



**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
NOTICE OF REGULAR MEETING  
Board of Directors**

**NOTICE IS HEREBY GIVEN** by the undersigned, as the Executive Director of the Southern California Public Power Authority, that a regular meeting of the Board of Directors is to be held as follows:

**Thursday, January 18, 2024**  
**10:00 AM**  
**Southern California Public Power Authority Training Facility**  
**1172 Nicole Ct.**  
**Glendora, CA 91740**

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*Any writings or documents provided to the Board of Directors regarding any item on this agenda subsequent to distribution of the agenda packet will be made available for public inspection at SCPPA's Office set forth above, during normal business hours. Members of the public may participate in the meeting in person or via teleconferencing and may also view any documents made available during the meeting, using the following information:*

<b>Call</b>	<b>Meeting</b>
Dial: 888-788-0099	Zoom: <a href="#">Join Meeting</a>
Meeting ID: 923 7238 1802	Meeting Materials: <a href="#">Access Here</a>
Passcode: 914368	

*SCPPA, upon request, will provide reasonable accommodation to the disabled to ensure equal access to its meetings. To ensure availability, such request should be made 72 hours in advance by contacting the Authority at (626) 793-9364 or [administration@scppa.org](mailto:administration@scppa.org) during business hours.*

The following matters are the business to be transacted and considered by the Board of Directors:

- NOTICE / AGENDA AND OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD**  
Members of the public may address the Board at this time on any item on today's agenda or any other item that is within the subject matter jurisdiction of the Board. Comments from members of the public shall be limited to three (3) minutes unless additional time is approved by the Board. Any member of the Board may request that items on the agenda be taken out of order, or that items be added to the agenda pursuant to the provisions of Section 54954.2(b) of the California Government Code.

## **2. BOARD OFFICER ELECTION**

### **A. Appointment/Election of Officers**

## **3. CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will all be enacted by one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion, unless one or more Board members, staff, or a member of the public requests that specific items be discussed and/or removed for separate discussion or action.

### **A. Minutes of the Board of Directors Meeting**

- Regular Meeting Minutes: December 21, 2023

### **B. Receive and File:**

1. FY 23-24 Q1 Budget-to-Actual Variance Report
2. Finance Committee Meeting Minutes: December 8, 2023
3. Monthly Investment Report: November 2023
4. FY 23-24 First Quarter Financial Report
5. SPPA A&G Budget Comparison Report: November 2023
6. Memorandum Documenting Destruction of Records per SPPA Records Retention and Destruction Policy and Resolution No. 2023-102
7. Magnolia Power Project Operations Report: December 2023
8. Federal Legislative Report: December 2023
9. Strategic Goals and Objectives Report

## **4. CLOSED SESSION**

**A. Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to Paragraphs d(2) and (e)(2) of Govt. Code §54956.9: One potential case**

**B. Public Employment – Executive Director**

**C. Conference with Labor Negotiators; Govt. Code §54957.6: Agency Designated Representative: Dawn Roth Lindell. Unrepresented employee position: Executive Director**

## **5. NEW BUSINESS AND REPORTING OUT RE: CLOSED SESSION**

## **6. EXECUTIVE DIRECTOR REPORT**

The Executive Director will provide a report on the activities of the Authority since the last Board Meeting.

**A. Working Group Update**

**B. Strategic Objectives and Goals Report**

**C. Amendment to SPPA Employee Benefits Policy  
Resolution 2024-001**

Amendment to the SPPA Employee Benefits Policy to add Juneteenth as a paid holiday

## **7. CHIEF FINANCIAL & ADMINISTRATIVE OFFICER REPORT**

**A. Linden Wind Energy Project Bond Refunding Update**

## **8. ASSET MANAGEMENT REPORT**

**A. FY 23-24 Q1 Budget-to-Actual Variance Report**

**9. PROJECT AND PROGRAM DEVELOPMENT REPORT**

**A. Resolution 2024-002**

Authorize negotiation and execution of a Power Purchase Agreement with Bonanza Solar, LLC for the Bonanza Solar+Storage Project; find such action is exempt from the California Environmental Quality Act

**10. GOVERNMENT AFFAIRS REPORT**

The Director of Government Affairs will report on regional, state, and/or federal legislative and regulatory activities affecting Southern California public power utilities, including climate change, air quality, wildfire mitigation, renewable energy and traditional energy resources, transportation and building electrification, alternative energy supplies, resource planning, market and utility operations, and joint powers agreements.

**A. State Regulatory Update, including recap of California Energy Commission Vice Chair Siva Gunda's SCPPA Visit**

**B. State Legislative Update, including Governor Newsom's proposed state budget and potential POU-sponsored transformer resolution**

**C. Federal Issues Update**

**D. Update on Capitol Day (February 5th) and APPA Federally Rally/SCPPA Fly-In (February 26-28)**

**11. BOARD MEMBER COMMENTS**

**A. Opportunity for Board Members to bring up informational items or request that an item be added to a future Board Agenda.**

**12. ADJOURNMENT**

DocuSigned by:

*Michael S. Webster*

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**Michael S. Webster**  
Executive Director  
Southern California Public Power Authority



**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

A regular meeting of the Board of Directors was held on **December 21, 2023**, at Southern California Public Power Authority Training Center, 1172 Nicole Court, Glendora, CA 91740. The meeting was called to order at **10:00 AM** by the President.

**REMOTE PARTICIPATION DUE TO JUST CAUSE OR EMERGENCY**

Prior to commencing the meeting, the Board conducted a vote in accordance with the Brown Act (Government Code Section 54953, subsections (f)(2) and (j)(2)(B)) to determine if just cause exists to permit Mr. Jim Steffens from Banning and Mr. Ashkan Nassiri from LADWP to participate remotely due to contagious illness. Messrs. Steffens and Nassiri each confirmed that no one over the age of 18 was present at their respective remote locations.

**Moved by:** Tikan Singh, *Azusa Light & Water*  
**Seconded:** Charles Berry, *Colton Electric Utility*

Ms. Ortiz took a Roll Call vote:

	<b>Yes</b>	<b>No</b>	<b>Present, Not Voting</b>	<b>Absent</b>
<b>Anaheim</b>	X			
<b>Azusa</b>	X			
<b>Banning</b>			X	
<b>Burbank</b>	X			
<b>Cerritos</b>				X
<b>Colton</b>	X			
<b>Glendale</b>	X			
<b>IID</b>	X			
<b>LADWP</b>			X	
<b>Pasadena</b>	X			
<b>Riverside</b>	X			
<b>Vernon</b>	X			

Ms. Salpi Ortiz took roll.

**The following Board Members (B) or Alternates (A) were present:**

**Anaheim:** Dukku Lee (B)  
**Azusa:** Tikan Singh (B)  
**Banning:** Jim Steffens (B) (remote participation)  
**Burbank:** Dawn Roth Lindell (B)  
**Cerritos:**  
**Colton:** Charles Berry (B)  
**Glendale:** Mark Young (B)  
**IID:** Sabrina Barber (A)  
**LADWP:** Ashkan Nassiri (A) (remote participation)  
**Pasadena:** Sidney Jackson (B)  
**Riverside:** Todd Corbin (B)  
**Vernon:** Todd Dusenberry (B)

## **1. NOTICE/AGENDA AND OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD**

Ms. Roth Lindell went through the in-person and web conference protocol. Mr. Steven Starks, Acting Executive Director, went through the emergency safety protocols for the in-person meeting participants. Ms. Roth Lindell invited comments from the public. There were no public comments.

