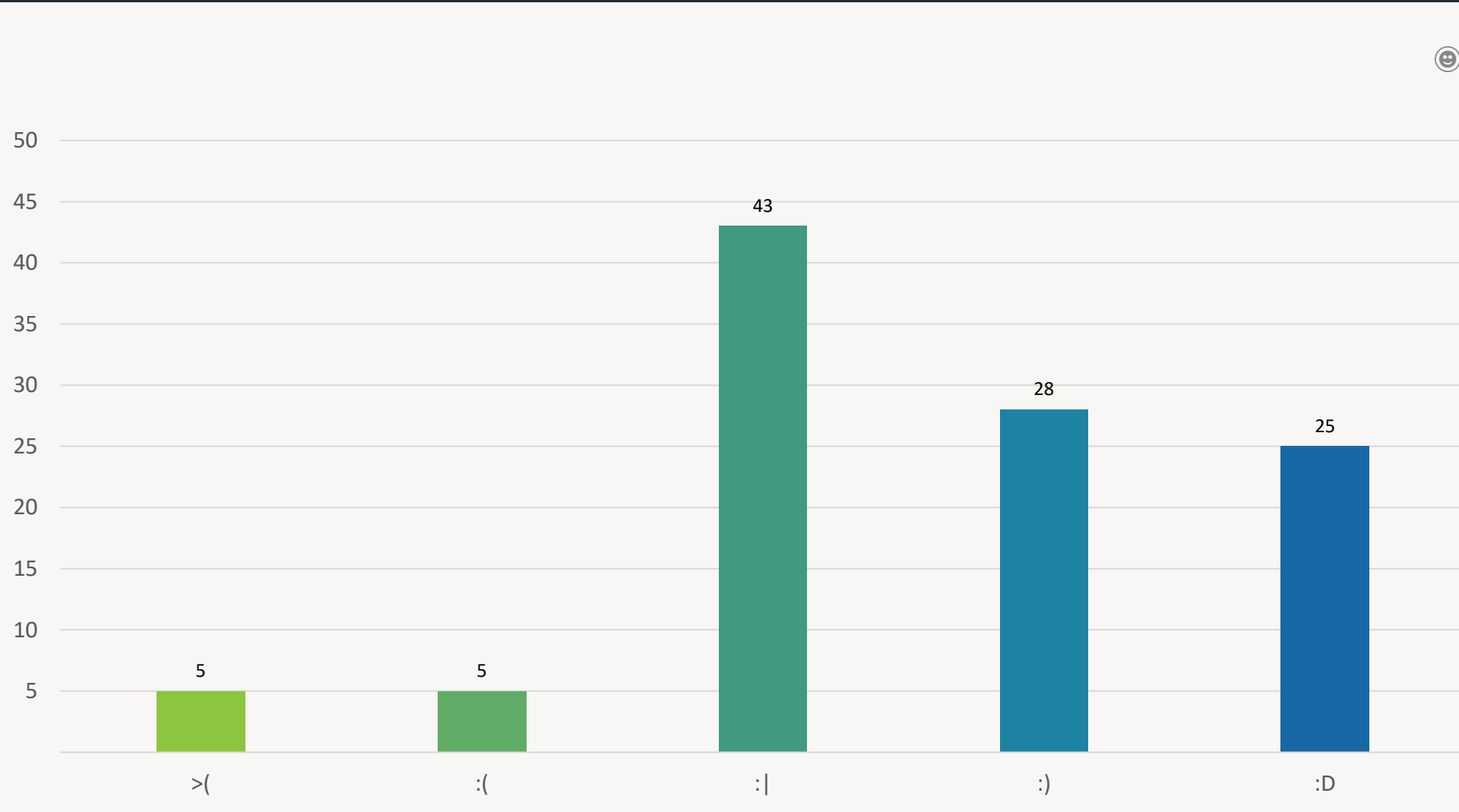
| | |
|------------------|-------------------|
| Price | 30.9% (59) |
| Energy programs | 36.1% (69) |
| Customer service | 33.0% (63) |



| | | |
|----|----|------------|
| A1 | >(| 1.89%(2) |
| A2 | :(| 8.49%(9) |
| A3 | : | 42.45%(45) |
| A4 | :) | 26.42%(28) |
| A5 | :D | 20.75%(22) |



| | | |
|----|----|------------|
| A1 | >(| 2.83%(3) |
| A2 | :(| 5.66%(6) |
| A3 | : | 39.62%(42) |
| A4 | :) | 27.36%(29) |
| A5 | :D | 24.53%(26) |



| | | |
|----|----|------------|
| A1 | >(| 4.72%(5) |
| A2 | :(| 4.72%(5) |
| A3 | : | 40.57%(43) |
| A4 | :) | 26.42%(28) |
| A5 | :D | 23.58%(25) |

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| Energy Resources | Renewable 100 | Brilliant 100 | Bright Choice | 2019 CA Power Mix |
|---|---------------|---------------|---------------|-------------------|
| Eligible Renewable¹ | 100.0% | 75.0% | 59.9% | 31.7% |
| Biomass & Biowaste | 0.0% | 0.0% | 3.6% | 2.4% |
| Geothermal | 0.0% | 0.0% | 12.3% | 4.8% |
| Eligible Hydroelectric | 0.0% | 0.0% | 4.9% | 2.0% |
| Solar | 50.0% | 37.5% | 3.5% | 12.3% |
| Wind | 50.0% | 37.5% | 35.7% | 10.2% |
| Coal | 0.0% | 0.0% | 0.0% | 3.0% |
| Large Hydroelectric | 0.0% | 25.0% | 25.3% | 14.6% |
| Natural Gas | 0.0% | 0.0% | 0.1% | 34.2% |
| Nuclear | 0.0% | 0.0% | 1.5% | 9.0% |
| Other | 0.0% | 0.0% | 0.2% | 0.2% |
| Unspecified sources of power² | 0.0% | 0.0% | 13.1% | 7.3% |
| TOTAL | 100% | 100% | 100% | 100% |
| Percentage of Retail Sales Covered by Retired Unbundled RECs³ | 0.0% | 0.0% | 0.0% | 0.0% |

¹ The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.
² Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.
³ Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.

| | |
|---|---|
| For specific information about this electricity product, contact: | East Bay Community Energy 1-833-699-EBCE (3223) |
| For general information about the Power Content Label, please visit: | http://www.energy.ca.gov/pcl/ |
| For additional questions, please contact the California Energy Commission at: | Toll-free in California: 844-454-2906 Outside California: 916-653-0237 |



East Bay Community Energy
1999 Harrison Street, Suite 800
Oakland, CA 94612

Resident Name
123 Address St.
Berkeley, CA 94702

Questions? Give us a call:
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This communication is required annually by the California Energy Commission

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Staff Report Item 9

TO: East Bay Community Energy Board of Directors

FROM: Howard Chang, Chief Operating Officer & Treasurer

SUBJECT: Reserve Fund Allocations from 2019-20 Fiscal Year Net Revenues (Action Item)

DATE: November 18, 2020

Recommendation

Adopt a Resolution to approve the proposed contributions to the reserve funds.

Background and Discussion

On June 20, 2018 the Board of Supervisors approved by resolution R-2018-26 the adoption of a financial reserve policy, P-2018-10. This policy established reserve fund targets, along with minimum and maximum contribution limits, for the purposes of establishing and supporting agency credit, finance necessary collateral postings, and to support local development program funding.

The following table, from the approved policy, provides the guidelines for funding the reserve funds by establishing their targets and their minimum and maximum annual funding contribution in terms of percent of revenue.

Table 1 - Overview of Reserve Policies

| | Target | Max Annual Contribution | Min Annual Contribution |
|--------------------------|-------------------------------|-------------------------|-------------------------|
| Operating/Credit Reserve | 6 months of Operating Expense | 10% of revenues | 5% of revenues |
| Rate Stabilization | 1.5% of Revenues | 1.5% of revenues | 0.5% of revenues |
| Collateral | 10% of Energy Expense | 2% of revenues | 0.5% of revenues |
| Local Development | 10% of Revenues | 2.5% of revenues | 1% of revenues |
| Total | | 16% of revenues | 7.0% of revenues |

As determined by the policy and as stated in the approved resolution, EBCE must meet the minimum contribution requirements. Contributions meeting or exceeding the maximum amount is at the discretion of the Board.

Methodology and Calculation

The methodology for determining the amount to allocate to reserves is as follows:

1. Determine convertible assets from the audited financial statements
2. Deduct total liabilities
3. Deduct cash previously allocated to the reserve funds
4. Deduct Working Capital Requirements

EBCE has working capital needs through the fiscal year that must be considered. If all available cash is allocated to the reserves, there will be little margin in the monthly revenues to meet monthly expenses without tapping into the reserves, and due to the business cycle winter months are often negative in earnings. Working capital needs are estimated at \$36.6 million.

Table 2 performs the calculation in accordance with the methodology described and includes the working capital needed for liquidity purposes.

| | | |
|--|--------------------|---------------|
| Cash & Equivalents | 108,481,294 | A |
| Accounts Receivable, Net of Allowances | 50,082,004 | B |
| Accrued Revenue | 26,130,467 | C |
| Convertible Assets | 184,693,765 | D = A + B + C |
| Total Liabilities | 57,899,438 | E |
| Total Unrestricted Funds Available for Reserves | 126,794,327 | F = D - E |
| Previous Reserves | 40,513,687 | G |
| 2020 Unrestricted Funds Available for Reserves | 86,280,640 | H = F - G |
| Working Capital Requirements | 36,576,000 | I |
| Working Capital Adjusted Funds Available for Reserves | 49,704,640 | J = H - I |

Allocation to Reserve Funds and Balances

From the audited financial statements, 2019-20 revenues are \$463,381,478. Given the minimum reserve fund allocations is 7% of revenues (\$32,436,703) and given the maximum reserve fund allocations is 16% of revenues (\$74,141,036), the liquidity adjusted amount available for reserves is 10.7% of revenues.

Based on the waterfall approach of first contributing the required minimums, then filling up each reserve to maximums, the contributing amount fills all minimum requirements and adds an additional amount to the Operating/Credit reserve, and is shown in Table 3 below.

| Reserve Fund | Min % | Min Allocated | Max % | Added Allocation | Total Allocated | % of Revenue |
|--------------------|-------------|-------------------|--------------|-------------------|-------------------|--------------|
| Operating/Credit | 5.0% | 23,169,074 | 10.0% | 17,267,937 | 40,437,010 | 8.7% |
| Rate Stabilization | 0.5% | 2,316,907 | 1.5% | - | 2,316,907 | 0.5% |
| Collateral | 0.5% | 2,316,907 | 2.0% | - | 2,316,907 | 0.5% |
| Local Development | 1.0% | 4,633,815 | 2.5% | - | 4,633,815 | 1.0% |
| Total | 7.0% | 32,436,703 | 16.0% | 17,267,937 | 49,704,640 | 10.7% |

With these allocations, Table 4 presents the updated fund balances

| Reserve Fund | Target | Starting Balance | Additional Allocated | Ending Balance |
|--------------------|--------------------|-------------------|----------------------|-------------------|
| Operating/Credit | 197,783,500 | 32,768,648 | 40,437,010 | 73,205,659 |
| Rate Stabilization | 6,950,722 | 1,936,260 | 2,316,907 | 4,253,167 |
| Collateral | 37,347,742 | 1,936,260 | 2,316,907 | 4,253,167 |
| Local Development | 46,338,148 | 3,872,519 | 4,633,815 | 8,506,334 |
| Total | 288,420,112 | 40,513,687 | 49,704,640 | 90,218,327 |

EBCE is building strong reserves after two full fiscal years. With this allocation, the Operating Reserve will be at approximately 37% of its target level. In order to pursue an investment grade credit rating, EBCE will need to maintain strong reserve and liquidity metrics. Liquidity metrics include both reserves and working capital cash balances. As of June 30, 2020 EBCE's Balance Sheet Cash and Cash Equivalents position was \$108MM. Based on an evaluation of the credit ratings of investment grade CCAs, preliminary indications are that EBCE should target maintaining cash levels between \$150MM to \$200MM. Increased liquidity above this target range may improve the likelihood for a stronger credit rating.

| CCA | Cash (\$MM) (as of Rating Date) | Days Liquidity on Hand | Rating Agency | Rating |
|------|------------------------------------|---------------------------|---------------|------------|
| MCE | \$ 39.3 | 86 | Moody's | Baa2 / BBB |
| PCE | \$ 66.7 | 135 | Moody's | Baa2 / BBB |
| SVCE | \$ 124.0 | 198 | Moody's | Baa2 / BBB |
| 3CE | \$ 119.4 | 164 | S&P | A2 / A |

Fiscal Impact

This allocation is not expected to impact normal operations and establishes a firm commitment to meeting EBCE's financial security. This commitment will convey positive intent and sound financial practice as EBCE pursues a credit rating.

Attachments

- A. Resolution Approving the proposed contributions to the Reserve Funds

RESOLUTION NO. __
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY __

WHEREAS The East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

WHEREAS On June 20, 2018, the Board approved by resolution R-2018-26 to adopt a financial reserve policy, P-2018-10. This policy established reserve targets, and minimum and maximum annual contribution limits.

WHEREAS The available amount for contribution is determined from the audited financial statements by the sum of convertible assets less the sum of total liabilities, cash previously allocated to the reserve funds, and anticipated cash needed for working capital.

WHEREAS The available balance runs through the waterfall whereby each reserve is first funded to its minimum limit, and then remaining cash is added to meet each fund’s maximum until all available cash is allocated.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Based on the application of determining available funds, an additional \$49,704,640 of unrestricted cash is available for reserve allocation.

Section 2. Based on the proper application of the waterfall, each reserve fund minimum is sufficiently met.

Section 3. Based on the proper application of the waterfall, the Operating/Credit reserve is allocated an additional 3.7% of revenues (\$17,267,397) towards reaching the maximum allocation.

Section 4. The new total balance of reserve funds is established at \$90,218,327

ADOPTED AND APPROVED this _____ day of _____, 2020.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



Staff Report Item 10

TO: East Bay Community Energy Board of Directors

FROM: Jim Dorrance, Power Resources Manager

SUBJECT: 2019 Power Source Disclosure Annual Report and Power Content Label
(Action Item)

DATE: November 18, 2020

Recommendation

Adopt a Resolution to accept the 2019 Power Source Disclosure Program Annual Report (PSDR) and the 2019 Power Content Label (PCL).

Background and Discussion

Background

The California State Legislature passed Senate Bill (SB) 1305 in 1997, and in 2009 passed Assembly Bill (AB) 162 which modified the reporting requirements of SB 1305. AB 162 requires all retail suppliers of electricity in California (CA) to disclose the sources of the electricity they sell to customers using reporting formats developed by the California Energy Commission (CEC). In 2016, AB 1110 was passed which further modified the PSDR reporting, including among other things, changes to reporting for unbundled Renewable Energy Credits (RECs) and eventually requiring retail sellers to disclose the emissions factor associated with each electricity portfolio. For each year's filing, East Bay Community Energy (EBCE) is required to 1) submit an Annual Report to the CEC detailing its actual resource mix for the previous calendar year, and 2) provide an annual PCL to customers and the CEC showing the percentage breakdown by resource type by December 31st. Additionally, the Power Source Disclosure Program requires the Board of Directors (Board) to accept both the PSDR and the PCL and is therefore the subject of this report.

Power Source Disclosure Report and Power Content Label

Each year EBCE reports electricity purchases and retail sales to the CEC through the PSDR. The PSDR contains a breakdown of energy purchases over a calendar year for each retail plan and is counted as a percent of total sales by source. The CEC uses these reports from each electricity retail seller serving load in CA to generate a total CA system power mix by source. EBCE discloses to their customers the power mix for each retail plan alongside the CA power

mix on the PCL. The PCL is provided to customers through a mailer and posted on the EBCE webpage.

Table 1: EBCE’s 2019 Power Content Label data

| 2019 POWER CONTENT LABEL | | | | |
|-------------------------------------|--------------------------|--------------------------|--------------------------|------------------------------|
| ENERGY RESOURCES | Renewable 100 | Brilliant 100 | Bright Choice | 2019 CA Power Mix |
| Eligible Renewable | 100% | 75% | 60% | 32% |
| Biomass & Biowaste | 0% | 0% | 4% | 2% |
| Geothermal | 0% | 0% | 12% | 5% |
| Eligible Hydroelectric | 0% | 0% | 5% | 2% |
| Solar | 50% | 38% | 3% | 12% |
| Wind | 50% | 37% | 36% | 10% |
| Coal | 0% | 0% | 0% | 3% |
| Large Hydroelectric | 0% | 25% | 25% | 15% |
| Natural Gas | 0% | 0% | 0% | 34% |
| Nuclear | 0% | 0% | 1% | 9% |
| Other | 0% | 0% | 0% | 0% |
| Unspecified sources of power | 0% | 0% | 13% | 7% |
| TOTAL | 100% | 100% | 100% | 100% |

Methodology

In preparing the PSDR staff populates the template with electricity purchases from generation that occurred during the calendar year. Delivered RECs are tracked using the Western Renewable Energy Generation Information System (WREGIS) and carbon free purchases including electricity from Large Hydroelectric generation is tracked using either meter data or E-tags. The E-tags trace the generation from the source to the delivery location. All the purchased generation is compared against invoices for accuracy and retail sales are counted using the settlement quality meter data from our accounting service which is EBCE’s system of record for sales. The complete PSDR is then reviewed internally to ensure accuracy in reporting prior to submission to the CEC.

Fiscal Impact

There are no fiscal impacts in accepting the 2019 Power Source Disclosure Annual Report and the 2019 Power Content Label.

Attachments

- A. Resolution Accepting the 2019 Power Source Disclosure Annual Report and the 2019 Power Content Label
- B. 2019 Power Source Disclosure Reports - Schedule 3
- C. 2019 Power Content Label
- D. Presentation of Power Source Disclosure Report and Power Content Label

RESOLUTION NO. __
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY __

WHEREAS The East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

WHEREAS The California State Legislature passed Senate Bill (SB) 1305 in 1997, and in 2009 passed Assembly Bill (AB) 162, which modified the reporting requirements of SB 1305. AB 162 requires all retail suppliers of electricity in California to disclose the sources of the electricity they sell to customers using reporting formats developed by the California Energy Commission,

WHEREAS In 2016, AB 1110 was passed which further modified the Power Source Disclosure Reporting, allowing a retail seller’s Board of Directors acceptance of the Power Source Disclosure Annual Report and Power Content Label to fulfill the audit requirement for each retail product.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board of Directors Accepts the 2019 Power Source Disclosure Annual Report and the 2019 Power Content Label.

ADOPTED AND APPROVED this 18th day of November, 2020.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source
SCHEDULE 3: ANNUAL POWER CONTENT LABEL DATA
for the year ending December 31, 2019
East Bay Community Energy
Renewable 100**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

| | Adjusted Net Procured (MWh) | Percent of Total Retail Sales |
|-------------------------------|------------------------------------|--------------------------------------|
| Renewable Procurements | 39,748 | 100.0% |
| Biomass & Biowaste | - | 0.0% |
| Geothermal | - | 0.0% |
| Eligible Hydroelectric | - | 0.0% |
| Solar | 19,874 | 50.0% |
| Wind | 19,874 | 50.0% |
| Coal | - | 0.0% |
| Large Hydroelectric | - | 0.0% |
| Natural gas | - | 0.0% |
| Nuclear | - | 0.0% |
| Other | - | 0.0% |
| Unspecified Power | - | 0.0% |
| Total | 39,748 | 100.0% |

| | |
|---------------------------------|---------------|
| Total Retail Sales (MWh) | 39,748 |
|---------------------------------|---------------|

| | |
|---|-------------|
| Percentage of Retail Sales Covered by Retired Unbundled RECs | 0.0% |
|---|-------------|



**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source
SCHEDULE 3: ANNUAL POWER CONTENT LABEL DATA
for the year ending December 31, 2019
East Bay Community Energy
Brilliant 100**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

| | Adjusted Net Procured (MWh) | Percent of Total Retail Sales |
|-------------------------------|--|--|
| Renewable Procurements | 669,473 | 75.0% |
| Biomass & Biowaste | - | 0.0% |
| Geothermal | - | 0.0% |
| Eligible Hydroelectric | - | 0.0% |
| Solar | 334,738 | 37.5% |
| Wind | 334,736 | 37.5% |
| Coal | - | 0.0% |
| Large Hydroelectric | 223,159 | 25.0% |
| Natural gas | - | 0.0% |
| Nuclear | - | 0.0% |
| Other | - | 0.0% |
| Unspecified Power | - | 0.0% |
| Total | 892,632 | 100.0% |

| | |
|---------------------------------|----------------|
| Total Retail Sales (MWh) | 892,632 |
|---------------------------------|----------------|

| | |
|---|-------------|
| Percentage of Retail Sales Covered by Retired Unbundled RECs | 0.0% |
|---|-------------|



**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source
SCHEDULE 3: ANNUAL POWER CONTENT LABEL DATA
for the year ending December 31, 2019
East Bay Community Energy
Bright Choice**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

| | Adjusted Net Procured (MWh) | Percent of Total Retail Sales |
|---|--|--|
| Renewable Procurements | 2,929,619 | 59.9% |
| Biomass & Biowaste | 177,941 | 3.6% |
| Geothermal | 598,968 | 12.3% |
| Eligible Hydroelectric | 238,772 | 4.9% |
| Solar | 169,129 | 3.5% |
| Wind | 1,744,808 | 35.7% |
| Coal | - | 0.0% |
| Large Hydroelectric | 1,235,820 | 25.3% |
| Natural gas | 3,250 | 0.1% |
| Nuclear | 73,251 | 1.5% |
| Other | 8,000 | 0.2% |
| Unspecified Power | 639,108 | 13.1% |
| Total | 4,889,048 | 100.0% |
| Total Retail Sales (MWh) | | 4,889,048 |
| Percentage of Retail Sales Covered by Retired Unbundled RECs | | 0.0% |

| 2019 POWER CONTENT LABEL | | | | |
|---|--------------------------|---|----------------------|------------------------------|
| East Bay Community Energy | | | | |
| ebce.org/documents-and-resources | | | | |
| ENERGY RESOURCES | Renewable 100 | Brilliant 100 | Bright Choice | 2019 CA Power Mix |
| Eligible Renewable¹ | 100.0% | 75.0% | 59.9% | 31.7% |
| Biomass & Biowaste | 0.0% | 0.0% | 3.6% | 2.4% |
| Geothermal | 0.0% | 0.0% | 12.3% | 4.8% |
| Eligible Hydroelectric | 0.0% | 0.0% | 4.9% | 2.0% |
| Solar | 50.0% | 37.5% | 3.5% | 12.3% |
| Wind | 50.0% | 37.5% | 35.7% | 10.2% |
| Coal | 0.0% | 0.0% | 0.0% | 3.0% |
| Large Hydroelectric | 0.0% | 25.0% | 25.3% | 14.6% |
| Natural Gas | 0.0% | 0.0% | 0.1% | 34.2% |
| Nuclear | 0.0% | 0.0% | 1.5% | 9.0% |
| Other | 0.0% | 0.0% | 0.2% | 0.2% |
| Unspecified sources of power² | 0.0% | 0.0% | 13.1% | 7.3% |
| TOTAL | 100% | 100% | 100% | 100% |
| Percentage of Retail Sales Covered by Retired Unbundled RECs³ | 0.0% | 0.0% | 0.0% | |
| <p>¹The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</p> <p>²Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</p> <p>³Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</p> | | | | |
| For specific information about this electricity product, contact: | | (Retail Supplier Name) (Retail Supplier Phone Number) | | |
| For general information about the Power Content Label, please visit: | | http://www.energy.ca.gov/pcl/ | | |
| For additional questions, please contact the California Energy Commission at: | | Toll-free in California: 844-454-2906 Outside California: 916-653-0237 | | |



2019 Power Source Disclosure Annual Report and Power Content Label

PRESENTED BY: Jim Dorrance

DATE: November 18, 2020



Overview

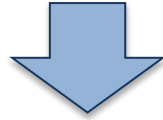
- What is the Power Source Disclosure Program
- How is the Power Source Disclosure Report (PSDR) prepared
- What is the Power Content Label (PCL)
- 2019 Power Content

Power Source Disclosure Program

- All electricity providers in CA are required to submit annual report
- The annual report discloses all electricity purchases for a calendar year
- Reported as MWh by source as a percent of total retail sales
- Submitted to the California Energy Commission annually

PSDR Preparation

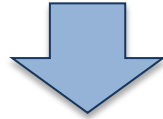
Review CY Data



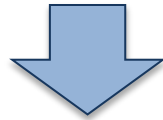
Data Verification



Populate PSDR Templates



Internal Review



Submission

- RECs
- Carbon Free
- Retail sales by plan
- WREGIS
- Meter Data, E-Tags
- Invoices
- Contracts
- Input by generation source
- Purchased MWh as % of sales
- Individual templates for each plan
- Content Check
- Executive and Marketing review
- Submit to the CEC

Power Content Label

- Required annual disclosure to customers, sent by mail
- Contains the power mix for each retail plan and the total CA system power mix
- Allows customers to compare their power content to the total CA power mix and to other electricity providers

EBCCE's 2019 Power Content Label

| East Bay Community Energy · 2019 Power Content Label · ebce.org/documents-and-resources | | | | |
|---|---------------|---|---------------|-------------------|
| Energy Resources | Renewable 100 | Brilliant 100 | Bright Choice | 2019 CA Power Mix |
| Eligible Renewable¹ | 100.0% | 75.0% | 59.9% | 31.7% |
| Biomass & Biowaste | 0.0% | 0.0% | 3.6% | 2.4% |
| Geothermal | 0.0% | 0.0% | 12.3% | 4.8% |
| Eligible Hydroelectric | 0.0% | 0.0% | 4.9% | 2.0% |
| Solar | 50.0% | 37.5% | 3.5% | 12.3% |
| Wind | 50.0% | 37.5% | 35.7% | 10.2% |
| Coal | 0.0% | 0.0% | 0.0% | 3.0% |
| Large Hydroelectric | 0.0% | 25.0% | 25.3% | 14.6% |
| Natural Gas | 0.0% | 0.0% | 0.1% | 34.2% |
| Nuclear | 0.0% | 0.0% | 1.5% | 9.0% |
| Other | 0.0% | 0.0% | 0.2% | 0.2% |
| Unspecified sources of power² | 0.0% | 0.0% | 13.1% | 7.3% |
| TOTAL | 100% | 100% | 100% | 100% |
| Percentage of Retail Sales Covered by Retired Unbundled RECs³ | 0.0% | 0.0% | 0.0% | 0.0% |
| ¹ The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology. ² Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source. ³ Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above. | | | | |
| For specific information about this electricity product, contact: | | East Bay Community Energy 1-833-699-EBCE (3223) | | |
| For general information about the Power Content Label, please visit: | | http://www.energy.ca.gov/pcl/ | | |
| For additional questions, please contact the California Energy Commission at: | | Toll-free in California: 844-454-2906 Outside California: 916-653-0237 | | |

Questions ?



Staff Report Item 11

TO: East Bay Community Energy Board of Directors
FROM: Jim Dorrance, Power Resources Manager
SUBJECT: East Bay Community Energy 2019 Emissions Factor (Informational Item)
DATE: November 18, 2020

Recommendation

Receive a staff report on East Bay Community Energy's 2019 Bright Choice emissions factor.

Background and Discussion

At the October 2018 Board of Directors (Board) meeting, the Board adopted a 2018 calendar year emissions factor target of 142 pounds of carbon-dioxide equivalent per mega-watt-hour (lb-CO₂e/MWh) for the Bright Choice energy product using the methodology from the The Climate Registry (TCR) which includes the Electric Power Sector Protocol (EPS) as the device for reporting and verifying. Staff has applied this guidance to our 2019 emissions using both the adopted emissions benchmark and the reporting methodology. This report presents EBCE's 2019 Bright Choice emissions factor which is 135 lb-CO₂e/MWh, below the Board adopted target.

**EBCE 2019 Bright Choice Emissions Factor:
135 lb-CO₂e/MWh**

The 2019 Bright Choice emissions factor is derived using the power sources on the Power Content Label (PCL) for the Bright Choice retail plan. Unspecified power, Asset Controlling Supplier (ACS) power and other sources from Bright Choice's content produce emissions. The amount of purchased electricity from these sources is multiplied by a measured and verified emissions factor by source to calculate the emissions and derive a total EBCE emissions factor. Both the Renewable 100 and the Brilliant100 energy products were also calculated and reported using the EPS. These products are both carbon-free and this was verified through TCR.

TCR is a non-profit organization that designs and operates a voluntary United States Green House Gas reporting program that is used by Pacific Gas & Electric and some California Community Choice Aggregators for reporting their emissions factors. The EPS protocol within

TCR mandates standardized reporting guidelines and was used by EBCE to report emissions for power delivered in 2019. TCR requires an independent verification of the emissions data before publicly releasing the report. The emissions factors for EBCE's three energy products have been verified and will be publicly available on TCR's website. The EPS report is included as an attachment (Attachment A).

The implementation of Assembly Bill (AB) 1110 which was passed in 2016 and modifies the reporting of the Power Source Disclosure Report, will impact retail sellers serving load in California. Included in AB 1110 is the requirement to report emissions only on the PCL starting with electricity purchases made during calendar year 2020, which would be reported in 2021. EBCE used TCR for our emissions calculation and reporting for the current year from the 2019 purchases but and under AB 1110, EBCE and other retail sellers are required to use the emissions calculation methodology from AB 1110 and can only report or market their emissions factor through the PCL and not on any third party platform. The expectation is that EBCE will not use TCR for our emissions reporting on 2020 purchases and Staff will bring an item to the board in the coming months to discuss future emissions reporting.

The methodology for reporting emissions through AB 1110 differs from EBCE's current reporting in TCR with the most significant change being the application of the associated emissions from firm and shaped Renewable Energy Credit (REC) purchases, also known as Portfolio Content Category (PCC) 2 RECs. PCC2 RECs are a California Renewable Portfolio Standard (RPS) renewable product that includes bundled energy that is not from the same source as the REC. The emissions reporting adopted through AB1110 will include emissions for the bundled energy of the PCC2 RECs. In addition to the changes in emissions reporting of the PCC2 RECs, the regulations also remove the emissions reduction from the purchase of PCC3 RECs, un-bundled RECs. Using PCC2 and PCC3 RECs as renewable content is an accepted practice within the RPS regulations and EBCE will continue to purchase these products to satisfy our renewable commitment to our customers.

Due to the reporting changes for emissions from AB 1110 and changes to power content targets, EBCE will likely report a material year over year increase in the emissions factor for the Bright Choice retail plan as EBCE and other retail sellers adopt the new emissions reporting methodology. Under our current retail plan design both the Renewable 100 and Brilliant 100 products will continue to remain emissions free.

Fiscal Impact

There are no fiscal impacts related to the release of EBCE's 2019 Bright Choice Emissions Factor.

Attachments

- A. EBCE's 2019 Electric Power Sector Report
- B. Emissions Factor Presentation

Power Deliveries Metrics Worksheet - OPTIONAL

Introduction: Consumers of electric power are becoming increasingly interested in the carbon intensity of the power they purchase. Reporting power deliveries metrics is a way to provide information to your customers and have credible data that adheres to The Registry's standards and third-party verification requirements. The metrics reported here will be a valuable source of emission factors for your customers to use when calculating their own indirect emissions.

Compiling Power Deliveries Data: Reporting power deliveries metrics is **optional** under the EPS Protocol for Members that deliver power to wholesale or retail customers. However, if you choose to report these metrics, you must follow the methodologies outlined in sections 19.1 - 19.5 of the EPS Protocol and have the reported metrics third-party verified. Please read Chapter 19 in the EPS Protocol for a more detailed explanation of the power deliveries metrics.

Developing Power Deliveries Metrics: You must disclose total MWh (Column D) and corresponding anthropogenic CO₂ (Column B) from all power generated and purchased for delivery to customers. Refer to page 100, Section 19.1 in the EPS Protocol for further guidance on establishing customer categories and assigning power generation and purchases to specific customer categories. You should not include any emissions from non-power generation sources (e.g. mobile combustion, fugitive emissions, etc). Report only CO₂ emissions (not CO₂e).

You must choose to either report according to Option A (Single System-Average) or Option B (by power product). If you choose to report according to Option B you must develop multiple metrics for the electricity delivered to distinct customer groups, e.g. "Green Pricing Program." You should aggregate the power and associated emissions for the power that flows to the customer groups you have defined and input the data in the table below to calculate the appropriate power deliveries metric.

If you purchase or sell "green power" certificates, e.g. RECs, TRCs, TRECs, etc., you may wish to report an adjusted emission metric for the power product to which the certificates are being applied. Accounting for RECs and special certificates will lower the GHG intensity of the electricity mix delivered to your customers. Making this adjustment to the metric is optional. Please reference Section 19.3 in the EPS Protocol for further guidance.

Optional power deliveries metrics can only be reported if you use the EPS IE-01: Energy Balance Method to calculate the indirect emissions associated with T&D losses. Please see Chapter 14 in the EPS Protocol for further guidance.

Power Deliveries Metrics: Reporting for a Single System-Average (Option A)

Row 21 :

Column B: *Input tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for all customers.*

Column C: *Input RECs and other special power certificates transactions delivered to all customers**

Column D: *Input net megawatt-hour of electricity delivered to all customers.*

Column E *The single system-average metric is calculated automatically based on the inputs from B:22-D:22.*

(OPTION A)

Report Single System-Average Metric

| | t CO ₂ | REC Adjustments* | MWh | Metric |
|---|-------------------|------------------|-----|--------|
| Single System-Average Metric (Option A) | | | | N/A |

Comments: Add any supporting explanation/clarification for your Verification Body (if applicable).

** All RECs and special power certificates claimed here must meet the eligibility requirements laid out in Step 1 on page 108 of the EPS Protocol.*

Power Deliveries Metrics: Reporting Separate Metrics for Wholesale, Special Power, and Retail (Option B)

Row 42 :

Column B: *Input tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity resold at the wholesale level.*

Column D: *Input net megawatt-hour of electricity delivered to wholesale customers.*

Column E: *The anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to wholesale customers will be calculated here.*

Row 43:

Column B: *Input tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity sold as a special product.*

Column D: *Input net megawatt-hour of electricity delivered to special power customers.*

Column E: *The anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to special power customers will be calculated here.*

Row 44 :

Column B: *Tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity delivered to retail customers.*

Column D: *Net megawatt-hour of electricity delivered to retail customers.*

Column E: *The anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to retail customers.*

Rows 48-52 :

These rows are intended for Members to optionally report metrics for self-defined customer categories (if applicable). For example, you may wish to develop multiple metrics for the electricity delivered to distinct customer groups of your wholesale power transactions or for separate special power products. Be sure to name the customer category in Column A according to your company records.

(OPTION B)

Report Separate Metrics for your Wholesale Sales, Special Power Products, and/or Retail Sales

| | t CO ₂ | REC Adjustments* | MWh | Metric |
|--|-------------------|------------------|-----------|----------|
| EPS Metric D-1 (Wholesale Electric Deliveries) | | N/A | | N/A |
| EPS Metric D-2 (Special Power Electric Deliveries) | 299,594 | N/A | 5,821,428 | 5.15E-02 |
| EPS Metric D-3 (Retail Electric Deliveries) | | N/A | | N/A |

EPS Metric D-2 (Special Power Electric Deliveries) represents the total emissions for all electricity sold by East Bay Community Energy for 2019. These emissions are represented by three power products: Renewable 100, Brilliant 100, and Bright Choice. Further detail on the supply mix for each of the power products are shown on the worksheet for Additional Optional Information.

Report Additional Wholesale and Special Power Delivery Metrics

| Name | t CO ₂ | REC Adjustments* | MWh | Metric |
|---------------|-------------------|------------------|-----------|----------|
| Renewable 100 | | N/A | 39,748 | 0 |
| Brilliant 100 | | N/A | 892,632 | 0 |
| Bright Choice | 299,594 | N/A | 4,889,048 | 6.13E-02 |
| | | N/A | | N/A |
| | | N/A | | N/A |

Comments: Add any supporting explanation/clarification for your Verification Body (if applicable).

Power Deliveries Metrics: Reporting Certificate-Adjusted Metrics

Row 73:

Column B: *Tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity resold at the wholesale level (cell B50).*

Column C: *Input RECs and other special power certificates transactions delivered to wholesale customers.**

Column D: *Net megawatt-hour of electricity delivered to wholesale customers (from cell D50).*

Column E: *The certificate-adjusted anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to wholesale customers.*

Row 74:

Column B: *Tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity resold at the special power level (from cell B51).*

Column C: *Input RECs and other special power certificates transactions delivered to special power customers.**

Column D: *Net megawatt-hour of electricity delivered to special power customers (from cell D50).*

Column E: *The certificate-adjusted anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to special power customers.*

Row 75:

Column B: *Tonnes of anthropogenic CO₂ emissions from electricity generation and purchases for the portion of electricity resold at the retail level (from cell B52).*

Column C: *Input RECs and other special power certificates transactions delivered to retail customers.**

Column D: *Net megawatt-hour of electricity delivered to retail customers (from cell D50).*

Column E: *The certificate-adjusted anthropogenic carbon intensity (CO₂ emissions per unit of output) of power delivered to retail customers.*

Rows 81-85:

These rows are

intended for Members that optionally reported self-defined customer categories above and want to calculate the certificate-adjusted metrics.

| Certificate-Adjusted Metrics | | | | |
|--|-------------------------|-------------------------|------------|------------------------------------|
| | t CO₂ | REC Adjustments* | MWh | Certificate-Adjusted Metric |
| EPS Metric D-1 (Wholesale Electric Deliveries) | - | | - | N/A |
| EPS Metric D-2 (Special Power Electric Deliveries) | 299,594 | | 5,821,428 | 5.15E-02 |
| EPS Metric D-3 (Retail Electric Deliveries) | - | | - | N/A |

Comments: Add any supporting explanation/clarification for your Verification Body (if applicable).

* All RECs and special power certificates claimed here must meet the eligibility requirements laid out in Step 1 on page 108 of the EPS Protocol.

| Additional Certificate-Adjusted Metrics | | | | |
|--|-------------------------|------------------------|------------|------------------------------------|
| Name | t CO₂ | REC Reductions* | MWh | Certificate-Adjusted Metric |
| Renewable 100 | - | | 39,748 | 0 |
| Brilliant 100 | - | | 892,632 | 0 |
| Bright Choice | 299,594 | | 4,889,048 | 6.13E-02 |
| | - | | - | N/A |
| | - | | - | N/A |

Comments: Add any supporting explanation/clarification for your Verification Body (if applicable).

Additional Optional Information Worksheet - OPTIONAL

Introduction: On this worksheet, The Registry has provided a place for utilities to provide additional entity-level information about the power they purchase and generate.

Note: Information in this section is voluntarily provided by the participant for public information, but is not required and is not verified under the Climate Registry's protocols.

| GENERATION & PURCHASED POWER INFORMATION | Renewable 100 | | Brilliant 100 | | Bright Choice | |
|--|---------------|--------------------------|---------------|--------------------------|---------------|--------------------------|
| | Amount (MWh) | CO ₂ (tonnes) | Amount (MWh) | CO ₂ (tonnes) | Amount (MWh) | CO ₂ (tonnes) |
| Owned Generation Total (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fossil Generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Biogenic Generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Geothermal Generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Renewable Generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Zero Emission Generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Co-generation (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchased Power Total (Net) | 39,748.00 | 0.00 | 892,632.00 | 0.00 | 4,889,048.00 | 230,257.00 |
| Purchased Fossil Power (Net) | 0.00 | 0.00 | 0.00 | 0.00 | | |
| Purchased Biogenic Power (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 251,533.00 | 13,365.00 |
| Purchased Geothermal Power (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 598,968.00 | 69,337.00 |
| Purchased Wind and Solar Power (Net) | 39,748.00 | 0.00 | 669,473.00 | 0.00 | 1,940,346.00 | |
| Purchased Large Hydro-Electric Power (Net) | 0.00 | 0.00 | 223,159.00 | 0.00 | 685,052.00 | |
| Purchased Co-generation Power (Net) | 0.00 | 0.00 | 0.00 | 0.00 | | |
| Purchased Wholesale Power (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 1,413,149.00 | 230,257.00 |
| TOTAL FOSSIL GENERATION/PURCHASES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL FROM BIOGENIC SOURCES | 0.00 | 0.00 | 0.00 | 0.00 | 251,533.00 | 13,365.00 |
| TOTAL FROM GEOTHERMAL SOURCES | 0.00 | 0.00 | 0.00 | 0.00 | 598,968.00 | 69,337.00 |
| TOTAL OTHER GENERATION/PURCHASES | 39,748.00 | 0.00 | 892,632.00 | 0.00 | 4,038,547.00 | 230,257.00 |
| TOTAL FROM ALL GENERATION/PURCHASES | 39,748.00 | 0.00 | 892,632.00 | 0.00 | 4,889,048.00 | 299,594.00 |
| TOTAL FROM RETAIL SALES | 39,748.00 | 0.00 | 892,632.00 | 0.00 | 4,889,048.00 | 299,594.00 |

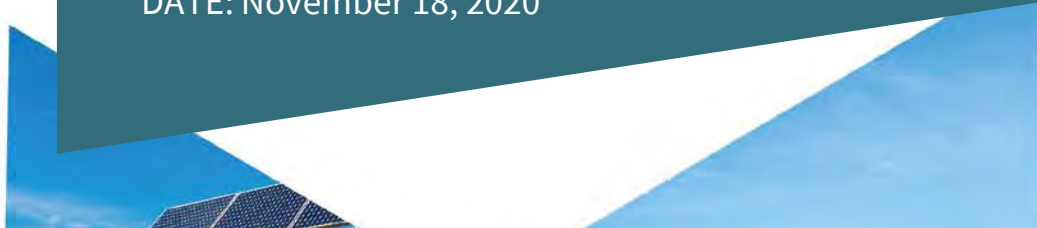
Comments:



2019 Emissions Factor

PRESENTED BY: Jim Dorrance

DATE: November 18, 2020



Overview

- The Climate Registry
- 2019 Emissions factor results
- AB 1110 reporting changes

The Climate Registry

- Operates a voluntary, national GHG reporting program that assists organizations in measuring, reporting, and verifying emissions
- Used widely, including PG&E and other California CCA's
- A non-profit governed by US states and Canadian Provinces
- Contains specific protocol for the electric power sector



Reporting and Verification Process

- Power transactions validated: review purchases, invoices, and billing
- Use purchases and sales to calculate an emissions factor, submitted to TCR
- Emissions factors are verified by a third-party auditor
- Review the calculations for the emissions factor, check accuracy, and review transactional data
- TCR conducts their own verification and when completed posts EBCE's emissions factor on their website

2019 Emissions Factor Results

- Board-Adopted Bright Choice Emissions Factor Target:
 - **142 lb-CO²/MWh** (0.064 MT-CO²/MWh)
- Bright Choice 2019 Emissions Factor:
 - **135 lb-CO²/MWh** (0.061 MT-CO²/MWh)
 - *101 lb-CO²/MWh in 2018*
- 2019 Emissions Factor for the aggregate of all three of EBCE's energy products:
 - **113 lb-CO²/MWh** (0.052 MT-CO²/MWh)
 - *83 lb-CO²/MWh in 2018*

Power Content Reporting

- Historically the CEC Power Content Label (PCL) reports power content %'s and does not include emissions
- Eligible renewables include PCC1, PCC2, and PCC3 RECs acceptable products in CA Renewable Portfolio Standards
- Using power generation sources from the PCL and source specific emissions factors we calculate emissions using The Climate Registry emissions accounting methodology

East Bay Community Energy · 2019 Power Content Label · ebce.org/documents-and-resources

| Energy Resources | Renewable 100 | Brilliant 100 | Bright Choice | 2019 CA Power Mix |
|---|---------------|---------------|---------------|-------------------|
| Eligible Renewable¹ | 100.0% | 75.0% | 59.9% | 31.7% |
| Biomass & Biowaste | 0.0% | 0.0% | 3.6% | 2.4% |
| Geothermal | 0.0% | 0.0% | 12.3% | 4.8% |
| Eligible Hydroelectric | 0.0% | 0.0% | 4.9% | 2.0% |
| Solar | 50.0% | 37.5% | 3.5% | 12.3% |
| Wind | 50.0% | 37.5% | 35.7% | 10.2% |
| Coal | 0.0% | 0.0% | 0.0% | 3.0% |
| Large Hydroelectric | 0.0% | 25.0% | 25.3% | 14.6% |
| Natural Gas | 0.0% | 0.0% | 0.1% | 34.2% |
| Nuclear | 0.0% | 0.0% | 1.5% | 9.0% |
| Other | 0.0% | 0.0% | 0.2% | 0.2% |
| Unspecified sources of power² | 0.0% | 0.0% | 13.1% | 7.3% |
| TOTAL | 100% | 100% | 100% | 100% |
| Percentage of Retail Sales Covered by Retired Unbundled RECs³ | 0.0% | 0.0% | 0.0% | 0.0% |

¹ The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.
² Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.
³ Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.

| | |
|---|---|
| For specific information about this electricity product, contact: | East Bay Community Energy 1-833-699-EBCE (3223) |
| For general information about the Power Content Label, please visit: | http://www.energy.ca.gov/pcl/ |
| For additional questions, please contact the California Energy Commission at: | Toll-free in California: 844-454-2906 Outside California: 916-653-0237 |

Assembly Bill (AB) 1110

- Regulations modifying power content and emissions reporting
- PCL emissions reporting starts with purchases in 2020 and will be first reported in 2021
- Requires load serving entities to:
 - Use the new AB1110 emissions accounting methodology for calculating emissions
 - Report and market emissions on the PCL and restricts disclosure through other accounting methodologies, e.g. TCR
 - Include emissions from PCC2 and PCC3 renewables
 - Not count PCC 3 (un-bundled) RECs towards content

AB 1110 - Impacts

- EBCE does not anticipate using TCR for emissions reporting next year
- 2021 Reported emissions for 2020 content are likely to materially increase due to AB1110 emissions accounting changes and power content target changes for Bright Choice
- Does not affect Renewable 100 or Brilliant 100

Questions ?