## **2. CONSENT CALENDAR**

### **A. Minutes of the Board of Directors Meeting**

- Regular Meeting Minutes: November 16, 2023

### **B. Receive and File:**

1. Finance Committee Meeting Minutes November 6, 2023
2. Monthly Investment Report: October 2023
3. SCPA A&G Budget Comparison Report: October 2023
4. Q3 Renewables Operating Report
5. Palo Verde Report: November 2023
6. Magnolia Power Project Operations Report: November 2023
7. Federal Legislative Report: November 2023

### **C. Resolution 2023-137**

Legal Services Agreement with Hanna & Morton LLP (3- year term starting 1/1/24, with option to extend for 3 years)

### **D. Resolution 2023-138**

Amendment No. 2 to Legal Services Agreement with Law Offices of Carrie A. Downey (3- year extension)

### **E. Resolution 2023-139**

Amended and Restated Arizona Nuclear Power Project Hassayampa Switchyard Interconnection Agreement; finding such action exempt under the California Environmental Quality Act

**F. Resolution 2023-140**

Amendment No. 3 to the Master Professional Services Agreement with Cohen Ventures, Inc. doing business as Energy Solutions to increase the Not-to-Exceed amount to \$15,000,000

**G. Resolution 2023-141**

Ratification of Award of Contract of Urgent Necessity to Courts Construction Company, Inc. for the Repair and Renovation of SCPPA’s Office Building at 1160 Nicole Court; designating the funds to be used, and authorizing a 10% contingency

**Moved by:** Dukku Lee, *Anaheim Public Utilities*

**Seconded:** Sabrina Barber, *Imperial Irrigation District*

Ms. Ortiz took a Roll Call vote:

	<b>Yes</b>	<b>No</b>	<b>Present, Not Voting</b>	<b>Absent</b>
<b>Anaheim</b>	X			
<b>Azusa</b>	X			
<b>Banning</b>	X			
<b>Burbank</b>	X			
<b>Cerritos</b>				X
<b>Colton</b>	X			
<b>Glendale</b>	X			
<b>IID</b>	X			
<b>LADWP</b>	X			
<b>Pasadena</b>	X			
<b>Riverside</b>	X			
<b>Vernon</b>	X			

**3. CLOSED SESSION**

The Board went into closed session at 10:12 a.m.

**A. Public Employment – Executive Director**

**B. Public Employee Performance Evaluation – Executive Director**

- C. Conference with Labor Negotiators; Govt. Code §54957.6: Agency Designated Representative: Dawn Roth Lindell. Unrepresented employee position: Executive Director
- D. Pending Litigation; Govt. Code §54956.9(d)(1): *In Re American Renewable Power, LLC, et al.*, U.S. Bankruptcy Court Case Nos. 8:20-bk=1-533-SC and 8:20-bk-10535-SC

**4. NEW BUSINESS AND REPORTING OUT RE: Closed Session**

The Board returned to open session at 11:00 am. Ms. Roth Lindell stated that the Board had no items to report out of closed session regarding items 3A, 3B, or 3C. Ms. Godinez reported on item 4D that all Board members present held a Project Vote (Loyalton Biogas Project) and voted unanimously to authorize a settlement and release agreement with the bankruptcy trustee and the estates of American Renewable Power LLC and ARP-Loyalton Co-Gen, LLC, and other parties, with respect to the matter *In Re American Renewable Power, LLC, et al.*, U.S. Bankruptcy Court Case Nos. 8:20-bk=1-533-SC and 8:20-bk-10535-SC. Ms. Godinez stated that the settlement agreement once final, is available for review upon request under the Brown Act and California Public Records Act.

**5. EXECUTIVE DIRECTOR REPORT**

**A. Working Group Update**

Mr. Starks, Acting Executive Director, provided the Board with an update, announcing that SCPPA 2024 Annual Conference will take place in October 2024. SCPPA is currently in the process of identifying suitable locations within the Pasadena area to host the conference. Mr. Starks provided an update on the progress of the reconstruction of the main building and concluded his remarks by letting the Board know there will be a special lunch for the holidays.

**6. LEGAL**

**A. Award of Legal Services Agreement for Bond, Disclosure, and Tax Counsel Services Resolution 2023-142**

Legal Services Agreement with Norton Rose Fulbright LLP for Bond and Disclosure Counsel Services (3-year term with option to extend for 3 years)

**Resolution 2023-143**

Legal Services Agreement with Nixon Peabody LLP for Tax Counsel Services (3-year term with option to extend for 3 years)

**Moved by:** Dukku Lee, *Anaheim Public Utilities*

**Seconded:** Todd Dusenberry, *Vernon Public Utilities*

Ms. Ortiz took a Roll Call vote:

	<b>Yes</b>	<b>No</b>	<b>Present, Not Voting</b>	<b>Absent</b>
<b>Anaheim</b>	X			
<b>Azusa</b>	X			

<b>Banning</b>	X			
<b>Burbank</b>	X			
<b>Cerritos</b>				X
<b>Colton</b>	X			
<b>Glendale</b>	X			
<b>IID</b>	X			
<b>LADWP</b>	X			
<b>Pasadena</b>	X			
<b>Riverside</b>	X			
<b>Vernon</b>	X			

**7. CHIEF FINANCIAL & ADMINISTRATIVE OFFICER REPORT**

**A. Magnolia Power Project A; Basis Swap Suspension or Termination Authorization Resolution 2023-144**

Authorizing suspension or termination (in whole or in part) of existing Interest Rate Swap Agreement with Barclays Bank PLC

**Resolution 2023-145**

Authorizing suspension or termination (in whole or in part) of existing Interest Rate Swap Agreement with Royal Bank of Canada

Ms. Ma presented resolutions 2023-144 and 2023-145 to the Board for consideration and approval.

**Moved by:** Dukku Lee, *Anaheim Public Utilities*

**Seconded:** Charles Berry, *Colton Electric Utility*

Ms. Ortiz took a Roll Call vote (Project Vote – Magnolia Power Project A):

	<b>Yes</b>	<b>No</b>	<b>Present, Not Voting</b>	<b>Absent</b>
<b>Anaheim</b>	X			
<b>Azusa</b>	X			
<b>Banning</b>	X			
<b>Burbank</b>	X			
<b>Cerritos</b>				X



<b>Colton</b>	<b>X</b>			
<b>Glendale</b>	<b>X</b>			
<b>IID</b>	<b>X</b>			
<b>LADWP</b>	<b>X</b>			
<b>Pasadena</b>	<b>X</b>			
<b>Riverside</b>	<b>X</b>			
<b>Vernon</b>	<b>X</b>			

**8. PROGRAM DEVELOPMENT REPORT**

**A. Resolution 2023-146**

Establishing the Power from the Prairie Study Project; Authorizing a Proof of Concept Stage 2 Study Participant Agreement with Power From the Prairie LLC and Study Project Agreements; and finding such action exempt from the California Environmental Quality Act

Mr. Krager presented Resolution 2023-146 for consideration and approval.

**Moved by:** Dawn Roth Lindell, *Burbank Water & Power*

**Seconded:** Sidney Jackson, *Pasadena Water & Power*

Ms. Ortiz took a Roll Call vote:

	<b>Yes</b>	<b>No</b>	<b>Present, Not Voting</b>	<b>Absent</b>
<b>Anaheim</b>	<b>X</b>			
<b>Azusa</b>	<b>X</b>			
<b>Banning</b>	<b>X</b>			
<b>Burbank</b>	<b>X</b>			
<b>Cerritos</b>				<b>X</b>
<b>Colton</b>	<b>X</b>			
<b>Glendale</b>	<b>X</b>			
<b>IID</b>	<b>X</b>			
<b>LADWP</b>	<b>X</b>			
<b>Pasadena</b>	<b>X</b>			

<b>Riverside</b>	<b>X</b>			
<b>Vernon</b>	<b>X</b>			

**B. Resolution 2023-147**

Amendment No. 4 to the Master Goods and Services Agreement with Richard Heath and Associates, Inc to extend the agreement for one year

Mr. Czworniak presented Resolution 2023-147 for consideration and approval.

**Moved by:** Sabrina Barber, *Imperial Irrigation District*  
**Seconded:** Tikan Singh, *Azusa Light & Water*

Ms. Ortiz took a Roll Call vote:

	<b>Yes</b>	<b>No</b>	<b>Present, Not Voting</b>	<b>Absent</b>
<b>Anaheim</b>	<b>X</b>			
<b>Azusa</b>	<b>X</b>			
<b>Banning</b>	<b>X</b>			
<b>Burbank</b>	<b>X</b>			
<b>Cerritos</b>				<b>X</b>
<b>Colton</b>	<b>X</b>			
<b>Glendale</b>	<b>X</b>			
<b>IID</b>	<b>X</b>			
<b>LADWP</b>	<b>X</b>			
<b>Pasadena</b>	<b>X</b>			
<b>Riverside</b>	<b>X</b>			
<b>Vernon</b>	<b>X</b>			

**9. ASSET MANAGEMENT REPORT**

**A. Resolution 2023-148**

Energy Exchange Agreement with Powerex Corp. for the Windy Point/Windy Flats Wind Project

**B. Resolution 2023-149**

Energy Exchange Agreement with Powerex Corp. for the Linden Wind Project

Mr. Guss presented Resolutions 2023-148 and 2023-149 to the Board for consideration and approval.