Staff Report Item 12

TO: East Bay Community Energy Board of Directors

FROM: Cici Saekow, Senior Power Resources Manager and Jim Dorrance, Power Resources Manager

SUBJECT: Power Procurement Project Update (Informational Item)

DATE: November 18, 2020

Recommendation

Update on three renewable energy projects:

- A. Clearway - Rosamond Central Solar Energy Project;
- B. Alameda Summit Wind Farm (Alameda County); and
- C. Mulqueeney Wind Project (Alameda County).

Background and Discussion

At the June and July 2019 East Bay Community Energy (EBCE) Board of Directors (Board) Meeting, the Chief Executive Officer was authorized to execute two long-term PPAs for renewable energy projects that were awarded during the 2018 California Renewable Portfolio Standard Request for Offers. The Clearway project is a 112 mega-watt (MW) portion of the Rosamond Central solar energy project and is expected to begin delivery of renewable energy during December 2020. The generation will include the associated Renewable Energy Certificates (RECs), and Resource Adequacy Capacity (RA) with a contract term of fifteen years. This will be the first project to come online from EBCE's CA RPS RFO.

The second project is the Alameda Summit Wind Farm, which is a 57.5 MW, Alameda County Wind Project and is expected to begin delivery of renewable energy in March 2021 and has a contract term of twenty years. The project will be the first local renewable energy project serving EBCE customers.

In addition to the above two renewable energy projects that are already under contract, EBCE has recently signed a Term Sheet and an Exclusivity Agreement for another wind project called the Mulqueeney Wind Project. The proposed project would repower some existing wind turbines in the Altamont Pass area in Alameda County. The total project could generate 80 MW and EBCE would share the generation with another Alameda County utility with EBCE receiving 90 percent of the available generation. The Exclusivity Agreement is a formal agreement stating that both parties, EBCE and the developer, will negotiate exclusively on the project's Power Purchase Agreement.

The project plan proposes repowering twenty-nine existing wind turbines on the Altamont Pass that when completed, could generate over 200,000 mega-watt-hours (MWh) per year of local renewable energy for EBCE customers. The project would start construction in early 2022 and is expected to come online by the summer 2022 with a proposed contract term of twenty years. The project would be EBCE's second renewable wind energy project under development in that area.

The projects presented in this staff report reflect EBCE's commitment towards creating new renewable energy projects in CA and in Alameda County. These projects will increase EBCE customer's access to renewable energy, create jobs within EBCE's jurisdictions, and help EBCE manage its long-term energy procurement risk.

Attachments

- A. Power Procurement Project Update Presentation



Power Procurement Project Update

Cici Saekow
November 18, 2020



Overview



Rosamond Central
Solar Project

December 2020



Alameda Summit
Wind Project

March 2021



Mulqueeney
Wind Project

Proposed 2022



Rosamond Central

1st long-term

renewable energy
PPA to come online

112 MW

of 192 MW
project size

609,168

solar modules
installed

\$250K

invested into
EBCE's COVID-19
Relief Grants



Next Steps

Expected Commercial Operation
December 15, 2020

Ribbon Cutting Ceremony
Expected Jan/Feb 2021



 Clearway
**ENGINEERING
&
CONSTRUCTION**



Alameda Summit Wind



1st local

Long-term renewable energy
PPA to come online

57.5 MW

Located in Livermore, CA

23 turbines

As of October 2020, all 23
turbines have been erected

Next Steps

Complete commissioning
process

Expected Commercial
Operation Date –
March 2021

Ribbon Cutting Ceremony–
To be planned around COD



Mulqueeney Wind Project

Under **term sheet** and **exclusivity** with Brookfield Renewables

Previously presented to the board (MOU)

- Formal PPA negotiations underway

Expect to bring to board in 60-90 days for approval

- Initially submitted into the SCPPA RFO
- Share renewable generation output with an Alameda County based entity

Mulqueeney Wind Project

| Specifications | |
|---|---|
| <p>80 MW capacity</p> <p>~200,000 MWh per year of estimated renewable generation</p> <p>EBCE's share is 90%</p> | <ul style="list-style-type: none">• Second local wind project in Altamont Pass location• Turbines re-powered at existing wind sites• Expected online summer of 2022• 20 years contract term proposed |

Questions ?



Staff Report Item 13

TO: East Bay Community Energy Board of Directors
FROM: Nick Chaset, Chief Executive Officer
SUBJECT: Brilliant 100 Options (Action Item)
DATE: November 18, 2020

Recommendation

Decide to change the Brilliant 100 consumer electricity product in one of following way:

- A) Close Brilliant 100 effective February 1, 2021. All current Brilliant 100 customers would be defaulted onto Bright Choice unless the city council/Board of Supervisors have affirmatively voted to default these customers onto another product, or
- B) Set Brilliant 100 cost above PG&E – with specific premium brought to Board of Directors in December 2020. All current Brilliant 100 customers would see these new costs effective February 1, 2021. Under this option Brilliant 100 would continue to be available to all EBCE customers, or
- C) Maintain Brilliant 100 cost at parity with PG&E for 2021, but close Brilliant 100 effective January 1, 2022.

Background and Discussion

At its meeting on June 17, 2020, EBCE's Board voted to close *Brilliant 100* to new accounts beginning July 1, 2020, as one of several budget-related actions. Staff had determined current *Brilliant 100* rates no longer cover the cost of service and would need time to develop alternative courses of action for the Board to consider.

Over the last number of months, EBCE staff have worked to develop three options for how to proceed with Brilliant 100 for 2021 and beyond. The three options are laid out in the attached presentation.

Fiscal Impact

Option C carries a projected fiscal impact of at least \$1.85m.

Attachments

- A. Presentation on New Carbon-free Electricity Product and Brilliant 100 Options



Brilliant 100 Options in 2021

Nick Chaset
November 18, 2020



Overview of Agenda Item

Which of the following changes to Brilliant 100 for 2021 should EBCE make?

- A) Close Brilliant 100 effective February 1, 2021. All current Brilliant 100 customers would be defaulted onto Bright Choice unless the city council/Board of Supervisors have affirmatively voted to default these customers onto another product, or
- B) Set Brilliant 100 cost above PG&E – with specific premium brought to Board of Directors in December 2020. All current Brilliant 100 customers would see these new costs effective February 1, 2021. Under this option Brilliant 100 would continue to be available to all EBCE customers, or
- C) Maintain Brilliant 100 cost at parity with PG&E for 2021, but end B100 effective January 1, 2022

2021 Brilliant 100 Policy

Option A

- Close Brilliant 100 effective February 1, 2021.
- All current Brilliant 100 customers would be defaulted onto Bright Choice unless the city council/Board of Supervisors have affirmatively voted to default these customers onto another product.
- No Fiscal Impact

2021 Brilliant 100 Policy

Option B

- Set Brilliant 100 cost above PG&E – with specific premium brought to Board of Directors in December 2020.
- All current Brilliant 100 customers would see these new costs effective February 1, 2021.
- Under this option Brilliant 100 would continue to be available to all EBCE customers.
- No Fiscal Impact

2021 Brilliant 100 Policy

Option C

- Maintain Brilliant 100 cost at parity with PG&E for 2021 but Brilliant 100 to all customers effective Jan 1, 2022
- Fiscal Impact Detailed

2021 Brilliant 100 Policy

Option C Fiscal Impact Assessment: \$1.85m to serve existing Brilliant 100 in 2021

- Brilliant 100 costs estimated to cost approx. \$2.70/MWh more to procure than Bright Choice:
 - Brilliant 100: $\$14.5 \times 36\% \text{ (RE)} + \$5.0 \times 54\% \text{ (Lhyd)} + \$0 \times 10\% \text{ (PG\&E Allocation Share)} = \7.92 Adder
 - Bright Choice: $\$12.7 \times 41\% \text{ (RE)} + \$0 \times 10\% \text{ (PG\&E Allocation Share)} = \5.21 Adder
 - With energy and overhead costs, Brilliant 100 is 4.6% more expensive than Bright Choice, while only priced at 1% more than Bright Choice. This equates to 3.6% higher Brilliant 100 cost not recovered in rates, which means that 78% of the Brilliant 100 premium should be treated as incremental costs.
- Brilliant 100 projected to create an incremental cost in 2021 of \$1.85m to serve current Brilliant 100 customers
 - Brilliant 100 2021 load projection: 875,000 MWh
 - $\$2.71 \times 78\% \times 875,000 \text{ MWh} = \1.85 m
- Brilliant 100 incremental costs scale up with each additional MWh, so if new customers or communities join Brilliant 100, costs to EBCE rise. For example, if Dublin/Pleasanton and Berkeley were to opt all accounts onto Brilliant 100 for 2021, that would result in an unfunded increase in procurement costs of \$1,895,400
 - Brilliant 100 Cost Premium (\$2.70) * Unfunded share of Brilliant 100 costs (78%) * Approx Dublin/Berkeley/Pleasanton Load (900,000 MWh) = **\$1.90m**



Staff Report Item 14

TO: East Bay Community Energy Board of Directors

FROM: Howard Chang, Chief Operating Officer

SUBJECT: Aramis RA Solar & Storage Contract Approval (Action Item)

DATE: November 18, 2020

Recommendation

Adopt a Resolution authorizing the CEO to execute a 10-year local Resource Adequacy purchase agreement from a 100MW Alameda County Solar and Storage Project (“Aramis project”) with Intersect as the developer.

The Aramis project is expected to begin to provide local Greater Bay Area Resource Adequacy to EBCE starting in April 2024 through December 2033 for a period of 10 years. The quantity will range from 14MW to 23MW and average approximately 20MW.

Background

Intersect Power is a clean infrastructure company based in the Bay Area focusing on bringing low-carbon energy and infrastructure solutions to its customers in California. Their team has developed projects together in the Bay Area, and in California, for over a decade. The Intersect team has shared experience in all phases of development across 60-plus projects and 3.7 GWDC of solar assets with a total value of more than \$8 billion.

The Aramis Solar & Storage Project is a 100MW solar project with a 100MW/4-hour duration battery system proposed to be located in North Livermore. EBCE has negotiated a 10-year contract for 20MW of local Greater Bay Area Resource Adequacy from the project. CleanPowerSF, the CCA serving San Francisco, will likely be a significant off-taker of the project as well. Intersect is seeking permitting approvals from the County during the Fall and Winter of 2020. The project is expected to begin construction in 2023 and create approximately 400 local construction jobs. Intersect signed a PLA in February 2018 with 5 local construction crafts and has a goal of hiring 100% of its labor from Alameda County.

The Aramis project was submitted into EBCE’s 2018 California Renewable Energy RFP and staff has been in discussions with Intersect since that time. Through the RFP and subsequent discussion, EBCE has evaluated the project from an energy product perspective and related to development and delivery risk. Staff evaluates permitting risk in terms of ability to deliver energy products and comply with the negotiated PPAs. Obtaining all necessary permits is a requirement under the Agreement. Thorough environmental review is completed by the local

government and authorities having jurisdiction in the formal permitting approval process. The project has received support letters from environmental organizations such as the National Resources Defense Council and the Sierra Club, in addition to many other organizations.

The Aramis project is unique because it is one of the largest renewable energy projects in Alameda County and Northern California and due to the significant battery storage that the project includes. The California Public Utilities Commission (CPUC) and the California Independent System Operator (CAISO) are forecasting capacity constraints over the coming years and the Aramis project can provide local Resource Adequacy to support these capacity needs.

EBCE has signed over 650MW of new renewable generation and storage projects in CA. This includes over 100MW of projects located within Alameda County.

Conclusion

EBCE has evaluated the Aramis Solar + Storage project and is recommending approval of this 10-year local Greater Bay Area Resource Adequacy contract. This project is competitively priced and will provide necessary Resource Adequacy to our portfolio. This transaction reflects EBCE's commitment to supporting new renewable energy projects in CA and Alameda County and creating local jobs.

Attachments

- A. Intersect-EBCE Resource Adequacy Confirmation Letter - Redacted
- B. Master Power Purchase and Sale Agreement - Redacted
- C. Resolution - Aramis RA Solar & Storage Contract Approval
- D. Aramis Solar & Storage Power Point Presentation

EBCE ARAMIS RA CONFIRMATION

**RESOURCE ADEQUACY
CONFIRMATION LETTER
BETWEEN
INTERSECT POWER
AND
EAST BAY COMMUNITY ENERGY**

This confirmation letter (“Confirmation”) confirms the Transaction between **IP Aramis II, LLC**, a Delaware limited liability company (“Seller”) and **East Bay Community Energy**, a California joint powers authority (“Buyer”), each individually a “Party” and together the “Parties,” dated as of November [___], 2020 (the “Confirmation Effective Date”) in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in Article 3 of this Confirmation (the “Transaction”). This Confirmation is being provided pursuant to and in accordance with the Edison Electric Institute Master Power Purchase and Sale Agreement dated November [___], 2020 between Buyer and Seller (the “Master Agreement”). The Confirmation and Master Agreement, including any appendices, exhibits or amendments thereto, shall be collectively referred to herein as the “Agreement.” Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement or the Tariff or in the CPUC Decisions (each as defined herein below). To the extent that this Confirmation is inconsistent with any provision of the Master Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder.

**ARTICLE 1
DEFINITIONS**

- 1.1 “Alternate Capacity” means any replacement Product which Seller has elected to provide to Buyer in accordance with the terms of Section 4.5.
- 1.2 “Applicable Laws” means any law, rule, regulation, order, decision, judgment, or other legal or regulatory determination by any Governmental Body having jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.
- 1.3 “Availability Incentive Payments” shall mean Availability Incentive Payments as defined in the Tariff.
- 1.4 “Availability Standards” shall mean Availability Standards as defined in the Tariff.
- 1.5 “Buyer” has the meaning specified in the introductory paragraph hereof and shall be the “Purchaser” under the Master Agreement.
- 1.6 “CAISO” means the California Independent System Operator or its successor.
- 1.7 “CAISO Control Area” has the meaning set forth in the Tariff.
- 1.8 “Capacity Replacement Price” means, absent a purchase of any Replacement Capacity, the prevailing market price for such Designated RA Capacity not provided at the Delivery Point. The Buyer shall determine such market prices in a commercially reasonable manner. For purposes of the Master Agreement, “Capacity Replacement Price” shall be deemed to be the “Replacement Price.”

EBCE ARAMIS RA CONFIRMATION

- 1.9 “Confirmation” has the meaning specified in the introductory paragraph hereof.
- 1.10 “Confirmation Effective Date” has the meaning specified in the introductory paragraph hereof.
- 1.11 “Contingent Firm RA Product” has the meaning specified in Section 3.4 hereof.
- 1.12 “Contract Price” means, for any Monthly Delivery Period, the RA Capacity Price, as specified in the RA Capacity Price Table shown in Section 4.9 hereof.
- 1.13 “Contract Quantity” means, with respect to any particular Showing Month of the Delivery Period, the amount of Product (in MWs) set forth in table in Section 4.3 which Seller has agreed to provide to Buyer from the Unit for such Showing Month, as such amount may be adjusted pursuant to Section 4.4.
- 1.14 “CPUC Decisions” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050 and subsequent decisions related to resource adequacy, as may be amended from time to time by the CPUC.
- 1.15 “CPUC Filing Guide” means the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for LSE’s to demonstrate compliance with the CPUC’s resource adequacy program.
- 1.16 “Delay Damages” means, for each day, the amount of the Development Security divided by [REDACTED].
- 1.17 “Delivery Period” has the meaning specified in Section 4.1 hereof.
- 1.18 “Delivery Point” has the meaning specified in Section 4.2 hereof.
- 1.19 “Delivery Term Security” shall mean cash or a Letter of Credit in an amount equal to [REDACTED].
- 1.20 “Designated RA Capacity” shall be equal to, with respect to any particular Showing Month of the Delivery Period, the Contract Quantity of Product for such Showing Month including the amount of Contract Quantity that Seller has elected to provide Alternate Capacity with respect to, minus any reductions to Contract Quantity specified in Section 4.4 with respect to which Seller has not elected to provide Alternate Capacity. For avoidance of doubt, “Designated RA Capacity” shall include any and all Alternate Capacity which Seller elects to provide from one or more Replacement Units in accordance with Section 4.5.
- 1.21 “Development Security” shall mean cash or a Letter of Credit in an amount equal to [REDACTED].
- 1.22 “Effective Flexible Capacity” means the flexible capacity of a resource that can be counted towards an LSE’s FCR obligation, as identified from time to time by the Tariff, the CPUC Decisions, LRA, or other Governmental Body having jurisdiction.

EBCE ARAMIS RA CONFIRMATION

1.23 “FCR Attributes” means, with respect to a Unit, any and all flexible resource adequacy attributes that can be counted toward an LSE’s FCR, as they are identified from time to time by the CPUC Decisions, the Tariff, an LRA, or other Governmental Body having jurisdiction, exclusive of any LAR Attributes and any RAR Attributes.

1.24 “FCR Showings” means the FCR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions and the Tariff, or to an LRA having jurisdiction over the LSE.

1.25 “Firm RA Product” has the meaning specified in Section 3.3 hereof.

1.26 “Flexible Capacity Category” has the meaning set forth in the CPUC Decisions.

1.27 “Flexible Capacity Requirements” or “FCR” means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by an LRA or other Governmental Body having jurisdiction.

1.28 “Flexible RA Product” has the meaning specified in Section 3.2 hereof.

1.29 “GADS” means the Generating Availability Data System or its successor.

1.30 “Generic RA Product” means Product consisting of RAR Attributes and, if applicable, LAR Attributes, which does not include FCR Attributes.

1.31 “Governmental Body” means (i) any federal, state, local, municipal or other government; (ii) any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and (iii) any court or governmental tribunal.

1.32 “LAR” means local area reliability, which is any program of localized resource adequacy requirements established for jurisdictional LSEs by the CPUC pursuant to the CPUC Decisions, or by another LRA having jurisdiction over the LSE, as implemented in the Tariff. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.

1.33 “LAR Attributes” means, with respect to a Unit, any and all resource adequacy attributes (or other locational attributes related to system reliability), as they are identified from time to time by the CPUC Decisions, CAISO, LRA, or other Governmental Body having jurisdiction, associated with the physical location or point of electrical interconnection of the Unit within the CAISO Control Area, that can be counted toward LAR, but exclusive of any RAR Attributes which are not associated with where in the CAISO Control Area the Unit is physically located or electrically interconnected. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or re-defines existing local areas, then such change will not result in a change in obligations or payments made pursuant to this Transaction.

1.34 “LAR Showings” means the LAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions and the Tariff, or to an LRA having jurisdiction over the LSE.

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- 1.35 “Letter of Credit” means one or more irrevocable, standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a Credit Rating of at least A- with an outlook designation of “stable” from S&P or A3 with an outlook designation of “stable” from Moody’s, in form reasonably acceptable to Buyer.
- 1.36 “LRA” has the meaning set forth in the Tariff.
- 1.37 “LSE” means load-serving entity. LSEs may be an investor-owned utility, an electric service provider, a community aggregator or community choice aggregator, or a municipality serving load in the CAISO Control Area (excluding exports).
- 1.38 “Master Agreement” has the meaning specified in the introductory paragraph hereof.
- 1.39 “Monthly Delivery Period” means each calendar month during the Delivery Period and shall correspond to each Showing Month.
- 1.40 “Monthly RA Capacity Payment” has the meaning specified in Section 4.9 hereof.
- 1.41 “NERC” means the North American Electric Reliability Corporation, or its successor.
- 1.42 “Net Qualifying Capacity” has the meaning set forth in the Tariff.
- 1.43 “Non-Availability Charges” has the meaning set forth in the Tariff.
- 1.44 “Non-Excusable Event” means any event that causes Seller to fail to perform its obligations under this Confirmation as the result of (a) the negligence of the owner, operator or Scheduling Coordinator of a Unit, or (b) Seller’s failure to comply, or failure to cause the owner, operator or Scheduling Coordinator of the Units to comply, with the terms of the Tariff with respect to the Units providing RA Attributes, Flexible RA Attributes or LAR Attributes, as applicable, except to the extent such failure is caused by an event of Force Majeure, any action or inaction by the Transmission Provider, an issue impacting the CAISO grid, or breach by Buyer.
- 1.45 “Notification Deadline” has the meaning specified in Section 4.5 hereof.
- 1.46 “Outage” means any disconnection, separation, or reduction in the capacity of any Unit that relieves all or part of the offer obligations of the Unit consistent with the Tariff. For the avoidance of doubt, Outage shall be deemed to include Planned Outage (as defined below).
- 1.47 “Planned Outage” means, subject to and as further described in the Tariff, a planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for the purposes of carrying out routine repair or maintenance of such Unit, or for the purposes of new construction work for such Unit.
- 1.48 “Product” has the meaning specified in Article 3 hereof.
- 1.49 “RA Availability” means, for each Unit, expressed as a percentage, (a) the Unit’s Designated RA Capacity for a Monthly Delivery Period, divided by (b) the Contract Quantity for a Monthly Delivery Period, provided that a Unit’s RA Availability shall not exceed 1.00.

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1.50 “RA Capacity” means the qualifying and deliverable capacity of the Unit for RAR, LAR, and FCR purposes, as applicable, for the Delivery Period, as determined by the CAISO, or other Governmental Body authorized to make such determination under Applicable Laws. RA Capacity encompasses the applicable RAR Attributes, LAR Attributes and FCR Attributes of the capacity provided by a Unit.

1.51 “RA Capacity Flat Price” means the price specified in the RA Capacity Flat Price Table in Section 4.9 hereof.

1.52 “RAR” means the resource adequacy requirements, exclusive of LAR and FCR established for LSEs by the CPUC pursuant to the CPUC Decisions, or by an LRA or other Governmental Body having jurisdiction.

1.53 “RAR Attributes” means, with respect to a Unit, any and all resource adequacy attributes, as they are identified from time to time by the Tariff, CPUC Decisions, LRA, or any Governmental Body having jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and FCR Attributes.

1.54 “RAR Showings” means the RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and/or, to the extent authorized by the CPUC, to the CAISO), pursuant to the Tariff or CPUC Decisions, or to an LRA having jurisdiction.

1.55 “Replacement Capacity” has the meaning specified in Section 4.7 hereof.

1.56 “Replacement Unit” means a generating unit meeting the requirements specified in Section 4.5 hereof.

1.57 “Resource Category” shall be as described in the CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.

1.58 “Scheduling Coordinator” has the same meaning as in the Tariff.

1.59 “Seller” has the meaning specified in the introductory paragraph hereof.

1.60 “Showing Month” shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, LAR Showing, and/or FCR Showing, as applicable, as set forth in the CPUC Decisions or Tariff. For illustrative purposes only, pursuant to the CPUC Decisions in effect as of the Confirmation Effective Date, the monthly RAR Showing made in June is for the Showing Month of August.

1.61 “Substitution Rules” has the meaning specified in the Tariff.

1.62 “Supply Plan” means the supply plans, or similar or successor filings, that each Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other Governmental Body, pursuant to Applicable Laws, in order for that RA Capacity to count, as applicable, for RAR Attributes, LAR Attributes, and/or FCR Attributes.

1.63 “Tariff” means the tariff and protocol provisions of the CAISO, including associated rules, procedures and business practice manuals, as amended or supplemented from time to time.

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1.64 “Transaction” has the meaning specified in the introductory paragraph hereof.

1.65 “Unit” or “Units” shall mean the generation assets described in Article 2 hereof (including any Replacement Units), from which RA Capacity is provided by Seller to Buyer. A Unit or Replacement Unit may not include a coal-fired or nuclear generating resource.

1.66 “Unit EFC” means the Effective Flexible Capacity set by the CAISO for the applicable Unit. If the CAISO adjusts the Effective Flexible Capacity of a Unit after the Confirmation Effective Date, then for the period in which the adjustment is effective, the Unit EFC shall be deemed the lesser of (i) the Unit EFC as of the Confirmation Effective Date, and (ii) the CAISO-adjusted Effective Flexible Capacity. To the extent the Confirmation Effective Date of this Confirmation occurs prior to the CAISO’s setting of a Unit EFC for the applicable Unit, the Unit EFC shall be as agreed to by the Parties and specified in Article 2 and Seller represents that this Unit EFC is consistent with the CAISO’s methodology for determining Unit EFC as of the Confirmation Effective Date. The above notwithstanding, to the extent the CAISO decides to reduce the applicable Unit EFC, Seller shall not be liable for any costs or damages related to such reduction and the Unit EFC shall be reduced per Section 4.4 of this Confirmation.

1.67 “Unit NQC” means the Net Qualifying Capacity set by the CAISO for the applicable Unit. If the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, then for the period in which the adjustment is effective, the Unit NQC shall be deemed the lesser of (i) the Unit NQC as of the Confirmation Effective Date, and (ii) the CAISO-adjusted Net Qualifying Capacity.

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**ARTICLE 2
UNIT INFORMATION**

| | |
|---|-------------------------------|
| Name: | Aramis II |
| Location: | Alameda County, CA |
| CAISO Resource ID: | Not yet assigned |
| Unit SCID: | Not yet assigned |
| Unit NQC: | 25 MW |
| Unit EFC: | 25 MW |
| Resource Type: | Battery Energy Storage System |
| Resource Category (1, 2, 3 or 4): | 4 |
| Flexible RAR Category (1, 2 or 3): | 2 |
| Path 26 (North or South): | North |
| Local Capacity Area (if any, as of Confirmation Effective Date): | Greater Bay Area |
| Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment: | None |
| Run Hour Restrictions: | None |

**ARTICLE 3
RESOURCE ADEQUACY CAPACITY PRODUCT**

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Confirmation, the Designated RA Capacity in the amount of the Contract Quantity for a Monthly Delivery Period of (i) RAR Attributes and, if applicable, LAR Attributes, and (ii) FCR Attributes, if Flexible RA Product is specified in Section 3.2, and the Contract Quantity shall be either a Firm RA Product or a Contingent Firm RA Product, as specified in either Section 3.3 or 3.4 (the “Product”). The Product does not confer to Buyer any right to the electrical output from the Units, other than the right to include the Designated RA Capacity associated with the Contract Quantity in RAR Showings, LAR Showings, and/or FCR Showings, as applicable, and any other capacity or resource adequacy markets or proceedings as specified in this Confirmation. Specifically, no energy or ancillary services associated with any Unit is required to be made available to Buyer as part of this Transaction and Buyer shall not be responsible for compensating Seller for Seller's commitments to the CAISO required by this Confirmation. Seller retains the right to sell, pursuant to the Tariff, any RA Capacity from a Unit that is in excess of that Unit’s Contract Quantity and any RAR Attributes, LAR Attributes, or FCR Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.1 RAR and LAR Attributes

Seller shall provide Buyer with the Designated RA Capacity of RAR Attributes and, if applicable, LAR Attributes, from each Unit, as measured in MWs, in accordance with the terms and conditions of this Agreement.

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- RA Attributes
- RA Attributes with Flexible RA Attributes
- LAR Attributes
- LAR Attributes with Flexible RA Attributes
- Flexible RA Attributes

3.2 Flexible RA Product

Seller shall provide Buyer with Designated RA Capacity of FCR Attributes from the Units in the amount of the applicable Contract Quantity.

3.3 Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units in the amount of the Contract Quantity with respect to the applicable Showing Month. If the Units are not available to provide the full amount of the Contract Quantity with respect to the applicable Showing Month for any reason other than Force Majeure, including, without limitation, any Outage or any adjustment of the RA Capacity of any Unit, pursuant to Section 4.4, then, Seller shall provide Buyer with Designated RA Capacity from one or more Replacement Units pursuant to Section 4.5 hereof. If Seller fails to provide Buyer with replacement Designated RA Capacity from Replacement Units pursuant to Section 4.5, then Seller shall be liable for damages and/or be required to indemnify Buyer for CAISO costs, penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof.

3.4 Contingent Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units in the amount of the applicable Contract Quantity; provided, however, that if the Units are not available to provide the full amount of the Contract Quantity on account of an Outage or Force Majeure, then Seller may provide Buyer with Designated RA Capacity from one or more Replacement Units pursuant to Section 4.5 hereof. If Seller fails to provide Buyer with the Designated RA Capacity, then Seller shall be liable for damages and/or be required to indemnify Buyer for costs, penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof; provided, however, that Seller shall not be liable for damages and/or required to indemnify Buyer for costs, penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof in connection with a Planned Outage if, and only if, Seller has provided Buyer with timely notice pursuant to Section 4.4(a) of Seller's intent not to provide Alternate Capacity due to a Planned Outage in an amount equal to the portion of the Contract Quantity of that Showing Month that is unavailable due to such Planned Outage.

**ARTICLE 4
DELIVERY AND PAYMENT**

4.1 Delivery Period

The Delivery Period shall be: April 1, 2024, through December 31, 2033, inclusive.

4.2 Delivery Point

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The Delivery Point for each Unit shall be the CAISO Control Area, and if applicable, the LAR region in which the Unit is electrically interconnected.

4.3 Contract Quantity

The Contract Quantity of each Unit for each Monthly Delivery Period shall be:

RAR or LAR Contract Quantity (MWs)

| Month | Contract Year | | | | | | | | | |
|------------|---------------|----|----|----|----|----|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| ██████████ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
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| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |
| █ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ | ██ |

4.4 Adjustments to Contract Quantity

- (a) Planned Outages: Seller is obligated to meet the Tariff obligations with respect to securing any approvals required from CAISO with respect to the Unit. Seller's obligation to deliver the Contract Quantity for any Showing Month may be reduced at Seller's option if any portion of the Unit is scheduled for a Planned Outage during the applicable Showing Month; provided, that Seller notifies Buyer, no later than the Notification Deadline for that Showing Month, of the amount of Product from the Unit that Buyer is permitted to include in Buyer's RAR Showings, LAR Showings and/or FCR Showings applicable to that month as a result of such Planned Outage. If Seller is unable to provide the applicable Contract Quantity for a Showing Month, or any portion thereof, because of a Planned Outage of a Unit, Seller has the right, but not the obligation, to provide Product for such Showing Month from Replacement Units; provided, that, Seller provides and identifies such Replacement Units in accordance with Section 4.5 hereof. If Seller chooses not to provide Product from Replacement Units and a Unit is on a Planned Outage for the applicable Showing Month, then, the Contract Quantity for such Showing Month shall be revised in

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accordance with any applicable adjustments stipulated by the CPUC Filing Guide or CAISO Tariff in effect for the applicable Showing Month in which the Planned Outage occurs.

- (b) Reductions in Unit NQC: If Product is both (i) Generic RA Product, and (ii) Contingent Firm RA Product specified under Section 3.4, then Seller's obligation to deliver the applicable Contract Quantity for any Showing Month may also be reduced if the Unit experiences a reduction in Unit NQC as determined by the CAISO and Seller has provided notice of such reduction to Buyer by the Notification Deadline for the Showing Month in which such day occurs. Seller's potential reduction in Contract Quantity for each remaining Showing Month shall equal the product of (a) the applicable Showing Month Contract Quantity and (b) the total amount (in MW) that the Unit NQC was reduced since the Confirmation Effective Date, divided by (c) Unit NQC as of the Confirmation Effective Date. If the Unit experiences such a reduction in Unit NQC, then Seller has the right, but not the obligation, upon written notice to Buyer by the Notification Deadline, to provide the applicable Contract Quantity for such Showing Month from (i) the same Unit, provided the Unit has sufficient remaining and available Product and/or (ii) from Replacement Units; provided, that in each case Seller provides and identifies such Replacement Units in accordance with Section 4.5.
- (c) If Product is both (i) Flexible RA Product specified under Section 3.2, and (ii) Contingent Firm RA Product specified under Section 3.4, then Seller's obligation to deliver the applicable Contract Quantity of Product for any Showing Month may also be reduced if the Unit experiences a reduction in Unit EFC as determined by the CAISO and Seller has provided notice of such reduction to Buyer by the Notification Deadline for the Showing Month in which such day occurs. Seller's potential reduction in Contract Quantity for each remaining Showing Month shall equal the product of (a) the applicable Showing Month Contract Quantity and (b) the total amount (in MW) Unit EFC was reduced since Confirmation Effective Date, divided by (c) Unit EFC as of the Confirmation Effective Date. If the Unit experiences such a reduction in Unit EFC, then Seller has the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to provide the applicable Contract Quantity for such Showing Month from (i) the same Unit, provided the Unit has sufficient remaining and available Product and/or (ii) from Replacement Units, provided, that in each case Seller provides and identifies such Replacement Units in accordance with Section 4.5.

4.5 Alternate Capacity and Replacement Units

- (a) The "Notification Deadline" for a given Showing Month shall be fifteen (15) Business Days before the earlier of the relevant deadlines for (a) the corresponding CPUC RAR Showings, LAR Showings and/or FCR Showings, as applicable for that Showing Month, or (b) submission of the CAISO supply plan filings applicable to that Showing Month.

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- (b) If Seller is unable to provide the full Contract Quantity for any Showing Month for any reason, including, without limitation, due to one of the reasons specified in Section 4.4, or Seller desires to provide the Contract Quantity for any Showing Month from a different generating unit other than the Unit, then Seller may, at no additional cost to Buyer, provide Buyer with Alternate Capacity from one or more Replacement Units, with the total amount of Product provided to Buyer from the Unit and Replacement Units up to an amount equal to the Contract Quantity for the applicable Showing Month; provided that in each case, Seller shall notify Buyer of the amount of Product that Seller will not be able to deliver from the Unit and the portion of the Contract Quantity for such Showing Month for which Seller intends, as applicable (i) not to provide or (ii) to provide Alternate Capacity and identify Replacement Units meeting the above requirements no later than the Notification Deadline. If Seller notifies Buyer in writing as to the particular Replacement Units in accordance with this Section 4.5 and such Replacement Units otherwise meet the requirements of a Unit under this Confirmation, then such Replacement Units shall be automatically deemed a Unit for purposes of this Confirmation for that Showing Month.
- (c) If Seller fails to provide Buyer the Contract Quantity of Product or Alternate Capacity for a given Showing Month during the Delivery Period, then (i) Buyer may, but shall not be required to, purchase replacement Product from a third party, and (ii) Seller shall not be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof if such failure is the result of (A) a reduction in the Contract Quantity for such Showing Month in accordance with Section 4.4 or (B) an event other than a Non-Excusable Event.

4.6 Delivery of Product

Seller shall provide Buyer with the Designated RA Capacity of Product for each Showing Month consistent with the following:

- (a) Seller shall, on a timely basis, submit, or cause the Unit's Scheduling Coordinator to submit, Supply Plans to identify and confirm the Designated RA Capacity provided to Buyer for each pertinent Showing Month so that the total amount of Designated RA Capacity identified and confirmed for such Showing Month equals the Designated RA Capacity, unless specifically requested not to do so by the Buyer.
- (b) Consistent with the Substitution Rules, take all action, or cause each Unit's Scheduling Coordinator to take all action, to allow Buyer or a subsequent purchaser to utilize the Contract Quantity during each Showing Month under the Substitution Rules, including, but not limited to, ensuring that the applicable capacity being provided as Expected Contract Quantity in the pertinent Showing Month will qualify for substitution under the Substitution Rules and providing Buyer or subsequent purchaser with all information needed to utilize the Substitution Rules.
- (c) Seller shall cause the Unit's Scheduling Coordinator to submit written notification to Buyer, at least fifteen (15) days before the Notification Deadline, that Buyer will be credited with the Designated RA Capacity for such Showing Month in the Unit's

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Scheduling Coordinator Supply Plan so that the Designated RA Capacity credited equals the Designated RA Capacity for such Showing Month.

4.7 Damages for Failure to Provide Designated RA Capacity

If Seller fails to provide Buyer with the Designated RA Capacity of Product for any Showing Month, and such failure is not excused under the terms of this Confirmation, then the following shall apply:

- (a) Buyer may, but shall not be required to, replace any portion of the Designated RA Capacity not provided by Seller with capacity having equivalent RAR Attributes, LAR Attributes and/or FCR Attributes as the Designated RA Capacity not provided by Seller, provided, that, if any portion of the Designated RA Capacity that Buyer is seeking to replace is Designated RA Capacity having RAR Attributes and no LAR Attributes, and no such RAR capacity is available (such capacity shall also include FCR Attributes if this is a Flexible Capacity Product), then Buyer may replace such portion of the Designated RA Capacity with capacity having RAR Attributes and LAR Attributes (as well as FCR Attributes if this is a Flexible RA Product) (“Replacement Capacity”), in either case, by entering into purchase transactions with one or more third parties, including, without limitation, third parties who have purchased capacity from Buyer, so long as such transactions are done at prevailing market prices. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity.
- (b) Seller shall pay to Buyer at the time set forth in Section 4.1 of the Master Agreement the following damages in lieu of damages specified in Section 4.1 of the Master Agreement: an amount equal to the positive difference, if any, between (i) the sum of (A) the actual cost paid by Buyer (or charged to Buyer by CAISO) for any Replacement Capacity at prevailing market prices, plus (B) each Capacity Replacement Price times the amount of the Designated RA Capacity neither provided by Seller nor purchased by Buyer pursuant to Section 4.7(a), and (ii) the Designated RA Capacity not provided by Seller for the applicable Showing Month times the Contract Price for that month. If Seller fails to pay these damages, then Buyer may offset those damages owed it against any future amounts it may owe to Seller under this Confirmation pursuant to Article Six of the Master Agreement.

4.8 Indemnities for Failure to Deliver Contract Quantity

Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, resulting from any of the following:

- (a) Seller’s failure to provide any portion of the Designated RA Capacity for the respective Showing Month for the Delivery Period;
- (b) Seller’s failure to provide notice of the non-availability of any portion of Designated RA Capacity consistent with Sections 4.5 and 4.6; or
- (c) A Unit Scheduling Coordinator’s failure to submit accurate Supply Plans that identify Buyer’s right to the Designated RA Capacity purchased hereunder.

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With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; provided, that in no event shall Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize these costs, penalties and fines. If Seller fails to pay the foregoing penalties, fines or costs, or fails to reimburse Buyer for those penalties, fines or costs, then Buyer may offset those penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation.

4.9 Monthly RA Capacity Payment

Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit, in arrears, after the applicable Showing Month. The Parties agree that all invoices under this Confirmation shall be due and payable on the twentieth (20th) day of the month after the Showing Month, provided that if such day is not a Business Day, then such invoice will be due and payable on the next Business Day. Each Unit's Monthly RA Capacity Payment shall be equal to the product of (a) the applicable Contract Price for that Monthly Delivery Period, (b) the Designated RA Capacity for the Monthly Delivery Period, and (c) 1,000. The final product of this Monthly RA Capacity Payment calculation shall be rounded to the nearest penny (i.e., two decimal places).

RA Capacity Price Table

| Contract Year | RA Capacity Price (\$/kW-month) |
|----------------------|--|
| 1-10 | ■ |

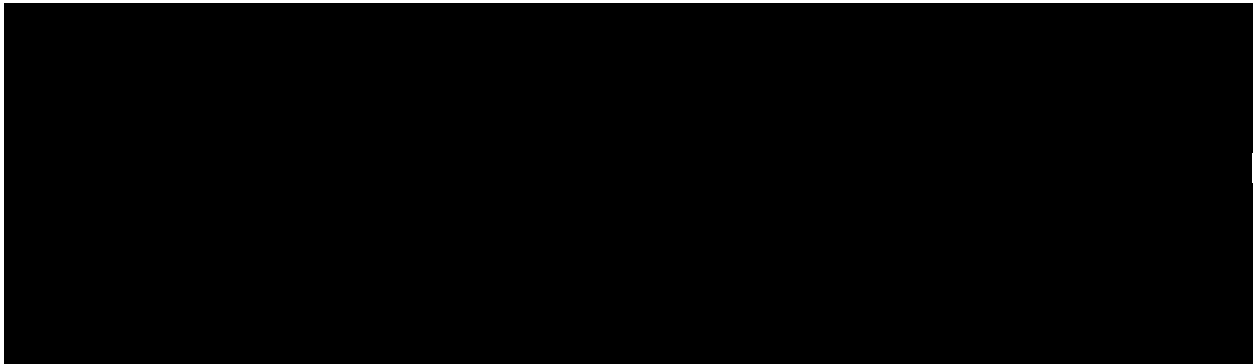
4.10 Allocation of Other Payments and Costs

- (a) Seller may retain any revenues it may receive from, and shall pay all costs charged by, the CAISO or any other third party with respect to any Unit for (i) start-up, shut-down, and minimum load costs, (ii) capacity revenue for ancillary services, (iii) energy sales, (iv) any revenues for black start or reactive power services, or (v) the sale of the unit-contingent call rights on the generation capacity of the Unit to provide energy to a third party, so long as such rights do not confer on such third party the right to claim any portion of the RA Capacity sold hereunder in order to make an RAR Showing, LAR Showing, FCR Showing, or any similar capacity or resource adequacy showing with the CAISO or CPUC.
- (b) Buyer shall be entitled to receive and retain all revenues associated with the Designated RA Capacity of any Unit during the Delivery Period (including any capacity or availability revenues from RMR Agreements for any Unit, Reliability Compensation Services Tariff, and Residual Unit Commitment capacity payments, but excluding payments described in Section 4.10(a) (i)-(v) above).
- (c) In accordance with Section 4.9 of this Confirmation and the Master Agreement:

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- (i) all such Buyer revenues described in Section 4.10(b) received by Seller, or a Unit's Scheduling Coordinator, owner, or operator shall be remitted to Buyer, and Seller shall indemnify Buyer for any such revenues that Buyer does not receive, and Seller shall pay such revenues to Buyer if the Unit's Scheduling Coordinator, owner, or operator fails to remit those revenues to Buyer (and upon any such payment by Seller, Seller shall be subrogated to all rights of Buyer against such Unit's Scheduling Coordinator, owner, or operator for the amount of such revenues paid). If Seller fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues against any future amounts it may owe to Seller under this Confirmation.
- (ii) all such Seller, or a Unit's Scheduling Coordinator, owner, or operator revenues described in Section 4.10(a)(i)-(v), but received by Buyer shall be remitted to Seller, and Buyer shall pay such revenues to Seller if the Unit's Scheduling Coordinator, owner, or operator fails to remit those revenues to Seller (and upon any such payment by Buyer, Buyer shall be subrogated to all rights of Seller against such Unit's Scheduling Coordinator, owner, or operator for the amount of such revenues paid). If Buyer fails to pay such revenues to Seller, Seller may offset any amounts owing to it for such revenues against any future amounts it may owe to Buyer under this Confirmation.
- (d) If a centralized capacity market develops within the CAISO region, Buyer will have exclusive rights to offer, bid, or otherwise submit Designated RA Capacity provided to Buyer pursuant to this Confirmation for re-sale in such market, and retain and receive any and all related revenues. Buyer shall be responsible for any material, incremental costs of offering, bidding, submitting, or re-selling Designated RA Capacity in such centralized capacity market.
- (e) Buyer acknowledges and agrees that all Availability Incentive Payments are for the benefit of Seller and for Seller's account, and that Seller shall receive, retain, or be entitled to receive all credits, payments, and revenues, if any, resulting from Seller achieving or exceeding Availability Standards. The Parties acknowledge and agree that any Non-Availability Charges are the responsibility of Seller, and for Seller's account and Seller shall be responsible for all fees, charges, or penalties, if any, resulting from Seller failing to achieve Availability Standards.

4.11



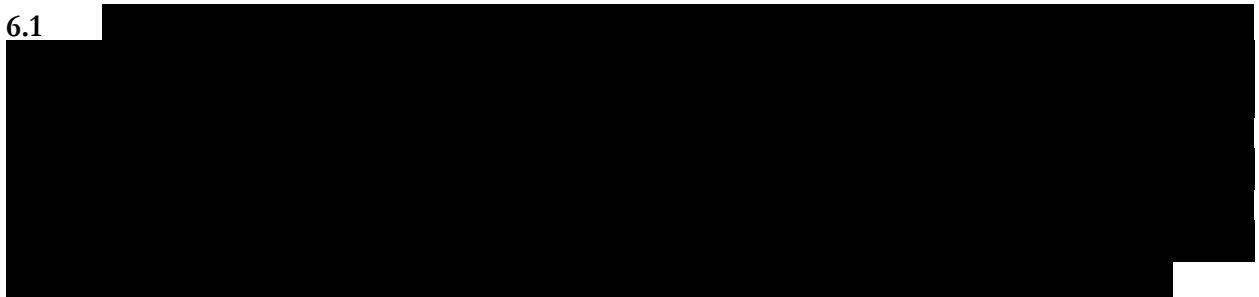
EBCE ARAMIS RA CONFIRMATION

**ARTICLE 5
CAISO OFFER REQUIREMENTS**

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event of Force Majeure that results in a partial or full Outage of that Unit, Seller shall either schedule or cause the Unit's Scheduling Coordinator to schedule with, or make available to, the CAISO each Unit's Designated RA Capacity in compliance with the Tariff, and shall perform all, or cause the Unit's Scheduling Coordinator, owner, or operator, as applicable, to perform all obligations under the Tariff that are associated with the sale of Designated RA Capacity hereunder. Buyer shall have no liability for the failure of Seller or the failure of any Unit's Scheduling Coordinator, owner, or operator to comply with such Tariff provisions, including any penalties or fines imposed on Seller or the Unit's Scheduling Coordinator, owner, or operator for such noncompliance.