**Moved by:** Ashkan Nassiri, *Los Angeles Department of Water & Power*

**Seconded:** Dawn Roth Lindell, *Burbank Water & Power*

Ms. Ortiz took a Roll Call vote (Project Votes – Windy Project and Linden Project):

	Yes	No	Present, Not Voting	Absent
<b>Anaheim</b>	X			
<b>Azusa</b>	X			
<b>Banning</b>	X			
<b>Burbank</b>	X			
<b>Cerritos</b>				X
<b>Colton</b>	X			
<b>Glendale</b>	X			
<b>IID</b>	X			
<b>LADWP</b>	X			
<b>Pasadena</b>	X			
<b>Riverside</b>	X			
<b>Vernon</b>	X			

**C. Resolution 2023-150**

Amendment No. 2 to the Professional Services Agreement with Moss Adams LLP to increase the contract amount by \$150,000; approval of Statement of Work for Auditing Services pertaining to the Magnolia Power Project and the Tieton Hydropower Project

**Moved by:** Mark Young, *Glendale Water & Power*

**Seconded:** Dukku Lee, *Anaheim Public Utilities*

Ms. Ortiz took a Roll Call vote (Project Vote – Magnolia Project and Tieton Project):

	Yes	No	Present, Not Voting	Absent
<b>Anaheim</b>	X			
<b>Azusa</b>	X			

<b>Banning</b>	X			
<b>Burbank</b>	X			
<b>Cerritos</b>				X
<b>Colton</b>	X			
<b>Glendale</b>	X			
<b>IID</b>	X			
<b>LADWP</b>	X			
<b>Pasadena</b>	X			
<b>Riverside</b>	X			
<b>Vernon</b>	X			

**10. GOVERNMENT AFFAIRS DIRECTOR'S REPORT**

**A. Resolution 2023-151**

Professional Services Agreement with the Weideman Group, Inc for Regulatory Consulting Services

**Moved by:** Dukku Lee, *Anaheim Public Utilities*

**Seconded:** Charles Berry, *Colton Electric Utility*

Ms. Ortiz took a Roll Call vote:

	<b>Yes</b>	<b>No</b>	<b>Present, Not Voting</b>	<b>Absent</b>
<b>Anaheim</b>	X			
<b>Azusa</b>	X			
<b>Banning</b>	X			
<b>Burbank</b>	X			
<b>Cerritos</b>				X
<b>Colton</b>	X			
<b>Glendale</b>	X			
<b>IID</b>	X			
<b>LADWP</b>	X			

<i>Pasadena</i>	<i>X</i>			
<i>Riverside</i>	<i>X</i>			
<i>Vernon</i>	<i>X</i>			

**B. State Regulatory Update**

Ms. Seitzman presented an update on the Wildfire Safety Advisory Board’s Advisory opinion including the next steps and upcoming meetings. Mr. De Bernardo presented a state regulatory update.

**C. Federal Issues Update**

Mr. De Bernardo presented a federal issues update including supply chain issues.

**D. Recap of December Activities**

Mr. De Bernardo presented a recap of December activities, including a California Energy Commission Roundtable, a transformer presentation for legislative staff, Southern California Gas' Hydrogen Tour, and SCPPA Government Affairs' Strategic Planning Meeting

**E. Upcoming Events**

Mr. De Bernardo presented an update on upcoming events, including Capitol Day and the APPA Legislative Rally/SCPPA Fly-In.

**11. BOARD MEMBER COMMENTS**

**A. Opportunity for Board Members to bring up informational items or request that an item be added to a future Board Agenda.**

Ms. Roth Lindell announced to the Board that she has accepted a new job offer and will be leaving Burbank Water and Power in early February, 2024.

**B. City of Cerritos Presentation**

The Cerritos presentation was deferred to a future meeting.

**12. ADJOURNMENT**

Ms. Roth Lindell adjourned the meeting at 12:10 p.m.

Respectfully Submitted,

\_\_\_\_\_  
Michael S. Webster  
Executive Director

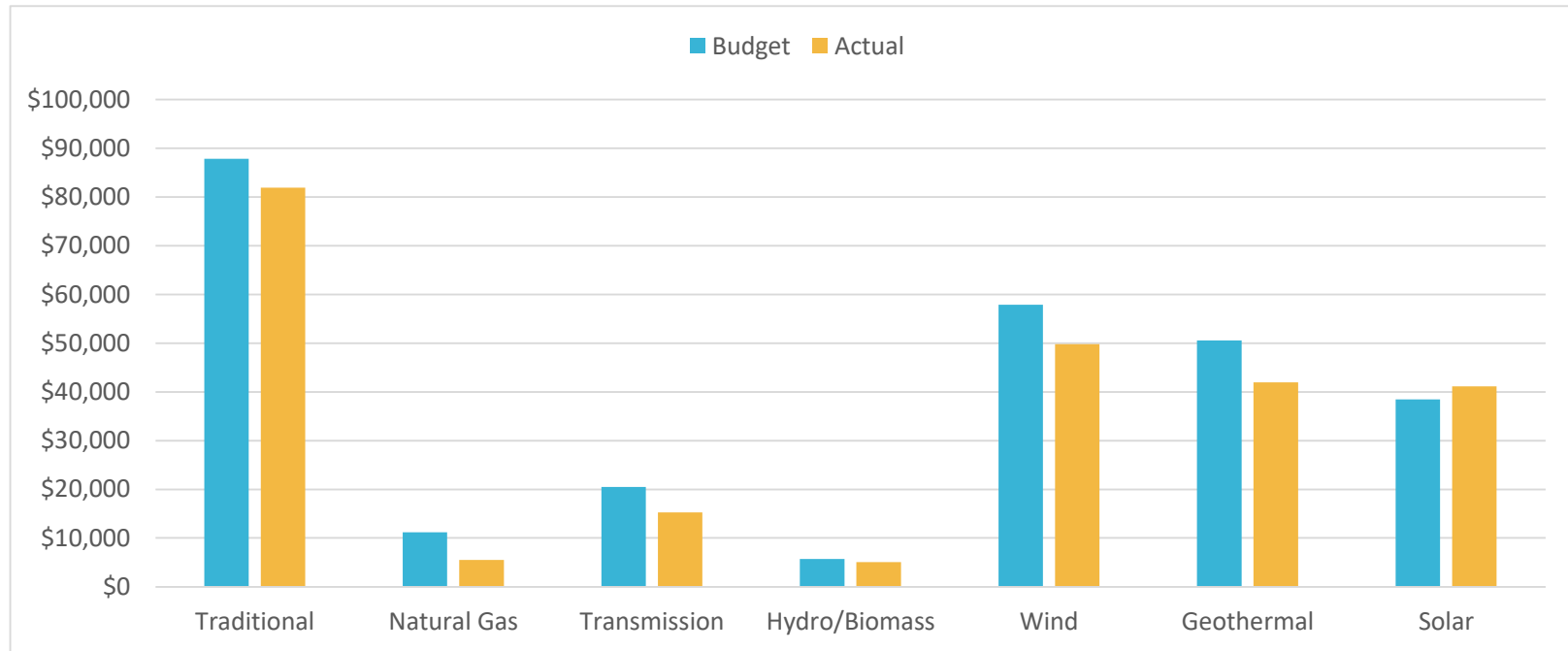
# SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2023

(\$000s)



Project Type	Budget	Actual	Difference	%
Traditional	\$ 87,818	\$ 81,895	\$ (5,923)	-7%
Natural Gas	\$ 11,183	\$ 5,524	\$ (5,659)	-51%
Transmission	\$ 20,466	\$ 15,230	\$ (5,236)	-26%
Hydro/Biomass	\$ 5,697	\$ 5,085	\$ (612)	-11%
Wind	\$ 57,906	\$ 49,802	\$ (8,104)	-14%
Geothermal	\$ 50,565	\$ 41,977	\$ (8,588)	-17%
Solar	\$ 38,434	\$ 41,132	\$ 2,698	7%
<b>Total</b>	<b>\$ 272,069</b>	<b>\$ 240,646</b>	<b>\$ (31,424)</b>	<b>-12%</b>







## SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2023

### Natural Gas Projects

Barnett	(\$000s)	Direct Admin & General	Indirect Admin & General	O&M	Pasadena Capital (Drilling & Completion)	Net Royalty Gas Tax Income	Investment Income	Cost of Gas	Net Debt Service	Taxes	Total Cost	MMBTUs Delivered	\$/MMBtu
		YTD Budget	\$ 33	\$ 12	\$ 189	\$ 1	\$ -	\$ -	\$ -	\$ 1,008	\$ -	\$ 1,243	
YTD Actual	\$ 6	\$ 6	\$ 177	\$ (5)			\$ (8)	\$ 1,000	\$ -	\$ 1,176	38,283	\$ 30.72	
Variance	\$ (27)	\$ (6)	\$ (12)	\$ (6)	\$ -	\$ -	\$ (8)	\$ (8)		\$ (67)			
% Variance	-83%	-50%	-6%	-539%				-1%		-5%			