**ARTICLE 6
OTHER BUYER AND SELLER COVENANTS**

6.1



6.2 Seller shall cause the Unit to be constructed, commissioned and fully capable of delivering the Contract Quantity of Product for the first Showing Month of the Delivery Term on, and not prior to, the first day of the Delivery Period. Seller shall provide Buyer with advance notice of any expected delay in achieving this requirement, including a true and reasonably detailed explanation of the cause of such delay ("Delay Notice"). For each day beginning with the day after the commencement of the Delivery Period, through and including the date on which the Unit is constructed, commissioned and delivering the Contract Quantity of Product, for a period lasting no more than [REDACTED] ("Cure Period"), Seller shall pay Delay Damages to Buyer. Buyer shall invoice Seller for the amount of any Delay Damages. Buyer may draw any Delay Damages that are due to Buyer from the Development Security after providing an invoice for the amounts due. Prior to the expiration of the Cure Period, so long as Seller has provided the Delay Notice to Buyer and paid Delay Damages

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to Buyer in accordance with this Section 6.2, Seller's failure to commence delivery of the Contract Quantity of Product upon the first day of the Delivery Period shall not be deemed breach of this Agreement. Upon (A) Seller's failure to provide a Delay Notice to Buyer, (B) Seller's failure to pay Delay Damages, or (C) Seller's failure to commence delivering the Contract Quantity of Product prior to the expiration of the Cure Period, in each case for any reason other than a Force Majeure Event or a Buyer event of default, Seller will be in breach of this Agreement.

6.3. Seller shall use commercially reasonable efforts to ensure that all employees hired by Seller, and its Contractors, that will perform construction work or provide services related to construction of the Unit are paid wages at rates not less than those prevailing for workers performing similar work in the locality as provided by applicable California Law, if any. Nothing herein shall require Seller or its Contractors to comply with, or assume liability created by other inapplicable provisions of any California labor Laws. Buyer agrees that Seller's obligations under this Section 6.3 will be satisfied upon the execution of a project labor agreement related to construction of the Unit.

6.4 Buyer and Seller shall, throughout the Delivery Period, take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer's right to the use of the Contract Quantity for the applicable Showing Month for the sole benefit of Buyer or any subsequent purchaser under Article 8. Such commercially reasonable actions shall include, without limitation:

- (a) Cooperating with and providing, and in the case of Seller causing each Unit's Scheduling Coordinator, owner, or operator to cooperate with and provide requested supporting documentation to the CAISO, the CPUC, or any other Governmental Body responsible for administering RAR, LAR, and/or FCR under Applicable Laws, to certify or qualify the Contract Quantity for the applicable Showing Month as RA Capacity and Designated RA Capacity. Such actions shall include, without limitation, providing information requested by the CAISO, CPUC, or by an LRA having jurisdiction, to demonstrate for each month of the Delivery Period the ability to deliver the Contract Quantity from each Unit for the applicable Showing Month to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, and providing information requested by the CPUC, CAISO or other Governmental Body having jurisdiction to administer RAR, LAR, or FCR to demonstrate that the Contract Quantity for the applicable Showing Month can be delivered to the CAISO Controlled Grid, pursuant to "deliverability" standards established by the CAISO, or other Governmental Body having jurisdiction to administer RAR, LAR and/or FCR; and
- (b) Negotiating in good faith to make necessary amendments, if any, to this Confirmation to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CAISO, CPUC, FERC, or other Governmental Body having jurisdiction to administer RAR, LAR, or FCR so as to maintain the benefits of the bargain struck by the Parties on the Confirmation Effective Date.

6.5 Seller represents, warrants and covenants to Buyer that, throughout the Delivery Period:

- (a) Seller owns or has the exclusive right to the RA Capacity sold under this Confirmation from each Unit, and shall furnish Buyer, CAISO, CPUC or other jurisdictional LRA,

EBCE ARAMIS RA CONFIRMATION

- or other Governmental Body with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;
- (b) No portion of the Contract Quantity for the applicable Showing Month has been committed by Seller to any third party in order to satisfy RAR, LAR, FCR or analogous obligations in CAISO markets, other than pursuant to an RMR Agreement between the CAISO and either Seller or the Unit's owner or operator;
 - (c) No portion of the Contract Quantity for the applicable Showing Month has been committed by Seller in order to satisfy RAR, LAR, FCR, or analogous obligations in any non-CAISO market;
 - (d) Each Unit is connected to the CAISO Controlled Grid, is within the CAISO Control Area, or is under the control of CAISO;
 - (e) The owner or operator of each Unit is obligated to maintain and operate each Unit using Good Utility Practice and, if applicable, General Order 167 as outlined by the CPUC in the Enforcement of Maintenance and Operation Standards for Electric Generating Facilities Adopted May 6, 2004, and is obligated to abide by all Applicable Laws in operating such Unit; provided, that the owner or operator of any Unit is not required to undertake capital improvements, facility enhancements, or the construction of new facilities;
 - (f) The owner or operator of each Unit is obligated to comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR, and FCR;
 - (g) If Seller is the owner of any Unit, the respective cumulative amounts of LAR Attributes, RAR Attributes, and FCR Attributes that Seller has sold, assigned or transferred for any Unit does not exceed that Unit's RA Capacity;
 - (h) With respect to the RA Capacity provided under this Confirmation, Seller shall, and each Unit's Scheduling Coordinator is obligated to, comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR, and FCR;
 - (i) Seller has notified the Scheduling Coordinator of each Unit that Seller has transferred the Designated RA Capacity to Buyer, and the Scheduling Coordinator is obligated to deliver the Supply Plans in accordance with the Tariff;
 - (j) Seller has notified the Scheduling Coordinator of each Unit that Seller is obligated to cause each Unit's Scheduling Coordinator to provide to the Buyer, at least fifteen (15) Business Days before the Notification Deadline, the Designated RA Capacity of each Unit that is to be submitted in the Supply Plan associated with this Agreement for the applicable period; and
 - (k) Seller has notified each Unit's Scheduling Coordinator that Buyer is entitled to the revenues set forth in Section 4.10 of this Confirmation, and such Scheduling Coordinator is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

EBCE ARAMIS RA CONFIRMATION**ARTICLE 7
CONFIDENTIALITY**

Notwithstanding Section 10.11 of the Master Agreement, the Parties agree that Buyer may disclose the Designated RA Capacity under this Transaction to any Governmental Body, the CPUC, the CAISO or any LRA having jurisdiction in order to support its LAR Showings, RAR Showings and/or FCR Showings, as applicable, and Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the Scheduling Coordinator of each Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans; provided, that each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Body, CAISO, or Scheduling Coordinator to further disclose such information. In addition, in the event Buyer resells all or any portion of the Designated RA Capacity to another party, Buyer shall be permitted to disclose to the other party to such resale transaction all such information to the extent such disclosure is necessary to effect such resale transaction, provided that such other party agrees to keep such information confidential.

**ARTICLE 8
BUYER'S RE-SALE OF PRODUCT**

Buyer may re-sell all or a portion of the Product and any associated rights, in each case, acquired under this Confirmation. If Buyer re-sells all or a portion of the Product and any associated rights acquired under this Confirmation ("Resold Product"), Seller agrees, and agrees to cause the Unit's Scheduling Coordinator, to follow Buyer's instructions with respect to providing such Resold Product to subsequent purchasers of such Resold Product to the extent such instructions are consistent with Seller's obligations under this Confirmation. Seller further agrees, and agrees to cause the Unit's Scheduling Coordinator, to take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to allow such subsequent purchasers to use such Resold Product in a manner consistent with Buyer's rights under this Confirmation. If Buyer incurs any liability to any purchaser of such Resold Product due to the failure of Seller or the Unit's Scheduling Coordinator to comply with the terms of this Confirmation, then Seller shall be liable to Buyer for any liabilities Seller would have incurred under this Confirmation if Buyer had not resold the Product, including without limitation, pursuant to Sections 4.7 and 4.8.

In the event there is any Resold Product, Buyer agrees to notify Seller that such a sale has occurred and agrees to provide Seller with the information specified below promptly following such sale (and any other information reasonably requested by Seller so that Seller may perform its obligations in this Article 8) and promptly notify Seller of any subsequent changes to such information with respect to any particular sale:

- i. Benefitting load serving entity SC identification number (SCID),
- ii. Volume (in MW) of Resold Product,
- iii. Subsequent sale delivery period for Resold Product.

**ARTICLE 9
MARKET-BASED RATE AUTHORITY**

EBCE ARAMIS RA CONFIRMATION

Seller agrees, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, to, upon request of Buyer, submit a letter of concurrence in support of any affirmative statement by Buyer that this contractual arrangement does not transfer “ownership or control of generation capacity” from Seller to Buyer as the term “ownership or control of generation capacity” is used in 18 CFR Section 35.42. Seller also agrees that it will not, in filings, if any, made subject to Order Nos. 652 and 697, claim that this contractual arrangement conveys ownership or control of generation capacity from Seller to Buyer.

**ARTICLE 10
COLLATERAL REQUIREMENTS**

Notwithstanding any provision in the Master Agreement to the contrary, (a) Buyer shall not be required to post collateral or other Security for the Transaction, and (b) the following terms shall apply to Buyer:

10.1 Seller shall deliver Development Security to Buyer within ten (10) Business Days of the Confirmation Effective Date. Seller shall maintain the Development Security in full force and effect and Seller shall (subject to Section 5.2 of the Master Agreement) within ten (10) Business Days after any draw made by Buyer in accordance with this Agreement replenish the Development Security in the event Buyer collects or draws down any portion of the Development Security for any reason permitted under this Agreement. Upon the earlier of (a) Seller’s delivery of the Delivery Term Security, or (b) sixty (60) days after termination of this Agreement, Buyer shall return the Development Security to Seller, less the amounts drawn in accordance with this Agreement. If the Development Security is a Letter of Credit and the issuer of such Letter of Credit (i) fails to maintain the minimum Credit Rating specified in the definition of Letter of Credit, (ii) indicates its intent not to renew such Letter of Credit and such Letter of Credit expires prior to the commencement of the Delivery Period or (iii) fails to honor Buyer’s properly documented request to draw on such Letter of Credit by such issuer, Seller shall have ten (10) Business Days to either post cash or deliver a substitute Letter of Credit that meets the requirements set forth in the definition of Development Security.

10.2 Seller shall deliver Delivery Term Security to Buyer on or before the commencement of the Delivery Period. Seller shall maintain the Delivery Term Security in full force and effect, and shall within ten (10) Business Days after any draws made by Buyer in accordance with this Agreement replenish the Delivery Term Security, until the following have occurred: (a) the Delivery Period has expired or terminated early; and (b) all payment obligations of Seller then due and payable under this Agreement, including compensation for penalties, termination damages, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting). Following the occurrence of both events, Buyer shall promptly return to Seller the unused portion of the Delivery Term Security. If the Delivery Term Security is a Letter of Credit and the issuer of such Letter of Credit (i) fails to maintain the minimum Credit Rating set forth in the definition of Letter of Credit, (ii) indicates its intent not to renew such Letter of Credit and such Letter of Credit expires prior to the end of the Delivery Period, or (iii) fails to honor Buyer’s properly documented request to draw on such Letter of Credit by such issuer, Seller shall have ten (10) Business Days to either post cash or deliver a substitute Letter of Credit that meets the requirements set forth in the definition of Delivery Term Security.

**ARTICLE 11.
DODD-FRANK ACT**

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The Parties intend this Transaction to be a “customary commercial arrangement” as described in Section II.A.1 of Commodity Futures Trading Commission, *Proposed Guidance, Certain Natural Gas and Electric Power Contracts*, 81 Fed. Reg. 20583 at 20586 (Apr. 8, 2016) and a “Forward Capacity Transaction” within the meaning of Commodity Futures Trading Commission, *Final Order in Response to a Petition From Certain Independent System Operators and Regional Transmission Organizations To Exempt Specified Transactions Authorized by a Tariff or Protocol Approved by the Federal Energy Regulatory Commission*, 78 Fed. Reg. 19,880 (Apr. 2, 2013).

**ARTICLE 12
GOVERNING LAW**

This Confirmation, including the provisions and requirements of the Tariff and the definition of the Product and its components, and any portion of the Master Agreement applicable to this Confirmation shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of laws rules thereof.

[Remainder of Page Intentionally Left Blank]

EBCE ARAMIS RA CONFIRMATION

Acknowledged and agreed to as of the Confirmation Effective Date.

**IP ARAMIS II, LLC,
a Delaware limited liability company**

**EAST BAY COMMUNITY ENERGY, a
California joint powers authority**

By: IP Pipeline Portfolio Holdco, LLC,
a Delaware limited liability company,
its sole member

By: _____

Name: _____

By: IP Portfolio I, LLC
a Delaware limited liability company,
its sole member

Title: _____

By: IP Renewable Energy Holdings LLC,
a Delaware limited liability company,
its sole member

By: _____

Name: _____

Title: _____

EXECUTION VERSION

Master Power Purchase & Sale Agreement

Version 2.1 (modified 4/25/00)

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MASTER POWER PURCHASE AND SALE AGREEMENT

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MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* (“Master Agreement”) is made as of the following date: November [REDACTED], 2020 (“Effective Date”). The Master Agreement, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “Agreement.” The Parties to this Master Agreement are the following:

Name: **IP Aramis II, LLC, a Delaware limited liability company** (“Party A”)

Name: **East Bay Community Energy Authority, a California joint powers authority** (“EBCE” or “Party B”)

All Notices:

Address: [REDACTED]

Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-mail: [REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

All Notices:

Address: [REDACTED]

Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-mail: [REDACTED]
Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

Invoices:

Attn: [REDACTED]
Address: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-Mail: [REDACTED]

Invoices:

Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-mail: [REDACTED]

Scheduling:

Attn: [REDACTED]
Address: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-Mail: [REDACTED]

Scheduling:

Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-mail: [REDACTED]

Confirmations:

Attn: [REDACTED]
Address: [REDACTED]
[REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-Mail: [REDACTED]

Confirmations:

Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-mail: [REDACTED]

Payments:

Attn: [REDACTED]
Address: [REDACTED]
[REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-Mail: [REDACTED]

Payments:

Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-mail: [REDACTED]

Wire Transfer:

BNK: [REDACTED]
ABA: [REDACTED]
ACCT: [REDACTED]
Other Details : [REDACTED]
[REDACTED]

Wire Transfer:

BNK: [REDACTED]
ABA: [REDACTED]
ACCT: [REDACTED]

Credit and Collections:

Attn: [REDACTED]
Address: [REDACTED]
[REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-Mail: [REDACTED]

Credit and Collections:

Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-mail: [REDACTED]

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

Attn: [REDACTED]
Address: [REDACTED]
[REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]
E-Mail: [REDACTED]

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

Attn: [REDACTED]
[REDACTED]
Phone: [REDACTED]
Email: [REDACTED]

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Tariff: _____ Dated: _____ Docket Number: _____

Party B Tariff N/A

Article Two

Transaction Terms and Conditions Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies Cross Default for Party A:
 Party A: _____ Cross Default Amount \$ _____
 Other Entity: _____ Cross Default Amount \$ _____
 Cross Default for Party B:
 Party B: _____ Cross Default Amount \$ _____
 Other Entity: _____ Cross Default Amount \$ _____

5.6 Closeout Setoff

- Option A (Applicable if no other selection is made.)
 Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: _____
 Option C (No Setoff)

Article 8

8.1 Party A Credit Protection:

Credit and Collateral Requirements

(a) Financial Information:

- Option A
 Option B Specify: _____
 Option C Specify: _____

(1) The annual report containing audited consolidated financial statements for such fiscal year of Party B as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at <http://ebce.org/>, and (2) quarterly unaudited financial statements for Party B as

soon as practicable upon demand, but in no event later than 90 days after the applicable quarter. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements. The first quarterly unaudited statement will be provided within 90 days after the fiscal quarter during which Party A begins deliveries under a Transaction. Party B's fiscal year ends June 30.

(b) Credit Assurances:

Not Applicable
 Applicable

(c) Collateral Threshold:

Not Applicable
 Applicable

If applicable, complete the following:

Party B Collateral Threshold: \$____; provided, however, that Party B's Collateral Threshold shall be zero if an Event of Default or Potential Event of Default with respect to Party B has occurred and is continuing.

Party B Independent Amount: \$_____

Party B Rounding Amount: \$_____

(d) Downgrade Event:

Not Applicable
 Applicable

If applicable, complete the following:

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

Other:
Specify:

(e) Guarantor for Party B: N/A

Guarantee Amount: N/A

8.2 Party B Credit Protection:

(a) Financial Information:

- Option A
 Option B Specify: _____
 Option C Specify: _____

Party A will provide financial statements solely to the extent, and in the forms, required by tax equity investors or lenders.

(b) Credit Assurances:

- Not Applicable
 Applicable

(c) Collateral Threshold:

- Not Applicable
 Applicable

If applicable, complete the following:

Party A Collateral Threshold: \$_____; provided, however, that Party A's Collateral Threshold shall be zero if an Event of Default with respect to Party A has occurred and is continuing.

Party A Independent Amount: \$_____

Party A Rounding Amount: \$_____

(d) Downgrade Event:

- Not Applicable
 Applicable

If applicable, complete the following:

- It shall be a Downgrade Event for Party A if Party A's Credit Rating falls below BBB- from S&P or Baa3 from Moody's or if Party A is not rated by either S&P or Moody's.

- Other:
Specify: It shall be a Downgrade Event for Party A if Party A's Guarantor's Credit Rating falls below BBB- from S&P or Baa3 from Moody's or if Party A is not rated by either S&P or Moody's.

(e) Guarantor for Party A: _____

Guarantee Amount: \$_____

Article 10

Confidentiality

Confidentiality Applicable If not checked, inapplicable.

Schedule M

Party A is a Governmental Entity or Public Power System

Party B is a Governmental Entity or Public Power System

Add Section 3.6. If not checked, inapplicable

Add Section 8.4, collateral is the “Secured Account” as defined in Schedule M. If not checked, inapplicable.

Other Changes

This Master Power Purchase and Sale Agreement and the associated Collateral Annex incorporate, by reference, the changes published in the EEI Errata, Version 1.1, dated July 18, 2007.

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

“Notwithstanding the foregoing, the Parties hereby agree and acknowledge that with respect to Party A, and with respect to Party B the public entities designated as members or participants under the Joint Powers Agreement creating Party B shall not constitute or otherwise be deemed an “Affiliate” for the purposes of this Master Agreement or any Confirmation executed in connection therewith, and shall exclude, in the case of Party A, any such person that is not organized or existing under the jurisdiction of Canada or the United States or a political subdivision thereof.”

2) Section 1.3 (Bankrupt) is hereby amended and restated by replacing clause (i) in its entirety to state “(i) (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or (b) has any such petition filed or commenced against it which remains undismissed for sixty (60) days,”.

3) Section 1.4 is amended by deleting the first sentence and replacing it to read as follows: “Business Day” means any day except a Saturday, Sunday, the Friday immediately following the Thanksgiving holiday or a Federal Reserve Holiday.

4) Section 1.23 is amended by:

(i) inserting in the thirteenth line of this Subsection before the phrase “foregoing factors” the word “two”;

(ii) adding at the end of clause (iii) the phrase “(except to the extent caused by an event or circumstance that would otherwise constitute Force Majeure)”;



(iv) deleting the third sentence of the definition in its entirety; and

(v) deleting the fourth sentence in its entirety.

5) Section 1.24 is amended by adding before the period at the end thereof the following: “in accordance with Section 5.2”.

6) A new Section 1.26A is added as follows:

“1.26A “Joint Powers Agreement” means the Joint Powers Agreement, effective as of December 1, 2016, as amended, providing for the formation of Party B, as such agreement may be further amended or amended and restated.”

7) Section 1.27 is amended by deleting the phrase “or a foreign bank with a U.S. branch” and replacing it with the phrase “or a U.S. branch of a foreign bank.”

8) Section 1.45 is amended by replacing the phrase “Requesting Party” with “requesting Party.”

9) Section 1.46 is deleted in its entirety.

10) Section 1.50 is hereby deleted in its entirety.

11) Section 1.51 is amended by (i) inserting the phrase “for delivery” in the second line after the word “purchases” and before the phrase “at the Delivery Point” and (ii) deleting the phrase “at Buyer’s option” from the fifth line and replacing it with the phrase “absent a purchase”.

12) Section 1.52 shall be amended by (i) deleting the words “Rating” and “Group” from the first line and replacing with “Financial Services LLC” and (ii) by replacing the words in the parenthetical with “a subsidiary of McGraw-Hill Companies, Inc.”

13) Section 1.53 is amended by:

(i) deleting the phrase “at the Delivery Point” from the second line;

(ii) deleting the phrase in line 5 “at the Seller’s option” and replacing it with “absent a sale”; and

(iii) inserting after the word “liability” in the eighth line the following: “provided, further, if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by the Buyer, the Sales Price with respect to such unsold Product shall be deemed equal to zero (0).”

14) Section 1.56 is amended by deleting the words “pursuant to Section 5.2” and by adding before the period at the end thereof the following: “, as determined in accordance with Section 5.2.”

15) Section 1.60 is amended by inserting the words “in writing” immediately following the words “agreed to”

16) In Section 2.1, delete the first sentence in its entirety and replace with the following: “A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties.”

17) In Section 2.1, the last sentence is deleted in its entirety and replaced with the following:

“Each Party agrees not to contest, or assert any defense to, the validity or enforceability of the Transaction entered into in accordance with this Master Agreement based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction; provided, however, Party A acknowledges that no employee of Party B may amend or otherwise materially modify this Master Agreement or a Transaction, or enter into a new Transaction, without the approval of the board of Party B, which may be granted on a prospective basis.”

18) Section 2.3 is hereby deleted in its entirety and replaced with the following:

2.3 “No Oral Agreements or Modifications. Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Transactions may not be orally amended or modified.”

19) Section 2.4 is hereby amended by deleting the words “either orally or” in the sixth line.

20) Section 2.5 is hereby deleted in its entirety.

21) Section 3.2 is hereby amended by adding the following text to the end of the Section: “Product deliveries shall be scheduled in accordance with the then-current applicable tariffs, protocols, operating procedures and scheduling practices for the relevant region.”

22) In Section 5.1(a) change “three (3) Business Days” to “five (5) Business Days”.

23) In Section 5.1(b) add the following after “repeated”: “, and such breach is not remedied within twenty (20) days after written notice from the other Party;”.

24) In Section 5.1(c) change “three (3) Business Days” to “thirty (30) days”.

25) In Section 5.1(e), delete the phrase “Article Eight hereof” at the end and replace it with “the Agreement”.

26) In Section 5.1(g), delete the phrase “or becoming capable at such time of being declared,” on the seventh line of the Section, and add the following at the end of the Section:

“provided, however, that no default or event of default shall be deemed to have occurred under this Section 5.1(g) to the extent that any applicable cure period or grace period is available;”

27) Section 5.1(h)(v) - “Events of Default”

Add “made in connection with this Agreement” after “any guaranty”.

28) Section 5.1 is further amended by replacing the period at the end of subsection (h) with a semicolon, and adding new subsections which read as follows:

“(i) a representation or warranty with respect to the Defaulting Party’s financial statement that is false or misleading if such false or misleading statement is not be remedied within fifteen (15) Business Days after written notice; ”

“(k) revocation or suspension by the Federal Energy Regulatory Commission of Party A’s authorization to make sales at market-based rates, and Party A is unable to reinstate such authorization within ninety (90) days; or”

“(l) Either Party: (i) commits an Event of Default under or otherwise defaults under one or more of the Security Documents (as defined below in Schedule M) and such Event of Default or default continues after giving effect to any applicable notice requirement or cure or grace period; or (ii) disaffirms, disclaims or repudiates any Security Document.”

29) Section 5.2 is amended by:

(i) Reversing the placement of “(i)” and “to”;

(ii) deleting the following phrase from the last line: “as soon thereafter as is reasonably practicable”; and

(iii) adding the following to the end of that provision: “then each such Transaction shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below). The Gains and Losses for each Terminated Transaction shall be determined by the Non-Defaulting Party calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. In making such calculation, the Non-Defaulting Party may reference information supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include dealers, brokers and information vendors, including, without limitation, Intercontinental Exchange, Inc. If the Non-Defaulting Party’s calculation of a Settlement Amount results in an amount that would be due to the Defaulting Party (i.e. the Defaulting Party was in-the-money), then the Settlement Amount shall be deemed to be zero dollars (\$0.00).”



30) Section 5.3 shall be amended by adding the phrase “plus, at the option of the Non-Defaulting Party, any cash or other form of liquid security then in the possession of the Defaulting Party or its agent pursuant to Article 8,” after the first use of the phrase “due to the Non-Defaulting Party” in the sixth line.

31) Section 5.5 – Disputes With Respect to Termination Payment

Add the following at the end of Section 5.5:

“(a) Senior Officers. Each of the Parties shall upon five days notice from the other Party designate in writing to the other a senior officer, who shall be authorized to resolve any dispute relating to the calculation of the Termination Payment with respect to Terminated Transactions following the designation of an Early Termination Date (“Dispute”). If any Dispute is not resolved within fifteen days following receipt by a Party of notice of a Dispute, the Parties may pursue any other right or remedy available at law, in equity or under this Agreement, subject to Section 7.1, to resolve the Dispute. The Parties shall (1) attempt to resolve all Disputes promptly and equitably; and (2) provide each other with reasonable access during normal business hours

to any and all non-privileged records, information and data pertaining to any such Dispute.

(b) Preservation of Rights and Remedies. Nothing in this Section 5.5 shall preclude, restrict, limit or stop any right or remedy that, subject to Section 7.1, may be available to a Party at law, in equity or under this Agreement in connection with any claim, action, cause of action or indemnity which is not a Dispute as defined in Section 5.5(a) above.”

32) In Section 5.7, delete “(a)” and “or (b) a Potential Event of Default” from the second line.

33) In Section 6.3, lines 3, 14 & 15, change twelve (12) months to twenty-four (24) months.

34) Section 7.1 shall be amended by:

(i) deleting “Except as set forth herein, ” from the first sentence and “Unless expressly herein provided” from the fifth sentence

(ii) adding “SET FORTH IN THIS AGREEMENT” after “INDEMNITY PROVISION” and before “OR OTHERWISE,” in the fifth sentence;

(iii) adding in the seventeenth line the words “PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT EXPRESSLY ALLOWING FOR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 AND 5.3.” immediately after the words “ANY INDEMNITY PROVISIONS SET FORTH IN THIS AGREEMENT OR OTHERWISE”; and

(iv) adding at the end of the last sentence the words “AND ARE NOT PENALTIES.”

35) In Sections 8.1(b) and 8.2(b), change “three (3) Business Days” to “five (5) Business Days”.

36) In Sections 8.1(d) and 8.2(d) on line four, change “three (3) Business Days” to “five (5) Business Days” and before the comma in line five, add “or fails to maintain such Performance Assurance or guaranty or other credit assurance for so long as the Downgrade Event is continuing, and does not restore such Performance Assurance within five (5) Business Days of receipt of notice”.

37) Section 8.5 is added as follows:

“In no event shall a Party be required to provide Credit Assurances, or any other collateral that in the aggregate exceeds Termination Payment.”

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

39) After Section 10.2(xii) add the following:

“(xiii) each Transaction that is not executed or traded on a trading facility, as defined in the Commodity Exchange Act, is subject to individual negotiation by the Parties;”

40) Section 10.4 is amended to add the phrase “unless a Claim is due to such Party’s fraud or willful misconduct” at the end of the first sentence of Section 10.4.

41) Section 10.5 shall be amended by:

(i) deleting the phrase “which consent may be withheld in the exercise of its sole discretion” in the first line and replacing it with “which consent shall not be unreasonably withheld, delayed or conditioned”;

(ii) deleting the words from the beginning of clause (ii) through the words prior to “provided, however” and replacing them with:

“(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate’s creditworthiness is equal to or higher than that of such Party as of the Effective Date or the Guarantor, if any, for such Party, as of the Effective Date, or (y) the obligations of such Affiliate under this Agreement are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party as of the Effective Date or its Guarantor, if any, as of the Effective Date”; and

(iii) Adding the following provision at the end of Section 10.5: “Each Party shall execute documents and consents in form and substance reasonably requested by the other Party’s (or its Affiliates’) financing parties, and shall deliver to the other Party and its (or its Affiliates’) financing parties legal opinions and estoppels in form and substance reasonably acceptable to the financing parties; provided that no Party shall be required to enter into consents, estoppels or other financing documents which both are not customary in similar consents, estoppels and financing documents and reduce its rights or benefits under this Agreement, and that the requesting Party shall pay the other Party’s reasonable legal costs incurred in reviewing, negotiating and delivering requested consents, estoppels, opinions and other similar financing documents. Each Party shall provide to the other Party written notice of any assignment effected

under this Section 10.5 at least fifteen (15) Business Days prior to the effective date of such assignment.”

42) Section 10.6 shall be amended by deleting the sentence “EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.”;

and adding the following after the last line: “(a) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HEREBY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. (b) “EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL COURTS LOCATED IN SAN FRANCISCO, CALIFORNIA, FOR ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY TRANSACTION, AND EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM.

The Parties intend for the waiver in clause (a) above to be enforced to the fullest extent permitted under applicable law as in effect from time to time. To the extent that the waiver in clause (a) above is not enforceable at the time that any action or proceeding is filed in a court of the State of California by or against any Party in connection with any of the transactions contemplated by this Agreement, then (i) the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, provided that at the option of any Party, any such issues pertaining to a “provisional remedy” as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court, and (ii) the Parties shall share equally all fees and expenses of any referee appointed in such action or proceeding.”

43) In Section 10.6 change “NEW YORK” to “CALIFORNIA”

44) Section 10.8 shall be amended by:

(i) changing the words “parties” and “party” to “Parties” and “Party” in the third sentence;

(ii) replacing the period at the end of the first sentence with a semicolon and adding “provided, however, that the Parties may introduce evidence of other agreements or circumstances in connection with establishing damages payable hereunder.”;

(iii) deleting the second to last sentence and replacing it with “The indemnity provisions of this Agreement with respect to Claims arising prior to termination shall survive the termination of this Agreement for the period of the applicable statute of limitations and the audit provisions of this Agreement shall survive the termination of this Agreement for a period of twelve (12) months.”;

(iv) adding at the end of the second to last sentence: “and the rights of either Party pursuant to (i) Section 7.1, (iii) Section 10.6 (iv) Waiver of Jury Trial provisions, if applicable, (v) the obligation of either Party to make payments hereunder, (vi) Section 10.7 and (viii) section 10.11 shall also survive the termination of the Agreement or any Transaction.”; and

(v) adding the following to the end thereof: “This Master Agreement may be signed in any number of counterparts with the same effect as if the signatures to counterparty were upon a single instrument. Delivery of an executed signature page of this Master Agreement and any Confirmation by facsimile or electronic mail transmission shall be effective as delivery of a manually executed signature page.”

45) In section 10.9 insert the words “copies of” after the word “examine” in line 2.

46) Section 10.10 shall be amended by adding the following after the last sentence of Section 10.10:

“Each Party further agrees that, for purposes of this Agreement, the other Party is not a “utility” as such term is used in 11 U.S.C. Section 366, and each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort.”

47) Section 10.11, shall be amended by adding the following:

(i) the phrase “affiliates,” between the phrase “employees,” and the word “lenders” in line three thereof;

(ii)

[REDACTED]

(iii) the phrase “in writing” between the word “agreed” and the words “to keep” in line 4 thereof;

(iv) the phrase “or the completed Cover Sheet to this Master Agreement” immediately before the phrase “to a third party” in line three;

(v) the phrase “, or any such representatives of a Party’s Affiliates,” immediately after the phrase “counsel, accountants, or advisors” in line four;

(vi) in the sixth line thereof, between the word “proceeding” and the semi-colon, which immediately follows, the words “applicable to such Party or any of its Affiliates”;

(vii) an additional sentence at the end of Section 10.11: “The Parties agree and acknowledge that nothing in this Section 10.11 prohibits a Party from disclosing any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index.”; and

(viii) the following at the end of the last sentence: “Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.). Party B acknowledges that Party A may submit information to Party B that the other party considers confidential, proprietary, or trade secret information pursuant to the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act (Government Code Sections 6254 and 6255). Party A acknowledges that Party B may submit to Party A information that Party B considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act (Government Code sections 6254 and 6255). In order to designate information as confidential, the disclosing party must clearly stamp and identify the specific portion of the material designated with the word “Confidential”. The parties agree not to over-designate material as confidential. Over-designation would include stamping whole agreements, entire pages or series of pages as Confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement (“Requestor”) for production, inspection and/or copying of information designated by a Party as confidential information (such designated information, the “Confidential Information” and the disclosing Party, the “Disclosing Party”), the Party receiving such request (the “Receiving Party”) as soon as practical, shall notify the Disclosing Party that such request has

been made as specified in the Cover Sheet. The Disclosing Party shall be solely responsible for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor's demand and is not required to defend against it."

48) The following Mobile-Sierra clause shall be added as Section 10.12:

"10.12 Standard of Review/Modifications.

(a) Absent the prior mutual written agreement of all parties to the contrary, the standard of review for any changes to the rates, terms, and/or conditions of service of this Agreement or any Transaction entered into thereunder proposed by a Party shall be the *Mobile Sierra* "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 Utility District No. 1 of Snohomish County*, Nos. 06-1457, 128 S.Ct. 2733 (2008) (the "Mobile-Sierra" doctrine). Changes proposed by a non-party or FERC acting *sua sponte* shall be subject to the same standard, to the maximum degree permitted under *NRG Power Marketing, LLC, et al., v. Maine Public Utilities Commission et al.* No. 08-674, 130 S.Ct. 693 (2010) .

(b) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this

subsection (b) shall not apply, provided that, consistent with the foregoing subsection (a), neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in the foregoing section (a).”

49) The following new Section shall be added as Section 10.13:

“Imaged Agreement. Any original executed Agreement, Confirmation or other related document may be photocopied and stored on computer tapes and disks (the “Imaged Agreement”). The Imaged Agreement, if introduced as evidenced on paper, the Confirmation, if introduced as evidence in automated facsimile form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of, the Confirmation or the Imaged Agreement (or photocopies of the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.”

50) The following new Section shall be added as Section 10.14:

“Index Transactions. If the Contract Price for a Transaction is determined by reference to a third-party information source, then the following provisions shall be applicable to such Transaction:

(i) Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of two dealer quotes obtained from dealers of the highest credit standing which satisfy all the criteria that the Seller applies generally at the time in deciding to offer or to make an extension of credit. Notwithstanding the foregoing and subject to time limitations set forth in Sub-Section (ii) below, if the Parties have determined a Floating Price pursuant to this Sub-Section (i) and at a later date the responsible Price Source announces or publishes the relevant

Floating Price, then such Floating Price shall be treated as a corrected price pursuant to Sub-Section (ii) below.”

“Determination Period” means each calendar month, a part or all of which, is within the Delivery Period of a Transaction.

“Exchange” means, in respect of a Transaction, the exchange or principal trading market specified in the relevant Transaction.

“Floating Price” means a Contract Price specified in a Transaction that is based upon a Price Source.

“Market Disruption Event” means, with respect to any Price Source, any of the following events: (a) the failure of the Price Source to announce or publish the specified Floating Price or information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source; (d) the temporary or permanent closing of any Exchange specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

“Price Source” means, in respect of a Transaction, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the specified price (or prices from which the specified price is calculated) specified in the relevant Transaction.

“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

(ii) Corrections to Published Prices. For purposes of determining a Floating Price for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three (3) years of the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

(iii) Calculation of Floating Price. For purposes of calculating a Floating Price, all numbers shall be rounded to four (4) decimal places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.”

51) The following new Section shall be added as Section 10.15:

“Generally Accepted Accounting Principles. Any reference to “generally accepted accounting principles” shall mean, with respect to an entity and its financial statements, generally accepted accounting principles, consistently applied, adopted or used in the jurisdiction of the entity whose financial statements are being considered for the purposes of this Agreement.”

52) The following new Section shall be added as Section 10.16:

“No Recourse Against Constituent Members of Party B. Party B is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Party B will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement in accordance with the Security Agreements. Party A will have no rights and will not make any claims, take any actions or assert any remedies against any of Party B’s constituent members, or the officers, directors, advisors, contractors, consultants or employees of Party B or Party B’s constituent members, in connection with this Agreement.”

53) Section A of Schedule M is amended by deleting all the definitions therein except for the definition of “Act”.

54) Section C of Schedule M is amended by deleting clause (v) in its entirety and replacing “(vi)” with “(v)”.

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

IP ARAMIS II, LLC,
a Delaware limited liability company

**EAST BAY COMMUNITY ENERGY, a
California joint powers authority**

By: IP Pipeline Portfolio Holdco, LLC,
a Delaware limited liability company,
its sole member

By: _____

Name: _____

By: IP Portfolio I, LLC
a Delaware limited liability company,
its sole member

Title: _____

By: IP Renewable Energy Holdings LLC,
a Delaware limited liability company,
its sole member

By: _____

Name: _____

Title: _____

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.

GENERAL TERMS AND CONDITIONS

ARTICLE ONE: GENERAL DEFINITIONS

1.1 “Affiliate” means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.2 “Agreement” has the meaning set forth in the Cover Sheet.

1.3 “Bankrupt” means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

1.4 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

1.5 “Buyer” means the Party to a Transaction that is obligated to purchase and receive, or cause to be received, the Product, as specified in the Transaction.

1.6 “Call Option” means an Option entitling, but not obligating, the Option Buyer to purchase and receive the Product from the Option Seller at a price equal to the Strike Price for the Delivery Period for which the Option may be exercised, all as specified in the Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to sell and deliver the Product for the Delivery Period for which the Option has been exercised.

1.7 “Claiming Party” has the meaning set forth in Section 3.3.

1.8 “Claims” means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

1.9 “Confirmation” has the meaning set forth in Section 2.3.

1.10 “Contract Price” means the price in \$U.S. (unless otherwise provided for) to be paid by Buyer to Seller for the purchase of the Product, as specified in the Transaction.

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

replace a Terminated Transaction; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

1.12 "Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issues rating by S&P, Moody's or any other rating agency agreed by the Parties as set forth in the Cover Sheet.

1.13 "Cross Default Amount" means the cross default amount, if any, set forth in the Cover Sheet for a Party.

1.14 "Defaulting Party" has the meaning set forth in Section 5.1.

1.15 "Delivery Period" means the period of delivery for a Transaction, as specified in the Transaction.

1.16 "Delivery Point" means the point at which the Product will be delivered and received, as specified in the Transaction.

1.17 "Downgrade Event" has the meaning set forth on the Cover Sheet.

1.18 "Early Termination Date" has the meaning set forth in Section 5.2.

1.19 "Effective Date" has the meaning set forth on the Cover Sheet.

1.20 "Equitable Defenses" means any bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

1.21 "Event of Default" has the meaning set forth in Section 5.1.

1.22 "FERC" means the Federal Energy Regulatory Commission or any successor government agency.

1.23 "Force Majeure" means an event or circumstance which prevents one Party from performing its obligations under one or more Transactions, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Buyer's markets; (ii) Buyer's inability economically to use or resell the Product purchased hereunder; (iii) the loss or failure of Seller's supply; or (iv) Seller's ability to sell the Product at a price greater than the Contract Price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and (ii) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred. The applicability of Force Majeure to the Transaction is governed by the terms of the Products and Related Definitions contained in Schedule P.

1.24 “Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.25 “Guarantor” means, with respect to a Party, the guarantor, if any, specified for such Party on the Cover Sheet.

1.26 “Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

1.27 “Letter(s) of Credit” means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from S&P or A3 from Moody’s, in a form acceptable to the Party in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

1.28 “Losses” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of a Terminated Transaction, determined in a commercially reasonable manner.

1.29 “Master Agreement” has the meaning set forth on the Cover Sheet.

1.30 “Moody’s” means Moody’s Investor Services, Inc. or its successor.

1.31 “NERC Business Day” means any day except a Saturday, Sunday or a holiday as defined by the North American Electric Reliability Council or any successor organization thereto. A NERC Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

1.32 “Non-Defaulting Party” has the meaning set forth in Section 5.2.

1.33 “Offsetting Transactions” mean any two or more outstanding Transactions, having the same or overlapping Delivery Period(s), Delivery Point and payment date, where under one or more of such Transactions, one Party is the Seller, and under the other such Transaction(s), the same Party is the Buyer.

1.34 “Option” means the right but not the obligation to purchase or sell a Product as specified in a Transaction.

1.35 “Option Buyer” means the Party specified in a Transaction as the purchaser of an option, as defined in Schedule P.

1.36 “Option Seller” means the Party specified in a Transaction as the seller of an option, as defined in Schedule P.

1.37 “Party A Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party A.

1.38 “Party B Collateral Threshold” means the collateral threshold, if any, set forth in the Cover Sheet for Party B.

1.39 “Party A Independent Amount” means the amount , if any, set forth in the Cover Sheet for Party A.

1.40 “Party B Independent Amount” means the amount , if any, set forth in the Cover Sheet for Party B.

1.41 “Party A Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party A.

1.42 “Party B Rounding Amount” means the amount, if any, set forth in the Cover Sheet for Party B.

1.43 “Party A Tariff” means the tariff, if any, specified in the Cover Sheet for Party A.

1.44 “Party B Tariff” means the tariff, if any, specified in the Cover Sheet for Party B.

1.45 “Performance Assurance” means collateral in the form of either cash, Letter(s) of Credit, or other security acceptable to the Requesting Party.

1.46 “Potential Event of Default” means an event which, with notice or passage of time or both, would constitute an Event of Default.

1.47 “Product” means electric capacity, energy or other product(s) related thereto as specified in a Transaction by reference to a Product listed in Schedule P hereto or as otherwise specified by the Parties in the Transaction.

1.48 “Put Option” means an Option entitling, but not obligating, the Option Buyer to sell and deliver the Product to the Option Seller at a price equal to the Strike Price for the Delivery Period for which the option may be exercised, all as specified in a Transaction. Upon proper exercise of the Option by the Option Buyer, the Option Seller will be obligated to purchase and receive the Product.

1.49 “Quantity” means that quantity of the Product that Seller agrees to make available or sell and deliver, or cause to be delivered, to Buyer, and that Buyer agrees to purchase and receive, or cause to be received, from Seller as specified in the Transaction.

1.50 “Recording” has the meaning set forth in Section 2.4.

1.51 “Replacement Price” means the price at which Buyer, acting in a commercially reasonable manner, purchases at the Delivery Point a replacement for any Product specified in a Transaction but not delivered by Seller, plus (i) costs reasonably incurred by Buyer in purchasing such substitute Product and (ii) additional transmission charges, if any, reasonably incurred by Buyer to the Delivery Point, or at Buyer’s option, the market price at the Delivery Point for such Product not delivered as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller’s liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party at the Delivery Point.

1.52 “S&P” means the Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.) or its successor.

1.53 “Sales Price” means the price at which Seller, acting in a commercially reasonable manner, resells at the Delivery Point any Product not received by Buyer, deducting from such proceeds any (i) costs reasonably incurred by Seller in reselling such Product and (ii) additional transmission charges, if any, reasonably incurred by Seller in delivering such Product to the third party purchasers, or at Seller’s option, the market price at the Delivery Point for such Product not received as determined by Seller in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer’s liability. For purposes of this definition, Seller shall be considered to have resold such Product to the extent Seller shall have entered into one or more arrangements in a commercially reasonable manner whereby Seller repurchases its obligation to purchase and receive the Product from another party at the Delivery Point.

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

1.55 “Seller” means the Party to a Transaction that is obligated to sell and deliver, or cause to be delivered, the Product, as specified in the Transaction.

1.56 “Settlement Amount” means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such party incurs as a result of the liquidation of a Terminated Transaction pursuant to Section 5.2.

1.57 “Strike Price” means the price to be paid for the purchase of the Product pursuant to an Option.

1.58 “Terminated Transaction” has the meaning set forth in Section 5.2.

1.59 “Termination Payment” has the meaning set forth in Section 5.3.

1.60 “Transaction” means a particular transaction agreed to by the Parties relating to the sale and purchase of a Product pursuant to this Master Agreement.

1.61 “Transmission Provider” means any entity or entities transmitting or transporting the Product on behalf of Seller or Buyer to or from the Delivery Point in a particular Transaction.

ARTICLE TWO: TRANSACTION TERMS AND CONDITIONS

2.1 Transactions. A Transaction shall be entered into upon agreement of the Parties orally or, if expressly required by either Party with respect to a particular Transaction, in writing, including an electronic means of communication. Each Party agrees not to contest, or assert any defense to, the validity or enforceability of the Transaction entered into in accordance with this Master Agreement (i) based on any law requiring agreements to be in writing or to be signed by the parties, or (ii) based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction.