Pinedale	(\$000s)	Direct Admin & General	Indirect Admin & General	O&M	Capital Improvements	Net Royalty Gas Tax Income	Net Oil Income	Cost of Gas	Net Debt Service	Taxes	Total Cost	MMBTUs Delivered	\$/MMBtu
		YTD Budget	\$ 63	\$ 6	\$ 753	\$ 27	\$ 159	\$ (216)	\$ -	\$ 426	\$ 576	\$ 1,794	
YTD Actual	\$ 73	\$ 6	\$ 772	\$ (1)	\$ (1,784)	\$ (217)	\$ (73)	\$ 433	\$ 211	\$ (580)	453,120	\$ (1.28)	
Variance	\$ 10	\$ 0	\$ 19	\$ (28)	\$ (1,943)	\$ (1)	\$ (73)	\$ 7	\$ (365)	\$ (2,374)			
% Variance	16%	1%	2%	-103%	-1222%	1%		2%	-63%	-132%			

Prepay	(\$000s)	Direct Admin & General	Indirect Admin & General	O&M	Capital Improvements	Net Royalty Gas Tax Income	Net Oil Income	Cost of Gas	Net Debt Service	Taxes	Total Cost	MMBTUs Delivered	\$/MMBtu
		YTD Budget	\$ 24	\$ 54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,350	\$ -	\$ -	\$ 5,428
YTD Billed	\$ 24	\$ 54						\$ 8,068	\$ -		\$ 8,146		
YTD Actual	\$ 84	\$ 50						\$ 4,794			\$ 4,928	1,268,496	\$ 3.89
Variance	\$ 60	\$ (4)						\$ (3,274)			\$ (3,218)		
% Variance	251%	-8%						-41%			-40%		





# SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2023

## Transmission Projects

Southern Transmission System	(\$000s)	Direct Admin & General	Indirect Admin & General	IPA Billings	Non-Operating Income	STS Renewal Billing	Capital Improvements	Net Debt Service	Taxes	Total Cost
	YTD Budget	\$ 72	\$ 93	\$ 9,000	\$ -	\$ 3	\$ -	\$ 7,842	\$ -	\$ 17,010
YTD Actual	\$ 63	\$ 86	\$ 5,623	\$ (0)	\$ 3	\$ -	\$ 6,716	\$ -	\$ 12,490	
Variance	\$ (9)	\$ (7)	\$ (3,377)				\$ (1,126)		\$ (4,520)	
% Variance	-13%	-8%	-38%				-14%		-27%	

Mead-Adelanto	(\$000s)	Direct Admin & General	Indirect Admin & General	O&M A	Insurance Reimbursement	Non-Operating Income	Capital Improvements	Net Debt Service	Taxes	Total Cost
	YTD Budget	\$ 30	\$ 9	\$ 708	\$ -	\$ -	\$ 384	\$ (12)	\$ 51	\$ 1,170
YTD Actual	\$ 20	\$ 9	\$ 829		\$ (1)	\$ -	\$ (18)	\$ 41	\$ 880	
Variance	\$ (10)	\$ (0)	\$ 121			\$ (384)	\$ (6)	\$ (10)	\$ (290)	
% Variance	-32%	-4%	17%			-100%	51%	-20%	-25%	

Mead-Adelanto (LADWP)	(\$000s)	Direct Admin & General	Indirect Admin & General	O&M A	Working Capital	Non-Operating Income	Capital Improvements	Net Debt Service	Taxes	Total Cost
	YTD Budget	\$ 15	\$ 3	\$ 183	\$ -	\$ -	\$ 99	\$ 675	\$ 24	\$ 999
YTD Actual	\$ 11	\$ 2	\$ 214			\$ -	\$ 649	\$ 16	\$ 892	
Variance	\$ (4)	\$ (1)	\$ 31	\$ -	\$ -	\$ (99)	\$ (26)	\$ (8)	\$ (107)	
% Variance	-29%	-31%	17%			-100%	-4%	-31%	-11%	

Mead-Phoenix	(\$000s)	Direct Admin & General	Indirect Admin & General	O&M A	O&M B	O&M C	Capital Improvements	Debt Service	Taxes	Total Cost
	YTD Budget	\$ 12	\$ 6	\$ 135	\$ 45	\$ 102	\$ 141	\$ (15)	\$ 63	\$ 489
YTD Actual	\$ 9	\$ 2	\$ 125	\$ 34	\$ 65	\$ 24	\$ (21)	\$ 41	\$ 278	
Variance	\$ (3)	\$ (4)	\$ (10)	\$ (11)	\$ (37)	\$ (117)	\$ (6)	\$ (22)	\$ (211)	
% Variance	-28%	-67%	-7%	-25%	-37%	-83%	40%	-36%	-43%	

Mead-Phoenix (LADWP)	(\$000s)	Direct Admin & General	Indirect Admin & General	O&M A	Working Capital	O&M C	Capital Improvements	Net Debt Service	Taxes	Total Cost
	YTD Budget	\$ 15	\$ 3	\$ 87	\$ -	\$ 36	\$ 48	\$ 546	\$ 63	\$ 798
YTD Actual	\$ 11	\$ 2	\$ 79		\$ 23	\$ 15	\$ 516	\$ 44	\$ 690	
Variance	\$ (4)	\$ (1)	\$ (8)	\$ -	\$ (13)	\$ (33)	\$ (30)	\$ (19)	\$ (108)	
% Variance	-25%	-43%	-9%		-35%	-68%	-5%	-30%	-13%	



## SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2023

Hydro/Landfill Gas/Biomass Projects

MWD	(\$000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling	ISO Charges	Interest Received	Total Cost	MWHs Delivered	\$/MWh
		YTD Budget	\$ 6	\$ -	\$ -	\$ 114	\$ 36	\$ -	\$ -	\$ 156	2,100
YTD Actual	\$ 5	\$ 1	\$ -	\$ 45	\$ 34	\$ -	\$ (3)	\$ 82	820	\$ 100.25	
Variance	\$ (1)	\$ 1	\$ -	\$ (69)	\$ (2)	\$ -	\$ -	\$ (74)	(1,280)	26	
% Variance	-17%			-61%	-5%			-47%	-61%	35%	
Tieton	(\$000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	BWP Project Manager	Non-Operating Income	Net Debt Service	Total Cost	MWHs Delivered	\$/MWh
		YTD Budget	\$ 30	\$ 12	\$ 573	\$ -	\$ 30	\$ -	\$ 678	\$ 1,323	12,000
YTD Actual	\$ 32	\$ 10	\$ 217	\$ -	\$ 79	\$ (0)	\$ 610	\$ 948	20,141	\$ 47.06	
Variance	\$ 2	\$ (2)	\$ (356)	\$ -	\$ 49	\$ (0)	\$ (68)	\$ (375)	8,141	(63)	
% Variance	6%	-15%	-62%		163%		-10%	-28%	68%	-57%	
Chiquita Canyon	(\$000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling Fees	ISO Charges	Interest Received	Total Cost	MWHs Delivered	\$/MWh
		YTD Budget	\$ 3	\$ 9	\$ -	\$ 540	\$ -	\$ -	\$ -	\$ 552	8,296
YTD Actual	\$ 4	\$ 8	\$ -	\$ 552	\$ -	\$ -	\$ (3)	\$ 561	8,397	\$ 66.79	
Variance	\$ 1	\$ (1)	\$ -	\$ 12	\$ -	\$ -	\$ -	\$ 9	102	0	
% Variance	39%	-10%		2%				2%	1%	0%	
Puente Hills	(\$000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling Fees	ISO Charges	Interest Received	Total Cost	MWHs Delivered	\$/MWh
		YTD Budget	\$ 3	\$ 63	\$ -	\$ 3,255	\$ -	\$ -	\$ -	\$ 3,321	40,705
YTD Actual	\$ 4	\$ 57	\$ -	\$ 3,252	\$ -	\$ -	\$ (12)	\$ 3,301	40,647	\$ 81.20	
Variance	\$ 1	\$ (6)	\$ -	\$ (3)	\$ -	\$ -	\$ -	\$ (20)	(58)	(0)	
% Variance	35%	-9%		0%				-1%	0%	0%	
Loyalton	(\$000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling Fees	Interest Received	Reserves	Total Cost	MWHs Delivered	\$/MWh
		YTD Budget	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	-
YTD Actual	\$ 21	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ (109)	\$ -	\$ (88)	-	
Variance	\$ 12	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ (109)	\$ -	\$ (97)	-	
% Variance	132%								-1081%		
Roseburg	(\$000s)	Direct Admin & General	Indirect Admin & General	Capital & Operating Expense	PPA Payments	Scheduling Fees	Net Cost Recovery	Interest Received	Total Cost	MWHs Delivered	\$/MWh
		YTD Budget	\$ 9	\$ 3	\$ -	\$ 324	\$ -	\$ -	\$ -	\$ 336	7,011
YTD Actual	\$ 8	\$ 4	\$ -	\$ 280	\$ -	\$ -	\$ (10)	\$ 281	9,795	\$ 28.73	
Variance	\$ (1)	\$ 1	\$ -	\$ (44)	\$ -	\$ -	\$ -	\$ (55)	2,784	(19)	
% Variance	-13%	22%		-14%				-16%	40%	-40%	



## SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2023

### Wind Projects

Linden	(\$000s)	Direct Admin & General	Indirect Admin & General	Project Manager	O&M	Transmisson/ Exchange	BPA Wind Integration	BPA Generation Imbalance Charge	Lease Expense	Insurance	Net Debt Service	Property Tax	Total Cost	MWhs Delivered	\$/MWh
		YTD Budget	\$ 36	\$ 9	\$ 24	\$ 438	\$ 801	\$ 159	\$ -	\$ 150	\$ 42	\$ 2,214	\$ 150	\$ 4,023	33,343
YTD Actual	\$ 35	\$ 8	\$ 39	\$ 562	\$ 1,128	\$ 130	\$ (36)	\$ 179	\$ 43	\$ 2,156	\$ 73	\$ 4,317	33,590	\$ 128.53	
Variance	\$ (1)	\$ (1)	\$ 15	\$ 124	\$ 327	\$ (29)	\$ (36)	\$ 29	\$ 1	\$ (58)	\$ (77)	\$ 294	248	8	
% Variance	-4%	-7%	63%	28%	41%	-18%		19%	1%	-3%	-51%	7%	1%	7%	

Milford I	(\$000s)	Direct Admin & General	Indirect Admin & General	Excess Energy	O&M	Transmisson/ Exchange	BPA Wind Integration	LADWP Project Manager	Environmental Attributes	Property Tax & Insurance	Net Debt Service (On Prepay)	Non-Operating Income	Total Cost	MWhs Delivered	\$/MWh
		YTD Budget	\$ 27	\$ 21	\$ 3,663	\$ -	\$ -	\$ -	\$ 9	\$ 1,590	\$ 852	\$ 3,573	\$ -	\$ -	\$ 9,735
YTD Actual	\$ 25	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 1,319	\$ 806	\$ 3,378	\$ (2)	\$ -	\$ 5,555	82,750	\$ 67.14
Variance	\$ (2)	\$ (2)	\$ (3,663)	\$ -	\$ -	\$ -	\$ 1	\$ (271)	\$ (46)	\$ (195)	\$ -	\$ -	\$ (4,180)	(18,340)	(29)
% Variance	-6%	-9%	-100%				17%	-17%	-5%	-5%			-43%	-18%	-30%

Milford II	(\$000s)	Direct Admin & General	Indirect Admin & General	Excess Energy	O&M	Transmisson/ Exchange	BPA Wind Integration	LADWP Project Manager	Environmental Attributes	Taxes/ Insurance	Net Debt Service (On Prepay)	Property Tax	Total Cost	MWhs Delivered	\$/MWh
		YTD Budget	\$ 30	\$ 9	\$ 135	\$ -	\$ -	\$ -	\$ 9	\$ 1,038	\$ 393	\$ 2,493	\$ -	\$ -	\$ 4,107
YTD Actual	\$ 20	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 868	\$ 372	\$ 2,350	\$ -	\$ -	\$ 3,629	40,312	\$ 90.03
Variance	\$ (10)	\$ (0)	\$ (135)	\$ -	\$ -	\$ -	\$ 2	\$ (170)	\$ (21)	\$ (143)	\$ -	\$ -	\$ (478)	(8,252)	5
% Variance	-32%	-5%	-100%				20%	-16%	-5%	-6%			-12%	-17%	6%

Pebble Springs	(\$000s)	Direct Admin & General	Indirect Admin & General	PPA Payments	LADWP Project Manager	Transmisson/ Exchange	Avangrid Wind Integration	Transmission & Generation Imbalance Charge	Environmental Attributes	Reserves	Interest Received	Property Tax	Total Cost	MWhs Delivered	\$/MWh
		YTD Budget	\$ 12	\$ 24	\$ 3,690	\$ 9	\$ 807	\$ 375	\$ 375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,292
YTD Actual	\$ 12	\$ 21	\$ 4,231	\$ 10	\$ 1,142	\$ 357	\$ 389	\$ -	\$ -	\$ -	\$ (83)	\$ -	\$ 6,079	57,047	\$ 106.57
Variance	\$ 0	\$ (3)	\$ 541	\$ 1	\$ -	\$ (18)	\$ -	\$ -	\$ -	\$ -	\$ (83)	\$ -	\$ 787	5,170	5
% Variance	3%	-12%	15%	16%		-5%							15%	10%	4%

Red Cloud	(\$000s)	Direct Admin & General	Indirect Admin & General	PPA Payments	LADWP Project Manager	Transmisson/ Exchange	Test Energy	Transmission & Generation Imbalance Charge	Environmental Attributes	Reserves	Interest Received	Property Tax	Total Cost	MWhs Delivered	\$/MWh
		YTD Budget	\$ 12	\$ 30	\$ 13,800	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,851
YTD Actual	\$ 12	\$ 29	\$ 9,456	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (307)	\$ -	\$ 9,208	\$ 227,493	\$ 40.48
Variance	\$ (0)	\$ (1)	\$ (4,344)	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (307)	\$ -	\$ (4,643)	(109,085)	(1)
% Variance	-4%	-4%	-31%	101%									-34%	-32%	-2%

Windy Flats	(\$000s)	Direct Admin & General	Indirect Admin & General	Excess Energy	O&M	Transmisson/ Exchange	BPA Wind Integration	BPA Generation Imbalance Charge	Environmental Attributes	Project Manager	Net Debt Service	Non-Operating Income	Total Cost	MWhs Delivered	\$/MWh
		YTD Budget	\$ 36	\$ 48	\$ 813	\$ 4,146	\$ 2,604	\$ 2,418	\$ -	\$ 1,008	\$ 15	\$ 9,810	\$ -	\$ -	\$ 20,898
YTD Actual	\$ 38	\$ 44	\$ -	\$ 4,293	\$ 3,719	\$ 2,209	\$ -	\$ 1,209	\$ 11	\$ 9,490	\$ -	\$ -	\$ 21,013	200,537	\$ 104.78
Variance	\$ 2	\$ (4)	\$ (813)	\$ 147	\$ 1,115	\$ (209)	\$ -	\$ 201	\$ (4)	\$ (320)	\$ -	\$ -	\$ 115	32,588	(20)
% Variance	5%	-9%	-100%	4%	43%	-9%		20%	-27%	43%	-3%		1%	19%	-16%



# SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2023

## Geothermal Projects

	(\$000s)	Direct Admin & General	Indirect Admin & General	Excess Energy	Working Capital	PPA Payments	Interest Received	Total Cost	MWHs Delivered	\$/MWh
Mammoth Casa Diablo IV	YTD Budget	\$ 6	\$ 27	\$ -	\$ -	\$ 2,448	\$ -	\$ 2,481	\$ 37,664	\$ 65.87
	YTD Actual	\$ 3	\$ 26			\$ 2,227	\$ (4)	\$ 2,251	\$ 34,938	\$ 64.44
	Variance	\$ (3)	\$ (1)	\$ -	\$ -	\$ (221)	\$ (4)	\$ (230)	(2,726)	(1)
	% Variance	-47%	-5%			-9%		-9%	-7%	-2%
Coso	YTD Budget	\$ 3	\$ 42	\$ 12	\$ -	\$ 2,727	\$ -	\$ 2,784	\$ 39,504	\$ 70.47
	YTD Actual	\$ 3	\$ 40	\$ -	\$ -	\$ 2,592	\$ (4)	\$ 2,631	\$ 36,381	\$ 72.32
	Variance	\$ 0	\$ (2)			\$ (135)		\$ (153)	(3,123)	2
	% Variance	14%	-4%			-5%		-5%	-8%	3%
DAC I	YTD Budget	\$ 12	\$ 9	\$ 9	\$ -	\$ 3,027	\$ -	\$ 3,057	\$ 30,581	\$ 99.96
	YTD Actual	\$ 11	\$ 8	\$ 12	\$ -	\$ 2,218	\$ (58)	\$ 2,192	\$ 23,078	\$ 94.98
	Variance	\$ (1)	\$ (1)	\$ 3	\$ -	\$ (809)	\$ (58)	\$ (865)	(7,503)	(5)
	% Variance	-7%	-10%	32%		-27%		-28%	-25%	-5%
DAC II	YTD Budget	\$ 12	\$ 6	\$ 9	\$ -	\$ 2,154	\$ -	\$ 2,181	\$ 26,510	\$ 82.27
	YTD Actual	\$ 11	\$ 5	\$ 10	\$ -	\$ 1,492	\$ (33)	\$ 1,483	\$ 18,494	\$ 80.20
	Variance	\$ (1)	\$ (1)	\$ 1		\$ (662)	\$ (33)	\$ (698)	(8,016)	(2)
	% Variance	-9%	-24%	8%		-31%		-32%	-30%	-3%
Heber I	YTD Budget	\$ 12	\$ 36	\$ 9	\$ -	\$ 5,871	\$ -	\$ 5,928	\$ 66,124	\$ 89.65
	YTD Actual	\$ 12	\$ 35	\$ 9	\$ -	\$ 5,757	\$ (252)	\$ 5,561	\$ 64,924	\$ 85.65
	Variance	\$ (0)	\$ (1)	\$ 0		\$ (114)	\$ (252)	\$ (367)	(1,200)	(4)
	% Variance	0%	-4%	3%		-2%		-6%	-2%	-4%
NNGP	YTD Budget	\$ 12	\$ 60	\$ 18	\$ -	\$ 26,808	\$ -	\$ 26,898	\$ 355,054	\$ 75.76
	YTD Actual	\$ 11	\$ 56	\$ 19	\$ -	\$ 23,034	\$ (27)	\$ 23,094	\$ 305,198	\$ 75.67
	Variance	\$ (1)	\$ (4)	\$ 1	\$ -	\$ (3,774)	\$ (27)	\$ (3,804)	(49,856)	(0)
	% Variance	-4%	-6%	6%		-14%		-14%	-14%	0%
Ormesa	YTD Budget	\$ 12	\$ 24	\$ 6	\$ -	\$ 5,127	\$ -	\$ 5,169	\$ 66,351	\$ 77.90
	YTD Actual	\$ 12	\$ 23	\$ 12	\$ -	\$ 4,229	\$ (25)	\$ 4,251	\$ 54,763	\$ 77.63
	Variance	\$ (0)	\$ (1)	\$ 6		\$ (898)	\$ (25)	\$ (918)	(11,588)	(0)
	% Variance	0%	-2%	100%		-18%		-18%	-17%	0%
Star Peak	YTD Budget	\$ 12	\$ 18	\$ -	\$ -	\$ 1,581	\$ 75	\$ 1,686	\$ 22,500	\$ 74.93
	YTD Actual	\$ 41	\$ 16	\$ (496)	\$ (10)	\$ 832	\$ -	\$ 383	\$ 13,879	\$ 27.63
	Variance	\$ 29	\$ (2)			\$ (749)	\$ (75)	\$ (1,303)	(8,621)	(47)
	% Variance	243%	-9%			-47%	-100%	-77%	-38%	-63%
WhiteGrass No. 1	YTD Budget	\$ 12	\$ 3	\$ -	\$ -	\$ 321	\$ 45	\$ 381	\$ 4,745	\$ 80.30
	YTD Actual	\$ 12	\$ 4	\$ (2)	\$ (110)	\$ 227	\$ -	\$ 131	\$ 4,074	\$ 32.08
	Variance	\$ 0	\$ 1	\$ (2)	\$ (110)	\$ (94)	\$ (45)	\$ (250)	(671)	(48)
	% Variance	1%	23%			-29%	-100%	-66%	-14%	-60%



## SCPPA Quarterly Budget Comparisons

Quarter Ending September 30, 2023

### Solar Projects

	(\$000s)	Direct Admin & General	Indirect Admin & General	Interest Received	Scheduling Fees	PPA Payments	Total Cost	MWHS Delivered	\$/MWh
Big Sky Ranch	YTD Budget	\$ 3	\$ 21	\$ -	\$ 9	\$ 963	\$ 996	13,722	\$ 72.59
	YTD Actual	\$ 3	\$ 18	\$ (4)	\$ 9	\$ 985	\$ 1,012	13,824	\$ 73.18
	Variance	\$ 0	\$ (3)	\$ -	\$ 0	\$ 22	\$ 16	102	1
	% Variance	14%	-12%		1%	2%	2%	1%	1%
Desert Harvest II	YTD Budget	\$ 3	\$ 6	\$ -	\$ -	\$ 714	\$ 723	45,990	\$ 15.72
	YTD Actual	\$ 4	\$ 7	\$ (3)	\$ -	\$ 559	\$ 567	36,648	\$ 15.46
	Variance	\$ 1	\$ 1	\$ -	\$ -	\$ (155)	\$ (156)	(9,342)	(0)
	% Variance	43%	14%			-22%	-22%	-20%	-2%
DSR I	YTD Budget	\$ 3	\$ 33	\$ -	\$ 9	\$ 1,767	\$ 1,812	32,274	\$ 56.15
	YTD Actual	\$ 4	\$ 31	\$ (9)	\$ 10	\$ 1,685	\$ 1,722	31,357	\$ 54.91
	Variance	\$ 1	\$ (2)	\$ -	\$ 1	\$ (82)	\$ (90)	(916)	(1)
	% Variance	34%	-5%		9%	-5%	-5%	-3%	-2%
DSR II	YTD Budget	\$ 3	\$ 9	\$ -	\$ -	\$ 189	\$ 201	3,401	\$ 59.10
	YTD Actual	\$ 3	\$ 9	\$ (1)	\$ -	\$ 193	\$ 204	3,589	\$ 56.75
	Variance	\$ (0)	\$ (0)	\$ -	\$ -	\$ 4	\$ 3	188	(2)
	% Variance	-6%	-3%			2%	1%	6%	-4%
Astoria 2	YTD Budget	\$ 3	\$ 48	\$ -	\$ -	\$ 2,112	\$ 2,163	33,507	\$ 64.55
	YTD Actual	\$ 6	\$ 45	\$ (7)	\$ (17)	\$ 2,470	\$ 2,497	28,073	\$ 88.93
	Variance	\$ 3	\$ (3)	\$ -	\$ (17)	\$ 358	\$ 334	(5,434)	24
	% Variance	90%	-7%		(17)%	17%	15%	-16%	38%
Columbia Two	YTD Budget	\$ 3	\$ 12	\$ -	\$ 9	\$ 735	\$ 759	10,512	\$ 72.20
	YTD Actual	\$ 3	\$ 11	\$ (4)	\$ 9	\$ 752	\$ 771	10,752	\$ 71.68
	Variance	\$ 0	\$ (1)	\$ -	\$ 0	\$ 17	\$ 12	245	(1)
	% Variance	17%	-7%		1%	2%	2%	2%	-1%
Copper Mountain 3	YTD Budget	\$ 30	\$ 42	\$ 9	\$ -	\$ 14,679	\$ 14,760	153,300	\$ 96.28
	YTD Actual	\$ 16	\$ 39	\$ 15	\$ (113)	\$ 15,601	\$ 15,559	162,935	\$ 95.49
	Variance	\$ (14)	\$ (3)	\$ 6	\$ (113)	\$ 922	\$ 799	9,635	(1)
	% Variance	-48%	-7%	70%	(113)%	6%	5%	6%	-1%
Daggett Solar + Storage	YTD Budget	\$ 2	\$ -	\$ 10	\$ 68	\$ 458	\$ 538	32,677	\$ 16.46
	YTD Actual	\$ -	\$ -	\$ -	\$ -	\$ 163	\$ 163	-	-
	Variance	\$ (2)	\$ -	\$ (10)	\$ -	\$ (295)	\$ (375)	(32,677)	-
	% Variance	-100%		-100%		-64%	-70%	-100%	
Kingbird B	YTD Budget	\$ 3	\$ 18	\$ -	\$ 24	\$ 993	\$ 1,038	14,454	\$ 71.81
	YTD Actual	\$ 3	\$ 16	\$ (2)	\$ 24	\$ 1,203	\$ 1,244	17,501	\$ 71.08
	Variance	\$ (0)	\$ (2)	\$ -	\$ (0)	\$ 210	\$ 206	3,047	(1)
	% Variance	-8%	-9%		-1%	21%	20%	21%	-1%
Springbok I	YTD Budget	\$ 12	\$ 12	\$ 9	\$ -	\$ 5,205	\$ 5,238	75,884	\$ 69.03
	YTD Actual	\$ 15	\$ 11	\$ 11	\$ (46)	\$ 6,086	\$ 6,077	88,719	\$ 68.50
	Variance	\$ 3	\$ (1)	\$ 2	\$ (46)	\$ 881	\$ 839	12,836	(1)
	% Variance	25%	-9%	27%	(46)%	17%	16%	17%	-1%
Springbok II	YTD Budget	\$ 12	\$ 15	\$ 9	\$ -	\$ 6,072	\$ 6,108	103,532	\$ 59.00
	YTD Actual	\$ 14	\$ 13	\$ 11	\$ (67)	\$ 7,100	\$ 7,071	121,049	\$ 58.41
	Variance	\$ 2	\$ (2)	\$ 2	\$ (67)	\$ 1,028	\$ 963	17,517	(1)
	% Variance	21%	-15%	24%	(67)%	17%	16%	17%	-1%
Springbok III	YTD Budget	\$ 12	\$ 6	\$ 9	\$ -	\$ 3,072	\$ 3,099	59,130	\$ 52.41
	YTD Actual	\$ 15	\$ 6	\$ 11	\$ (42)	\$ 3,427	\$ 3,419	65,948	\$ 51.84
	Variance	\$ 3	\$ 0	\$ 2	\$ (42)	\$ 355	\$ 320	6,818	(1)
	% Variance	29%	8%	24%	(42)%	12%	10%	12%	-1%
Summer	YTD Budget	\$ 3	\$ 21	\$ -	\$ 9	\$ 966	\$ 999	13,836	\$ 72.20
	YTD Actual	\$ 3	\$ 18	\$ (6)	\$ 9	\$ 804	\$ 829	11,282	\$ 73.48
	Variance	\$ 0	\$ (3)	\$ -	\$ 0	\$ (162)	\$ (170)	(2,554)	1
	% Variance	11%	-12%		1%	-17%	-17%	-18%	2%