2.2 Governing Terms. Unless otherwise specifically agreed, each Transaction between the Parties shall be governed by this Master Agreement. This Master Agreement (including all exhibits, schedules and any written supplements hereto), , the Party A Tariff, if any, and the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmations accepted in accordance with Section 2.3) shall form a single integrated

agreement between the Parties. Any inconsistency between any terms of this Master Agreement and any terms of the Transaction shall be resolved in favor of the terms of such Transaction.

2.3 Confirmation. Seller may confirm a Transaction by forwarding to Buyer by facsimile within three (3) Business Days after the Transaction is entered into a confirmation (“Confirmation”) substantially in the form of Exhibit A. If Buyer objects to any term(s) of such Confirmation, Buyer shall notify Seller in writing of such objections within two (2) Business Days of Buyer’s receipt thereof, failing which Buyer shall be deemed to have accepted the terms as sent. If Seller fails to send a Confirmation within three (3) Business Days after the Transaction is entered into, a Confirmation substantially in the form of Exhibit A, may be forwarded by Buyer to Seller. If Seller objects to any term(s) of such Confirmation, Seller shall notify Buyer of such objections within two (2) Business Days of Seller’s receipt thereof, failing which Seller shall be deemed to have accepted the terms as sent. If Seller and Buyer each send a Confirmation and neither Party objects to the other Party’s Confirmation within two (2) Business Days of receipt, Seller’s Confirmation shall be deemed to be accepted and shall be the controlling Confirmation, unless (i) Seller’s Confirmation was sent more than three (3) Business Days after the Transaction was entered into and (ii) Buyer’s Confirmation was sent prior to Seller’s Confirmation, in which case Buyer’s Confirmation shall be deemed to be accepted and shall be the controlling Confirmation. Failure by either Party to send or either Party to return an executed Confirmation or any objection by either Party shall not invalidate the Transaction agreed to by the Parties.

2.4 Additional Confirmation Terms. If the Parties have elected on the Cover Sheet to make this Section 2.4 applicable to this Master Agreement, when a Confirmation contains provisions, other than those provisions relating to the commercial terms of the Transaction (e.g., price or special transmission conditions), which modify or supplement the general terms and conditions of this Master Agreement (e.g., arbitration provisions or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 2.3 unless agreed to either orally or in writing by the Parties; provided that the foregoing shall not invalidate any Transaction agreed to by the Parties.

2.5 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording (“Recording”) of all telephone conversations between the Parties to this Master Agreement, and that any such Recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees. The Recording, and the terms and conditions described therein, if admissible, shall be the controlling evidence for the Parties’ agreement with respect to a particular Transaction in the event a Confirmation is not fully executed (or deemed accepted) by both Parties. Upon full execution (or deemed acceptance) of a Confirmation, such Confirmation shall control in the event of any conflict with the terms of a Recording, or in the event of any conflict with the terms of this Master Agreement.

ARTICLE THREE: OBLIGATIONS AND DELIVERIES

3.1 Seller’s and Buyer’s Obligations. With respect to each Transaction, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, the Quantity of the Product at the Delivery Point, and Buyer shall pay Seller the Contract Price; provided, however, with respect to Options, the obligations set forth in the preceding sentence shall only arise if the Option Buyer exercises its Option in accordance with its terms. Seller shall be responsible for any costs or charges imposed on or associated with the Product or its delivery of the Product up to the Delivery Point. Buyer shall be responsible for any costs or charges imposed on or associated with the Product or its receipt at and from the Delivery Point.

3.2 Transmission and Scheduling. Seller shall arrange and be responsible for transmission service to the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers, as

specified by the Parties in the Transaction, or in the absence thereof, in accordance with the practice of the Transmission Providers, to deliver the Product to the Delivery Point. Buyer shall arrange and be responsible for transmission service at and from the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive the Product at the Delivery Point.

3.3 Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under the Transaction and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then, unless the terms of the Product specify otherwise, the Claiming Party shall be excused from the performance of its obligations with respect to such Transaction (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

ARTICLE FOUR: REMEDIES FOR FAILURE TO DELIVER/RECEIVE

4.1 Seller Failure. If Seller fails to schedule and/or deliver all or part of the Product pursuant to a Transaction, and such failure is not excused under the terms of the Product or by Buyer’s failure to perform, then Seller shall pay Buyer, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if “Accelerated Payment of Damages” is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

4.2 Buyer Failure. If Buyer fails to schedule and/or receive all or part of the Product pursuant to a Transaction and such failure is not excused under the terms of the Product or by Seller’s failure to perform, then Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which the failure occurred or, if “Accelerated Payment of Damages” is specified on the Cover Sheet, within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES

5.1 Events of Default. An “Event of Default” shall mean, with respect to a Party (a “Defaulting Party”), the occurrence of any of the following:

- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
- (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
- (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party’s obligations to deliver or receive the Product, the exclusive remedy for which is provided in Article Four) if such failure is not remedied within three (3) Business Days after written notice;
- (d) such Party becomes Bankrupt;

- (e) the failure of such Party to satisfy the creditworthiness/collateral requirements agreed to pursuant to Article Eight hereof;
- (f) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party;
- (g) if the applicable cross default section in the Cover Sheet is indicated for such Party, the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party or any other party specified in the Cover Sheet for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet), which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable or (ii) a default by such Party or any other party specified in the Cover Sheet for such Party in making on the due date therefor one or more payments, individually or collectively, in an aggregate amount of not less than the applicable Cross Default Amount (as specified in the Cover Sheet);
- (h) with respect to such Party's Guarantor, if any:
 - (i) if any representation or warranty made by a Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;
 - (ii) the failure of a Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within three (3) Business Days after written notice;
 - (iii) a Guarantor becomes Bankrupt;
 - (iv) the failure of a Guarantor's guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under each Transaction to which such guaranty shall relate without the written consent of the other Party; or
 - (v) a Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any guaranty.

5.2 Declaration of an Early Termination Date and Calculation of Settlement Amounts. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the "Non-Defaulting Party") shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date") to accelerate all amounts owing between the Parties and to liquidate and terminate all, but not less than all, Transactions (each referred to as a "Terminated Transaction") between the Parties, (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance. The Non-Defaulting Party

shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable).

5.3 Net Out of Settlement Amounts. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single amount by: netting out (a) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article Eight, plus any or all other amounts due to the Defaulting Party under this Agreement against (b) all Settlement Amounts that are due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement, so that all such amounts shall be netted out to a single liquidated amount (the “Termination Payment”) payable by one Party to the other. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate.

5.4 Notice of Payment of Termination Payment. As soon as practicable after a liquidation, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective.

5.5 Disputes With Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party’s calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of Non-Defaulting Party’s calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Termination Payment.

5.6 Closeout Setoffs.

Option A: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option B: After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party or any of its Affiliates to the Non-Defaulting Party or any of its Affiliates under any other agreements, instruments or undertakings between the Defaulting Party or any of its Affiliates and the Non-Defaulting Party or any of its Affiliates and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 5.2, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Option C: Neither Option A nor B shall apply.

5.7 Suspension of Performance. Notwithstanding any other provision of this Master Agreement, if (a) an Event of Default or (b) a Potential Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right (i) to suspend performance under any or all Transactions; provided, however, in no event shall any such suspension continue for longer than ten (10) NERC Business Days with respect to any single Transaction unless an early Termination Date shall have been declared and notice thereof pursuant to Section 5.2 given, and (ii) to the extent an Event of Default shall have occurred and be continuing to exercise any remedy available at law or in equity.

ARTICLE SIX: PAYMENT AND NETTING

6.1 Billing Period. Unless otherwise specifically agreed upon by the Parties in a Transaction, the calendar month shall be the standard period for all payments under this Agreement (other than Termination Payments and, if “Accelerated Payment of Damages” is specified by the Parties in the Cover Sheet, payments pursuant to Section 4.1 or 4.2 and Option premium payments pursuant to Section 6.7). As soon as practicable after the end of each month, each Party will render to the other Party an invoice for the payment obligations, if any, incurred hereunder during the preceding month.

6.2 Timeliness of Payment. Unless otherwise agreed by the Parties in a Transaction, all invoices under this Master Agreement shall be due and payable in accordance with each Party’s invoice instructions on or before the later of the twentieth (20th) day of each month, or tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

6.3 Disputes and Adjustments of Invoices. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6.3 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived.

6.4 Netting of Payments. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date pursuant to all Transactions through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Products during the monthly billing period under this Master Agreement, including any related damages calculated pursuant to Article Four (unless one of the Parties elects to accelerate payment of such amounts as permitted by Article Four), interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

6.5 Payment Obligation Absent Netting. If no mutual debts or payment obligations exist and only one Party owes a debt or obligation to the other during the monthly billing period, including, but not limited to, any related damage amounts calculated pursuant to Article Four, interest, and payments or credits, that Party shall pay such sum in full when due.

6.6 Security. Unless the Party benefiting from Performance Assurance or a guaranty notifies the other Party in writing, and except in connection with a liquidation and termination in accordance with Article Five, all amounts netted pursuant to this Article Six shall not take into account or include any Performance Assurance or guaranty which may be in effect to secure a Party's performance under this Agreement.

6.7 Payment for Options. The premium amount for the purchase of an Option shall be paid within two (2) Business Days of receipt of an invoice from the Option Seller. Upon exercise of an Option, payment for the Product underlying such Option shall be due in accordance with Section 6.1.

6.8 Transaction Netting. If the Parties enter into one or more Transactions, which in conjunction with one or more other outstanding Transactions, constitute Offsetting Transactions, then all such Offsetting Transactions may by agreement of the Parties, be netted into a single Transaction under which:

- (a) the Party obligated to deliver the greater amount of Energy will deliver the difference between the total amount it is obligated to deliver and the total amount to be delivered to it under the Offsetting Transactions, and
- (b) the Party owing the greater aggregate payment will pay the net difference owed between the Parties.

Each single Transaction resulting under this Section shall be deemed part of the single, indivisible contractual arrangement between the parties, and once such resulting Transaction occurs, outstanding obligations under the Offsetting Transactions which are satisfied by such offset shall terminate.

ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT

ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE EIGHT: CREDIT AND COLLATERAL REQUIREMENTS

8.1 Party A Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.1(a) is specified on the Cover Sheet, Section 8.1(a) Option C shall apply exclusively. If none of Sections 8.1(b), 8.1(c) or 8.1(d) are specified on the Cover Sheet, Section 8.1(b) shall apply exclusively.

(a) Financial Information. Option A: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party B's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Party B's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as Party B diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party A, Party B shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

Option C: Party A may request from Party B the information specified in the Cover Sheet.

(b) Credit Assurances. If Party A has reasonable grounds to believe that Party B's creditworthiness or performance under this Agreement has become unsatisfactory, Party A will provide Party B with written notice requesting Performance Assurance in an amount determined by Party A in a commercially reasonable manner. Upon receipt of such notice Party B shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party A. In the event that Party B fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

(c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party A plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold, then Party A, on any Business Day, may request that Party B provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party B's Independent Amount, if any, exceeds the Party B Collateral Threshold (rounding upwards for any fractional amount to the next Party B Rounding Amount) ("Party B Performance Assurance"), less any Party B Performance Assurance already posted with Party A. Such Party B Performance Assurance shall be delivered to Party A within three (3)

Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party B, at its sole cost, may request that such Party B Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party B's Independent Amount, if any, (rounding upwards for any fractional amount to the next Party B Rounding Amount). In the event that Party B fails to provide Party B Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.1(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party A as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party B to Party A, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

(d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party B, then Party A may require Party B to provide Performance Assurance in an amount determined by Party A in a commercially reasonable manner. In the event Party B shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party A within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party A will be entitled to the remedies set forth in Article Five of this Master Agreement.

(e) If specified on the Cover Sheet, Party B shall deliver to Party A, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party A.

8.2 Party B Credit Protection. The applicable credit and collateral requirements shall be as specified on the Cover Sheet. If no option in Section 8.2(a) is specified on the Cover Sheet, Section 8.2(a) Option C shall apply exclusively. If none of Sections 8.2(b), 8.2(c) or 8.2(d) are specified on the Cover Sheet, Section 8.2(b) shall apply exclusively.

(a) Financial Information. Option A: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of Party A's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Party's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as such Party diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Party B, Party A shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

Option C: Party B may request from Party A the information specified in the Cover Sheet.

(b) Credit Assurances. If Party B has reasonable grounds to believe that Party A's creditworthiness or performance under this Agreement has become unsatisfactory, Party B will provide Party A with written notice requesting Performance Assurance in an amount determined by Party B in a commercially reasonable manner. Upon receipt of such notice Party A shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to Party B. In the event that Party A fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default under Article Five will be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

(c) Collateral Threshold. If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to Party B plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold, then Party B, on any Business Day, may request that Party A provide Performance Assurance in an amount equal to the amount by which the Termination Payment plus Party A's Independent Amount, if any, exceeds the Party A Collateral Threshold (rounding upwards for any fractional amount to the next Party A Rounding Amount) ("Party A Performance Assurance"), less any Party A Performance Assurance already posted with Party B. Such Party A Performance Assurance shall be delivered to Party B within three (3) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), Party A, at its sole cost, may request that such Party A Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment plus Party A's Independent Amount, if any, (rounding upwards for any fractional amount to the next Party A Rounding Amount). In the event that Party A fails to provide Party A Performance Assurance pursuant to the terms of this Article Eight within three (3) Business Days, then an Event of Default under Article Five shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

For purposes of this Section 8.2(c), the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by Party B as if all outstanding Transactions had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Party A to Party B, whether or not such amounts are due, for performance already provided pursuant to any and all Transactions.

(d) Downgrade Event. If at any time there shall occur a Downgrade Event in respect of Party A, then Party B may require Party A to provide Performance Assurance in an amount determined by Party B in a commercially reasonable manner. In the event Party A shall fail to provide such Performance Assurance or a guaranty or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice, then an Event of Default shall be deemed to have occurred and Party B will be entitled to the remedies set forth in Article Five of this Master Agreement.

(e) If specified on the Cover Sheet, Party A shall deliver to Party B, prior to or concurrently with the execution and delivery of this Master Agreement a guarantee in an amount not less than the Guarantee Amount specified on the Cover Sheet and in a form reasonably acceptable to Party B.

8.3 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent either or both Parties deliver Performance Assurance hereunder, each Party (a "Pledgor") hereby grants to the other Party (the "Secured Party") a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, such Secured Party, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Secured Party's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early

Termination Date, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of a Secured Party with respect to all Performance Assurance, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Defaulting Party in the possession of the Non-Defaulting Party or its agent; (iii) draw on any outstanding Letter of Credit issued for its benefit; and (iv) liquidate all Performance Assurance then held by or for the benefit of the Secured Party free from any claim or right of any nature whatsoever of the Defaulting Party, including any equity or right of purchase or redemption by the Defaulting Party. The Secured Party shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Pledgor's obligations under the Agreement (the Pledgor remaining liable for any amounts owing to the Secured Party after such application), subject to the Secured Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

ARTICLE NINE: GOVERNMENTAL CHARGES

9.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and to administer this Master Agreement in accordance with the intent of the parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

9.2 Governmental Charges. Seller shall pay or cause to be paid all taxes imposed by any government authority ("Governmental Charges") on or with respect to the Product or a Transaction arising prior to the Delivery Point. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or a Transaction at and from the Delivery Point (other than ad valorem, franchise or income taxes which are related to the sale of the Product and are, therefore, the responsibility of the Seller). In the event Seller is required by law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct the amount of any such Governmental Charges from the sums due to Seller under Article 6 of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law.

ARTICLE TEN: MISCELLANEOUS

10.1 Term of Master Agreement. The term of this Master Agreement shall commence on the Effective Date and shall remain in effect until terminated by either Party upon (thirty) 30 days' prior written notice; provided, however, that such termination shall not affect or excuse the performance of either Party under any provision of this Master Agreement that by its terms survives any such termination and, provided further, that this Master Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s), or such Transaction(s) that have been terminated under Section 5.2 of this Agreement.

10.2 Representations and Warranties. On the Effective Date and the date of entering into each Transaction, each Party represents and warrants to the other Party that:

- (i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (ii) it has all regulatory authorizations necessary for it to legally perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);

- (iii) the execution, delivery and performance of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (iv) this Master Agreement, each Transaction (including any Confirmation accepted in accordance with Section 2.3), and each other document executed and delivered in accordance with this Master Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses;
- (v) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (vi) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (vii) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (viii) it is acting for its own account, has made its own independent decision to enter into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) and as to whether this Master Agreement and each such Transaction (including any Confirmation accepted in accordance with Section 2.3) is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3);
- (ix) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;
- (x) it has entered into this Master Agreement and each Transaction (including any Confirmation accepted in accordance with Section 2.3) in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all Products referred to in the Transaction to which it is a Party;
- (xi) with respect to each Transaction (including any Confirmation accepted in accordance with Section 2.3) involving the purchase or sale of a Product or an Option, it is a producer, processor, commercial user or merchant handling the Product, and it is entering into such Transaction for purposes related to its business as such; and
- (xii) the material economic terms of each Transaction are subject to individual negotiation by the Parties.

10.3 Title and Risk of Loss. Title to and risk of loss related to the Product shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Quantity of the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

10.4 Indemnity. Each Party shall indemnify, defend and hold harmless the other Party from and against any Claims arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control and title to Product is vested in such Party as provided in Section 10.3. Each Party shall indemnify, defend and hold harmless the other Party against any Governmental Charges for which such Party is responsible under Article Nine.

10.5 Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an affiliate of such Party which affiliate's creditworthiness is equal to or higher than that of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such Party; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

10.6 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

10.7 Notices. All notices, requests, statements or payments shall be made as specified in the Cover Sheet. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service or facsimile. Notice by facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

10.8 General. This Master Agreement (including the exhibits, schedules and any written supplements hereto), the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any Confirmation accepted in accordance with Section 2.3) constitute the entire agreement between the Parties relating to the subject matter. Notwithstanding the foregoing, any collateral, credit support or margin agreement or similar arrangement between the Parties shall, upon designation by the Parties, be deemed part of this Agreement and shall be incorporated herein by reference. This Agreement shall be considered for all purposes as prepared through the joint efforts of the parties and shall not be construed against one party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Except to the extent herein provided for, no amendment or modification to this Master Agreement shall be enforceable unless reduced to writing and executed by both Parties. Each Party agrees if it seeks to amend any applicable wholesale power sales tariff during the term of this Agreement, such amendment will not in any way affect outstanding Transactions under this Agreement without the prior written consent of the

other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change (individually or collectively, such events referred to as “Regulatory Event”) will not otherwise affect the remaining lawful obligations that arise under this Agreement; and provided, further, that if a Regulatory Event occurs, the Parties shall use their best efforts to reform this Agreement in order to give effect to the original intention of the Parties. The term “including” when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only. All indemnity and audit rights shall survive the termination of this Agreement for twelve (12) months. This Agreement shall be binding on each Party’s successors and permitted assigns.

10.9 Audit. Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Master Agreement. If requested, a Party shall provide to the other Party statements evidencing the Quantity delivered at the Delivery Point. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

10.10 Forward Contract. The Parties acknowledge and agree that all Transactions constitute “forward contracts” within the meaning of the United States Bankruptcy Code.

10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of a Transaction under this Master Agreement to a third party (other than the Party’s employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

SCHEDULE M: GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEMS

(THIS SCHEDULE IS INCLUDED IF THE APPROPRIATE BOX ON THE COVER SHEET IS MARKED INDICATING A PARTY IS A GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEM)

A. The Parties agree to add the following definitions in Article One.

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

“Collateral Agent” has the meaning in the Security Documents.

“Depository Bank” has the meaning in the Security Documents.

“Intercreditor and Collateral Agency Agreement” means the Intercreditor and Collateral Agency Agreement, among the Collateral Agent, Party A, Party B and the PPA Providers party thereto from time to time.

“Secured Account” means the Lockbox Account (as defined in the Security Agreement).

“Secured Creditors” means each PPA Provider that is a party to the Intercreditor and Collateral Agency Agreement and its respective successors and assigns.

“Security Agreement” means the Security Agreement, between Party B and Collateral Agent, as collateral agent for the benefit of the Secured Creditors.

“Security Documents” means, collectively, the Intercreditor and Collateral Agency Agreement, the Security Agreement, the Account Control Agreement entered into by the Parties and certain third parties in connection with a Transaction, and any other agreement or instrument documenting the security of Party A in connection with a Transaction, as the same may be amended, restated, modified, replaced, extended, or supplemented from time to time.

“Special Fund” means the Secured Account, which is set aside and pledged to satisfy Party B’s obligations hereunder and out of which amounts shall be paid to satisfy all of Party B’s obligations under this Master Agreement for the entire Delivery Period.

B. The following sentence shall be added to the end of the definition of “Force Majeure” in Article One.

If the Claiming Party is Party B, Force Majeure does not include any action taken by, or any omission or failure to act of, Party B in its governmental capacity.

C. The Parties agree to add the following representations and warranties to Section 10.2:

Party B represents and warrants to Party A continuing throughout the term of this Master Agreement, with respect to this Master Agreement and each Transaction, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Master Agreement, including without limitation, to the extent applicable, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures has or will be taken and performed as required under the Act and all applicable laws, ordinances, or other applicable regulations, (ii) all persons making up the governing body of Party B are the duly elected or appointed incumbents in their positions and hold such positions in good standing in accordance with the Act and other applicable laws, (iii) entry into and performance of this Master Agreement by Party B are for a proper public purpose within the meaning of the Act and all other relevant constitutional, organic or other governing documents and applicable law, (iv) the term of this Master Agreement does not extend beyond any applicable limitation imposed by the Act or other relevant constitutional, organic or other governing documents and applicable law, (v) Party B's obligations to make payments with respect to this Master Agreement and each Transaction are to be made solely from the Special Fund, and (vi) obligations to make payments hereunder do not constitute any kind of indebtedness of Party B or create any kind of lien on, or security interest in, any property or revenues of Party B.

D. The Parties agree to add the following sections to Article Three:

Section 3.4 Party B's Deliveries. On the Effective Date and as a condition to the obligations of Party A under this Agreement, Party B shall provide Party A (i) certified copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Party B of this Master Agreement and (ii) a certificate, signed by an officer of Party B and in form and substance reasonably satisfactory to Party A, certifying as to certain factual matters.

Section 3.5 No Immunity Claim. Party B warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to the Secured Account from (a) suit, (b) jurisdiction of court (provided that such court is located within a venue

permitted under the Agreement), (c) relief by way of injunction, order for specific performance or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment; provided, however, that nothing in this Agreement shall waive the obligations and/or rights set forth in the California Government Claims Act (Government Code Section 810 et seq.).

E. If the appropriate box is checked on the Cover Sheet, as an alternative to selecting one of the options under Section 8.3, the Parties agree to add the following section to Article Three:

Section 3.6 Party B Security. With respect to each Transaction, Party B shall have created and set aside a Special Fund and shall have entered into the Security Documents in form and substance reasonably satisfactory to Party A. The Parties agree that Party B's obligations to make payments with respect to this Master Agreement and each Transaction are to be made solely from the Special Fund.

F. If the appropriate box is checked on the Cover Sheet, the Parties agree to add the following section to Article Eight:

Section 8.4 Party B Security. As credit protection to Party A, and as a condition to the effectiveness of the Confirmation, Party A and Party B shall have entered into the Security Documents, each in form and substance reasonably satisfactory to Party A, and such Security Documents shall have been duly executed and delivered by the Parties and by all third party signatories as contemplated therein and shall be in full force and effect. Party A shall have the rights and remedies specified in the Security Documents and Party B shall comply with its duties, obligations and responsibilities as specified therein. If Party A and Party B still have active or unsettled transactions, then Party B agrees that it shall provide five (5) Business Days prior written notice to Party A before terminating the Secured Account at Depository Bank and such notice shall include information regarding the replacement Secured Account.

G. The Parties agree to add the following sentence at the end of Section 10.6 - Governing Law:

NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS OF THE STATE OF CALIFORNIA SHALL APPLY.

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS

“Ancillary Services” means any of the services identified by a Transmission Provider in its transmission tariff as “ancillary services” including, but not limited to, regulation and frequency response, energy imbalance, operating reserve-spinning and operating reserve-supplemental, as may be specified in the Transaction.

“Capacity” has the meaning specified in the Transaction.

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

“Firm (LD)” means, with respect to a Transaction, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure. In the absence of Force Majeure, the Party to which performance is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article Four.

“Firm Transmission Contingent - Contract Path” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product in the case of the Seller from the generation source to the Delivery Point or in the case of the Buyer from the Delivery Point to the ultimate sink, and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This contingency shall excuse performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary.

“Firm Transmission Contingent - Delivery Point” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission to the Delivery Point (in the case of Seller) or from the Delivery Point (in the case of Buyer) for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product, in the case of the Seller, to be delivered to the Delivery Point or, in the case of Buyer, to be received at the Delivery Point and (ii) such interruption or curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the applicable transmission provider’s tariff. This transmission contingency excuses performance for the duration of the interruption or curtailment, notwithstanding the provisions of the definition of “Force Majeure” in Section 1.23 to the contrary. Interruptions or curtailments of transmission other than the transmission either immediately to or from the Delivery Point shall not excuse performance.

“Firm (No Force Majeure)” means, with respect to a Transaction, that if either Party fails to perform its obligation to sell and deliver or purchase and receive the Product, the Party to which performance is owed shall be entitled to receive from the Party which failed to perform an amount

determined pursuant to Article Four. Force Majeure shall not excuse performance of a Firm (No Force Majeure) Transaction.

“Into _____ (the “Receiving Transmission Provider”), Seller’s Daily Choice” means that, in accordance with the provisions set forth below, (1) the Product shall be scheduled and delivered to an interconnection or interface (“Interface”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which Interface, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area; and (2) Seller has the right on a daily prescheduled basis to designate the Interface where the Product shall be delivered. An “Into” Product shall be subject to the following provisions:

1. Prescheduling and Notification. Subject to the provisions of Section 6, not later than the prescheduling deadline of 11:00 a.m. CPT on the Business Day before the next delivery day or as otherwise agreed to by Buyer and Seller, Seller shall notify Buyer (“Seller’s Notification”) of Seller’s immediate upstream counterparty and the Interface (the “Designated Interface”) where Seller shall deliver the Product for the next delivery day, and Buyer shall notify Seller of Buyer’s immediate downstream counterparty.

2. Availability of “Firm Transmission” to Buyer at Designated Interface; “Timely Request for Transmission,” “ADI” and “Available Transmission.” In determining availability to Buyer of next-day firm transmission (“Firm Transmission”) from the Designated Interface, a “Timely Request for Transmission” shall mean a properly completed request for Firm Transmission made by Buyer in accordance with the controlling tariff procedures, which request shall be submitted to the Receiving Transmission Provider no later than 30 minutes after delivery of Seller’s Notification, provided, however, if the Receiving Transmission Provider is not accepting requests for Firm Transmission at the time of Seller’s Notification, then such request by Buyer shall be made within 30 minutes of the time when the Receiving Transmission Provider first opens thereafter for purposes of accepting requests for Firm Transmission.

Pursuant to the terms hereof, delivery of the Product may under certain circumstances be redesignated to occur at an Interface other than the Designated Interface (any such alternate designated interface, an “ADI”) either (a) on the Receiving Transmission Provider’s transmission system border or (b) within the control area of the Receiving Transmission Provider if the Product is from a source of generation in that control area, which ADI, in either case, the Receiving Transmission Provider identifies as available for delivery of the Product in or into its control area using either firm or non-firm transmission, as available on a day-ahead or hourly basis (individually or collectively referred to as “Available Transmission”) within the Receiving Transmission Provider’s transmission system.

3. Rights of Buyer and Seller Depending Upon Availability of/Timely Request for Firm Transmission.

A. Timely Request for Firm Transmission made by Buyer, Accepted by the Receiving Transmission Provider and Purchased by Buyer. If a Timely Request for Firm Transmission is made by Buyer and is accepted by the Receiving Transmission Provider

and Buyer purchases such Firm Transmission, then Seller shall deliver and Buyer shall receive the Product at the Designated Interface.

i. If the Firm Transmission purchased by Buyer within the Receiving Transmission Provider's transmission system from the Designated Interface ceases to be available to Buyer for any reason, or if Seller is unable to deliver the Product at the Designated Interface for any reason except Buyer's non-performance, then at Seller's choice from among the following, Seller shall: (a) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, require Buyer to purchase such Firm Transmission from such ADI, and schedule and deliver the affected portion of the Product to such ADI on the basis of Buyer's purchase of Firm Transmission, or (b) require Buyer to purchase non-firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by Seller, or (c) to the extent firm transmission is available on an hourly basis, require Buyer to purchase firm transmission, and schedule and deliver the affected portion of the Product on the basis of Buyer's purchase of such hourly firm transmission from the Designated Interface or an ADI designated by Seller.

ii. If the Available Transmission utilized by Buyer as required by Seller pursuant to Section 3A(i) ceases to be available to Buyer for any reason, then Seller shall again have those alternatives stated in Section 3A(i) in order to satisfy its obligations.

iii. Seller's obligation to schedule and deliver the Product at an ADI is subject to Buyer's obligation referenced in Section 4B to cooperate reasonably therewith. If Buyer and Seller cannot complete the scheduling and/or delivery at an ADI, then Buyer shall be deemed to have satisfied its receipt obligations to Seller and Seller shall be deemed to have failed its delivery obligations to Buyer, and Seller shall be liable to Buyer for amounts determined pursuant to Article Four.

iv. In each instance in which Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI pursuant to Sections 3A(i) or (ii), and Firm Transmission had been purchased by both Seller and Buyer into and within the Receiving Transmission Provider's transmission system as to the scheduled delivery which could not be completed as a result of the interruption or curtailment of such Firm Transmission, Buyer and Seller shall bear their respective transmission expenses and/or associated congestion charges incurred in connection with efforts to complete delivery by such alternative scheduling and delivery arrangements. In any instance except as set forth in the immediately preceding sentence, Buyer and Seller must make alternative scheduling arrangements for delivery at the Designated Interface or an ADI under Sections 3A(i) or (ii), Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with such alternative scheduling arrangements.

B. Timely Request for Firm Transmission Made by Buyer but Rejected by the Receiving Transmission Provider. If Buyer's Timely Request for Firm Transmission is rejected by the Receiving Transmission Provider because of unavailability of Firm Transmission from the Designated Interface, then Buyer shall notify Seller within 15 minutes after receipt of the Receiving Transmission Provider's notice of rejection ("Buyer's Rejection Notice"). If Buyer timely notifies Seller of such unavailability of Firm Transmission from the Designated Interface, then Seller shall be obligated either (1) to the extent Firm Transmission is available to Buyer from an ADI on a day-ahead basis, to require Buyer to purchase (at Buyer's own expense) such Firm Transmission from such ADI and schedule and deliver the Product to such ADI on the basis of Buyer's purchase of Firm Transmission, and thereafter the provisions in Section 3A shall apply, or (2) to require Buyer to purchase (at Buyer's own expense) non-firm transmission, and schedule and deliver the Product on the basis of Buyer's purchase of non-firm transmission from the Designated Interface or an ADI designated by the Seller, in which case Seller shall bear the risk of interruption or curtailment of the non-firm transmission; provided, however, that if the non-firm transmission is interrupted or curtailed or if Seller is unable to deliver the Product for any reason, Seller shall have the right to schedule and deliver the Product to another ADI in order to satisfy its delivery obligations, in which case Seller shall be responsible for any additional transmission purchases and/or associated congestion charges incurred by Buyer in connection with Seller's inability to deliver the Product as originally prescheduled. If Buyer fails to timely notify Seller of the unavailability of Firm Transmission, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface, and the provisions of Section 3D shall apply.

C. Timely Request for Firm Transmission Made by Buyer, Accepted by the Receiving Transmission Provider and not Purchased by Buyer. If Buyer's Timely Request for Firm Transmission is accepted by the Receiving Transmission Provider but Buyer elects to purchase non-firm transmission rather than Firm Transmission to take delivery of the Product, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

D. No Timely Request for Firm Transmission Made by Buyer, or Buyer Fails to Timely Send Buyer's Rejection Notice. If Buyer fails to make a Timely Request for Firm Transmission or Buyer fails to timely deliver Buyer's Rejection Notice, then Buyer shall bear the risk of interruption or curtailment of transmission from the Designated Interface. In such circumstances, if Seller's delivery is interrupted as a result of transmission relied upon by Buyer from the Designated Interface, then Seller shall be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for amounts determined pursuant to Article Four.

4. Transmission.

A. Seller's Responsibilities. Seller shall be responsible for transmission required to deliver the Product to the Designated Interface or ADI, as the case may be. It is expressly agreed that Seller is not required to utilize Firm Transmission for its delivery obligations hereunder, and Seller shall bear the risk of utilizing non-firm transmission. If Seller's scheduled delivery to Buyer is interrupted as a result of Buyer's attempted transmission of the Product beyond the Receiving Transmission Provider's system border, then Seller will be deemed to have satisfied its delivery obligations to Buyer, Buyer shall be deemed to have failed to receive the Product and Buyer shall be liable to Seller for damages pursuant to Article Four.

B. Buyer's Responsibilities. Buyer shall be responsible for transmission required to receive and transmit the Product at and from the Designated Interface or ADI, as the case may be, and except as specifically provided in Section 3A and 3B, shall be responsible for any costs associated with transmission therefrom. If Seller is attempting to complete the designation of an ADI as a result of Seller's rights and obligations hereunder, Buyer shall co-operate reasonably with Seller in order to effect such alternate designation.

5. Force Majeure. An "Into" Product shall be subject to the "Force Majeure" provisions in Section 1.23.

6. Multiple Parties in Delivery Chain Involving a Designated Interface. Seller and Buyer recognize that there may be multiple parties involved in the delivery and receipt of the Product at the Designated Interface or ADI to the extent that (1) Seller may be purchasing the Product from a succession of other sellers ("Other Sellers"), the first of which Other Sellers shall be causing the Product to be generated from a source ("Source Seller") and/or (2) Buyer may be selling the Product to a succession of other buyers ("Other Buyers"), the last of which Other Buyers shall be using the Product to serve its energy needs ("Sink Buyer"). Seller and Buyer further recognize that in certain Transactions neither Seller nor Buyer may originate the decision as to either (a) the original identification of the Designated Interface or ADI (which designation may be made by the Source Seller) or (b) the Timely Request for Firm Transmission or the purchase of other Available Transmission (which request may be made by the Sink Buyer). Accordingly, Seller and Buyer agree as follows:

A. If Seller is not the Source Seller, then Seller shall notify Buyer of the Designated Interface promptly after Seller is notified thereof by the Other Seller with whom Seller has a contractual relationship, but in no event may such designation of the Designated Interface be later than the prescheduling deadline pertaining to the Transaction between Buyer and Seller pursuant to Section 1.

B. If Buyer is not the Sink Buyer, then Buyer shall notify the Other Buyer with whom Buyer has a contractual relationship of the Designated Interface promptly after Seller notifies Buyer thereof, with the intent being that the party bearing actual responsibility to secure transmission shall have up to 30 minutes after receipt of the Designated Interface to submit its Timely Request for Firm Transmission.

C. Seller and Buyer each agree that any other communications or actions required to be given or made in connection with this “Into Product” (including without limitation, information relating to an ADI) shall be made or taken promptly after receipt of the relevant information from the Other Sellers and Other Buyers, as the case may be.

D. Seller and Buyer each agree that in certain Transactions time is of the essence and it may be desirable to provide necessary information to Other Sellers and Other Buyers in order to complete the scheduling and delivery of the Product. Accordingly, Seller and Buyer agree that each has the right, but not the obligation, to provide information at its own risk to Other Sellers and Other Buyers, as the case may be, in order to effect the prescheduling, scheduling and delivery of the Product.

“Native Load” means the demand imposed on an electric utility or an entity by the requirements of retail customers located within a franchised service territory that the electric utility or entity has statutory obligation to serve.

“Non-Firm” means, with respect to a Transaction, that delivery or receipt of the Product may be interrupted for any reason or for no reason, without liability on the part of either Party.

“System Firm” means that the Product will be supplied from the owned or controlled generation or pre-existing purchased power assets of the system specified in the Transaction (the “System”) with non-firm transmission to and from the Delivery Point, unless a different Transmission Contingency is specified in a Transaction. Seller’s failure to deliver shall be excused: (i) by an event or circumstance which prevents Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Seller; (ii) by Buyer’s failure to perform; (iii) to the extent necessary to preserve the integrity of, or prevent or limit any instability on, the System; (iv) to the extent the System or the control area or reliability council within which the System operates declares an emergency condition, as determined in the system’s, or the control area’s, or reliability council’s reasonable judgment; or (v) by the interruption or curtailment of transmission to the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Seller’s performance. Buyer’s failure to receive shall be excused (i) by Force Majeure; (ii) by Seller’s failure to perform, or (iii) by the interruption or curtailment of transmission from the Delivery Point or by the occurrence of any Transmission Contingency specified in a Transaction as excusing Buyer’s performance. In any of such events, neither party shall be liable to the other for any damages, including any amounts determined pursuant to Article Four.

“Transmission Contingent” means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable including any amounts determined pursuant to Article Four, if the transmission for such Transaction is unavailable or interrupted or curtailed for any reason, at any time, anywhere from the Seller’s proposed generating source to the Buyer’s proposed ultimate sink, regardless of whether transmission, if any, that such Party is attempting to secure and/or has purchased for the Product is firm or non-firm. If the transmission (whether firm or non-firm) that Seller or Buyer is attempting to secure is from source to sink is unavailable, this contingency excuses performance for the entire Transaction. If the transmission (whether firm or non-firm) that Seller or Buyer has

secured from source to sink is interrupted or curtailed for any reason, this contingency excuses performance for the duration of the interruption or curtailment notwithstanding the provisions of the definition of “Force Majeure” in Article 1.23 to the contrary.

“Unit Firm” means, with respect to a Transaction, that the Product subject to the Transaction is intended to be supplied from a generation asset or assets specified in the Transaction. Seller’s failure to deliver under a “Unit Firm” Transaction shall be excused: (i) if the specified generation asset(s) are unavailable as a result of a Forced Outage (as defined in the NERC Generating Unit Availability Data System (GADS) Forced Outage reporting guidelines) or (ii) by an event or circumstance that affects the specified generation asset(s) so as to prevent Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, and which is not within the reasonable control of, or the result of the negligence of, the Seller or (iii) by Buyer’s failure to perform. In any of such events, Seller shall not be liable to Buyer for any damages, including any amounts determined pursuant to Article Four.

EXHIBIT A**MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER**

This confirmation letter shall confirm the Transaction agreed to on _____, ___ between _____ (“Party A”) and _____ (“Party B”) regarding the sale/purchase of the Product under the terms and conditions as follows:

Seller: _____

Buyer: _____

Product:

Into _____, Seller’s Daily Choice

Firm (LD)

Firm (No Force Majeure)

System Firm

(Specify System: _____)

Unit Firm

(Specify Unit(s): _____)

Other _____

Transmission Contingency (If not marked, no transmission contingency)

FT-Contract Path Contingency Seller Buyer

FT-Delivery Point Contingency Seller Buyer

Transmission Contingent Seller Buyer

Other transmission contingency

(Specify: _____)

Contract Quantity: _____

Delivery Point: _____

Contract Price: _____

Energy Price: _____

Other Charges: _____

Confirmation Letter
Page 2

Delivery Period: _____

Special Conditions: _____

Scheduling: _____

Option Buyer: _____

Option Seller: _____

Type of Option: _____

Strike Price: _____

Premium: _____

Exercise Period: _____

This confirmation letter is being provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated _____ (the "Master Agreement") between Party A and Party B, and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

[Party A]

[Party B]

Name: _____

Name: _____

Title: _____

Title: _____

Phone No: _____

Phone No: _____

Fax: _____

Fax: _____

4156-9328-2856.10

RESOLUTION NO. [REDACTED]

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY APPROVING AN ALAMEDA
COUNTY SOLAR AND STORAGE RESOURCE ADEQUACY PURCHASE
AGREEMENT WITH INTERSECT POWER

OF THE EAST BAY COMMUNITY ENERGY AUTHORITY R-2020-[REDACTED]

WHEREAS The East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

WHEREAS, the East Bay Community Energy Authority (“EBCE”) was formed pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in Alameda County; and

WHEREAS, Intersect Power is a clean infrastructure company based in the Bay Area; and

WHEREAS, Intersect Power is proposing to develop the Aramis Solar and Storage Project, a 100 MW solar project with a 100 MW/4-hour duration battery system in North Livermore; and

WHEREAS, the EBCE desires to enter a contract with Intersect Power regarding the purchase of 20MW of resource adequacy, subject to obtaining all necessary permits and entitlements; and

WHEREAS, the project is expected to be operational on April 1, 2024.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board hereby approves the material terms of the Resource Adequacy Confirmation Letter and Master Power Purchase and Sale Agreement (Agreements) by and between Intersect Power and East Bay Community Energy Authority, and

Section 2. The CEO is hereby authorized to complete negotiations and execute the Agreements in substantially the form approved, making necessary changes proposed by the CEO and approved by General Counsel.

ADOPTED AND APPROVED this 18th day of November, 2020.

Dan Kalb, Chair

ATTEST:

Stephanie Cabrera, Clerk of the Board



Aramis Solar & Storage RA Contract Approval

Presented By: Howard Chang
Date: November 18, 2020



Intersect Power & Aramis Solar + Storage

- Staff is seeking approval of a resolution authorizing the CEO to execute a 10-year local Resource Adequacy purchase from a 100MW Alameda County Solar and Storage Project (“Aramis project”) with Intersect as the developer.
- Intersect Power is a clean infrastructure company based in the Bay Area focusing on bringing low-carbon energy and infrastructure solutions to its customers in California. Their pipeline includes 3 GWDC of solar assets across California and Texas in various stages of development.
- The Aramis Solar & Storage Project is a 100MW solar plus 100MW/4hr duration storage project based in the North Livermore community at the Intersection of North Livermore Avenue and Manning Road.
- EBCE has negotiated a 10-year contract for approximately 20MW of local Greater Bay Area Resource Adequacy from the project.



Aramis Solar + Storage Project Highlights

- The Aramis project was submitted into EBCE's 2018 California Renewable Energy RFP and staff has been in discussions with Intersect since that time.
- CleanPowerSF will likely be a significant off-taker of the project as well.
- The project is expected to begin construction in 2023.
- The Aramis project is expected to begin to provide local Greater Bay Area Resource Adequacy to EBCE starting in April 2024 through December 2033 for a period of 10 years. The quantity will range from 14MW to 23MW and average approximately 20MW.



100MW

of clean, local,
reliable power



400

living-wage, all
union jobs



188,000

metric tons of CO₂
offset



25,000

homes powered
annually

Labor Agreement & Other Benefits

- PLA executed February 2018 w/ 5 local construction crafts.
- The 5 unions represent over 10,000 members living in Alameda and Contra Costa Counties:
 - IBEW Local 595
 - Operating Engineers Local 3
 - Laborers Local 304
 - Ironworkers Local 378
 - Carpenters Local 713
- Estimated **400** local construction jobs, Intersect's goal is to hire 100% of those jobs from Alameda County.
- Local sales tax revenue: **\$1.5M** to Alameda Co in 2021-2022, property tax revenue: **\$200k** increase per year.
- Local procurement: **\$7.5M** in 2021-2022: gravel, civil work, portable toilets, fencing, gasoline, diesel, etc.
- Indirect/induced local economic benefits: **\$22.5M** in 2021 and beyond from hotels, restaurants, etc.



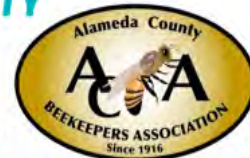
Community Benefits

- Partnering with Tipping Point to fund and install \$250,000 in rooftop solar systems for 10 local non-profit orgs, reducing energy costs for the organizations serving the Bay Area's most vulnerable populations.
- Intersect is committing to dedicating land for a public hiking trail to provide opportunities for STEM and outdoor education.

Community Partnerships



↑ **\$105k in donations committed by EOY** ↑



↑ **Aramis Key Project Supporters** ↑

Aramis Solar & Storage Project cont'd

- The project is seeking permitting approvals from the County during the fall/winter of 2020.
- Through the RFP and subsequent discussions, EBCE has evaluated the project from an energy product perspective and related to development and delivery risk.
- Staff evaluates permitting risk in terms of ability to deliver energy products and comply with negotiated PPAs. Obtaining all necessary permits is a requirement under the agreement.
- Thorough environmental review is completed by the local government and authorities having jurisdiction in the formal permitting approval process.
- Support letters for this project have been received from:
 - Sierra Club
 - NRDC
 - IBEW
 - Zero Net Energy Center
 - Livermore Valley Chamber of Commerce
 - East Bay Leadership Council



Conclusion

- EBCE has signed over 650MW of new renewable generation and storage projects in CA. This includes over 100MW of projects located within Alameda County.
- The Aramis project is unique because it is one of the largest renewable energy projects in Alameda County and Northern California and due to the significant battery storage that the project includes.
- The California Public Utilities Commission (CPUC) and the California Independent System Operator (CAISO) are forecasting capacity constraints over the coming years.
- Staff is recommending approval of this 10-year contract, which is competitively priced and will provide necessary local Resource Adequacy to our portfolio.
- This transaction reflects EBCE's commitment to supporting new renewable energy projects in CA and Alameda County and creating local jobs.

The Aramis Solar + Storage Project

www.intersectpower.com/projects