**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

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**MINUTES OF THE REGULAR MEETING OF THE FINANCE COMMITTEE OF  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

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The meeting of the Finance Committee was held on **December 4, 2023**, at the SCPPA Glendora Training Center and by teleconference from Imperial Irrigation District. The meeting commenced at 10:30 A.M. and adjourned at 11:21 A.M.

Prior to proceeding with the agenda, the Committee conducted a vote in accordance with the Brown Act to determine if just cause existed to allow Mr. Joseph Lillio, Finance Committee Representative for the City of Burbank, to participate remotely. Mr. Lillio made a request to join remotely citing a contagious illness and would be participating from home. Mr. Lillio also informed the Committee that there was no one aged 18 or older present with him during the meeting. The Committee voted on Mr. Lillio’s request and determined that just cause did exist to allow his remote participation in the meeting.

**Moved By:** Scott Williams  
**Seconded By:** Brian Beelner

**The following roll call vote was taken:**

	Yes	No	Present, Not Voting	Absent
Anaheim	X			
Azusa	X			
Banning	X			
Burbank			X	
Colton	X			
Glendale				X
IID				X
LADWP	X			
Pasadena	X			
Riverside	X			
Vernon	X			

**Committee members participating were:** Brian Beelner (*Anaheim*); Daniel Smith (*Azusa*); Jim Steffens (*Banning*); Joseph Lillio (*Burbank-Remote participant for just cause pursuant to Government Code Section 54953, subsections (f)(2) and (j)(2)(B)*); Ren Zhang (*Colton*); Belen Valenzuela (*IID-Teleconference*); Peter Huynh (*LADWP*); Lynne Chaimowitz (*Pasadena*); Kristina Bernal (*Riverside*); and Scott Williams (*Vernon*)

**Others attendees were:** Lincoln Bogard and A'ja Wallace (*Banning-Teleconference*); Clarence Siruno and Huitzilo Arriaga (*Pasadena-Teleconference*); Richard Corbi (*Vernon*); Victor Hsu (*Norton Rose Fulbright*); Mike Berwanger (*PFM Financial Advisors*); Jim Carbone and Louise Houghton (*PFM Financial Advisors-Teleconference*); Grace Mao (*LADWP/SCPPA-LA*); Houbert Yousef and Joan Ilagan (*LADWP/SCPPA-Teleconference*); Mike Webster, Aileen Ma, Christine Godinez, and Troy Cook (*SCPPA*); and Charles Guss (*SCPPA-Teleconference*).

**1. Opportunity for the Public to Address the Committee**

Mr. Beelner invited any members of the public to provide comments. No public comments were made.

**2. Consent Calendar**

Mr. Beelner (Committee Chair) presented the Consent Calendar to the Committee for consideration. Mr. Lillio pulled item C, Administrative & General Expense (A&G) Budget Comparison Report for the month ended October 31, 2023, from the Consent Calendar for discussion. The Committee recommended forwarding the reports for items A and B to the Board of Directors (Board) for receipt and filing.

- A. Minutes of the November 6, 2023 Finance Committee meeting
- B. Investment Report for the month ended October 31, 2023

**Moved By:** Brian Beelner  
**Seconded By:** Jim Steffens

**The following roll call vote was taken for items A and B:**

	Yes	No	Present, Not Voting	Absent
Anaheim	X			
Azusa	X			
Banning	X			
Burbank	X			
Colton	X			
Glendale				X
IID	X			
LADWP	X			
Pasadena	X			
Riverside	X			
Vernon	X			

C. Administrative & General Expense (A&G) Budget Comparison Report for the month ended October 31, 2023

Ms. Ma answered questions from the Committee on the Administrative & General Expense (A&G) Budget Comparison Report for the month ended October 31, 2023. The Committee recommended forwarding the report for item C to the Board for receipt and filing.

**Moved By:** Scott Williams  
**Seconded By:** Joseph Lillio

**The following roll call vote was taken for item C:**

	Yes	No	Present, Not Voting	Absent
Anaheim	X			
Azusa	X			
Banning	X			
Burbank	X			
Colton	X			
Glendale				X
IID	X			
LADWP	X			
Pasadena	X			
Riverside	X			
Vernon	X			

**3. SCPPA Policy for Financing and Selection of the Financing Team**

Ms. Ma provided the Committee with information on SCPPA's Policy for Financing and Selection of the Financing Team (Policy), as well as the Swap Guidelines as referenced within the Policy. Ms. Ma asked the Committee to provide any comments and questions on the Policy and Swap Guidelines directly to her by mid-January 2024. Any recommended edits will be brought to the Committee for consideration in February 2024. Ms. Ma also asked the Committee for a recommendation on the timing to issue a Request for Proposals (RFP) for underwriting services to update the underwriting pool. The Committee recommended issuing an RFP in late spring of 2024.

**4. Linden Wind Energy Project Refunding Revenue Bonds**

Mr. Berwanger (PFM Financial Advisors) provided the Committee with an update on the refunding of the Linden Wind Energy Project, Revenue Bonds, 2010 Series B (Taxable Build America Bonds) and the Linden Wind Energy Project, Refunding Revenue Bonds, 2020 Series A. Pricing and closing are anticipated in mid-January 2024.



**5. Energy Prepay**

Mr. Beelner provided the Committee with a status update on the Energy Prepay transaction.

**6. Magnolia Power Project Basis Swaps**

Mr. Berwanger provided the Committee with an update on the Magnolia Power Project basis swaps. The Committee reviewed and recommended forwarding to the Board two Resolutions authorizing the partial or full termination of either or both basis swap agreements. Project Vote with Anaheim, Burbank, Colton, Glendale, and Pasadena as the project participants.

**Moved By:** Brian Beelner

**Seconded By:** Joseph Lillio

**The following roll call vote was taken:**

	Yes	No	Present, Not Voting	Absent
Anaheim	X			
Azusa	X			
Banning	X			
Burbank	X			
Colton	X			
Glendale				X
IID			X	
LADWP	X			
Pasadena	X			
Riverside	X			
Vernon	X			

**7. Market and Variable Rate Debt Obligation (VRDO) Update**

Mr. Berwanger provided the Committee with a market update and VRDO status report.

**8. Unsolicited Proposals**

Mr. Berwanger provided the Committee with a summary of the unsolicited proposals that have been received from investment bankers.

**9. Request for Proposals for Bond, Disclosure, and Tax Counsel Services**

Ms. Godinez provided the Committee with an update on the status of the Request for Proposals (RFP) for Bond, Disclosure, and Tax Counsel Services. The RFP process is almost completed. The award recommendation will be presented to the Board for approval on December 21, 2023.

#### **10. Committee Chair and Vice-Chair for 2024 and 2025**

Mr. Beelner opened nominations for the Committee Chair and Vice-Chair, and nominated Scott Williams as Chair and Joseph Lillio as Committee Vice Chair. No other nominations were received. The Committee elected Scott Williams as the new Committee Chair and Joseph Lillio as the new Committee Vice-Chair for the calendar years 2024 and 2025. Due to there being no other nominations for Committee Chair and Committee Vice-Chair, a roll call vote was not held and Mr. Williams and Mr. Lillio were elected without objection.

#### **11. Future Agenda Topics**

The Committee members were given the opportunity to suggest topics for future Committee meetings. No topics were suggested.

Ms. Ma announced that the upcoming Finance Committee meeting will be a Special Meeting to be held on Monday, January 8, 2024, due to the New Year's holiday on Monday, January 1, 2024.

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**THE NEXT  
FINANCE COMMITTEE MEETING WILL BE JANUARY 8, 2024.**



Southern California Public Power Authority  
111 North Hope Street, Room 462  
Los Angeles, CA 90012  
(213) 367-4668 • FAX: (213) 367-4330

December 28, 2023

Mr. Michael Webster  
Executive Director  
Southern California Public Power Authority  
1160 Nicole Court  
Glendora, California 91740

Dear Mr. Webster:

Enclosed is the **November 2023 Investment Report** for the Palo Verde, Southern Transmission System (STS), Southern Transmission System Renewal, San Juan, Magnolia Power, Natural Gas, Natural Gas Prepaid, Mead-Adelanto, Mead-Phoenix, Don A. Campbell/Wild Rose Geothermal, Don A. Campbell 2 Geothermal, Canyon Power, Pebble Springs Wind, Tieton Hydropower, MWD Hydro, Linden Wind, Milford Wind I, Milford Wind II, Windy Point/Flats, Ameresco, Apex Power, Copper Mountain Solar 3, Columbia 2 Solar, Heber 1 Geothermal, Ormat No. Nevada Geothermal, Ormesa Geothermal, ARP – Loyalton Biomass, Springbok 1 Solar, Springbok 2 Solar, Springbok 3 Solar, Kingbird Solar, Summer Solar, Astoria 2 Solar, Antelope Big Sky Ranch, Antelope DSR 1, Antelope DSR 2, Puente Hills Landfill Gas, Whitegrass No. 1 Geothermal, Star Peak Geothermal, Desert Harvest II, Roseburg Biomass, Red Cloud Wind, Coso Geothermal, Mammoth Casa Diablo IV, and Daggett Solar Power 2 Projects; and for the Project Stabilization, San Juan Mine Reclamation Trust, San Juan Decommissioning Trust, and the SCPPA Decommissioning Trust Funds. The Portfolios for the Projects and Funds included in the Investment Report are in compliance with the SCPPA Investment Policy.

During the month of November, the Investment Group coordinated variable debt service payments of \$393,216 for the Magnolia Power and Canyon Power Projects. Net swap payments of \$358,746 were made in accordance with the Interest Swap agreements for the Canyon Power, Magnolia Power and Natural Gas Prepaid Projects. On November 1, 2023, principal and interest payments of \$11.25 million and \$5.65 million, respectively, were made for the Natural Gas Prepaid Project, Series 2017 A&B. The net commodity swap receipt for the Natural Gas Prepaid Project was \$995,020.

\$215.8 million of cash and maturities were invested in the various SCPPA project trust funds. Assets managed by the Investment Group for these funds had a market value of \$1.3 billion as of November 30, 2023 with an average yield of 4.79%. Total interest earned on the project funds for the month was \$4.9 million and year to date was \$22.2 million.

The escrow funds had a market value of \$242.1 million with an average yield of 4.45%. Total interest earned on the escrow funds for the month and year to date was \$508,218.

Based upon anticipated expenditures for each Project and required receipts from each Participant, SCPPA believes that it will be able to meet all of its expenditure requirements for the next six months.

Sincerely,

**GRACE MAO**  
Manager of Finance  
Los Angeles Department of Water & Power



## Monthly Investment Report November 30, 2023

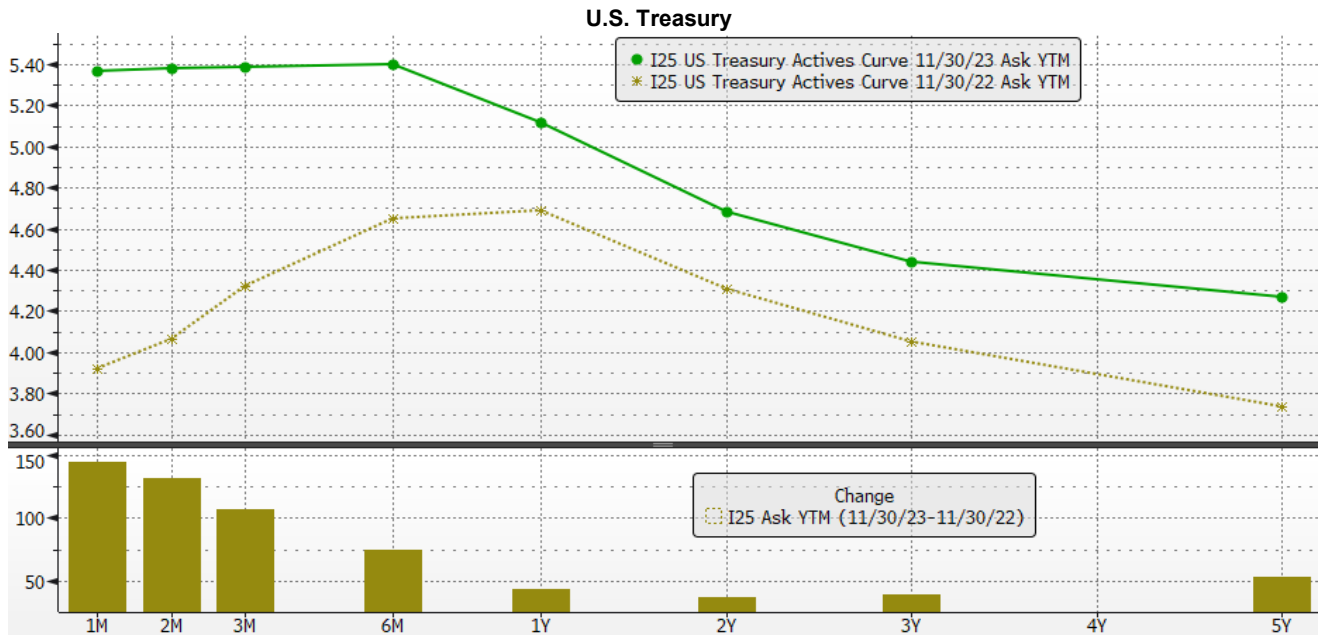
(yrs) (1)

(2)

Projects	Portfolio Yield	Investment Cost	Carrying Value	Market Value	Portfolio Life	Cost of Capital
Palo Verde	5.11%	38,727,627	38,988,032	38,905,460	0.24	N/A
San Juan	5.24%	230,997	230,997	230,997	0.00	N/A
Magnolia	5.20%	85,753,754	86,351,826	86,250,797	0.27	3.29%
STS	4.93%	25,875,365	26,017,379	25,931,103	0.23	3.59%
STS Renewal	5.21%	499,172,187	505,649,910	505,758,729	0.49	N/A
Mead-Phoenix	5.38%	4,670,532	4,681,511	4,682,005	0.09	2.23%
Mead-Adelanto	5.44%	4,185,752	4,198,829	4,199,822	0.13	2.21%
Natural Gas	5.27%	47,262,591	47,308,493	47,268,167	0.40	6.00%
Natural Gas Prepaid	5.17%	15,798,186	15,803,749	15,803,761	9.08	5.07%
Canyon Power	5.52%	17,647,714	17,759,714	17,755,841	0.20	2.61%
Apex Power Project	5.52%	39,071,101	39,362,107	39,366,439	0.18	4.24%
SCPPA Decomm Trust Fund	3.20%	189,892,024	190,108,419	183,931,932	1.38	N/A
Project Stabilization Fund	4.36%	122,791,379	123,349,093	122,362,588	0.42	N/A
Tieton	5.41%	4,463,684	4,499,305	4,499,545	0.09	4.91%
Linden Wind	5.03%	12,183,711	12,258,669	12,254,796	0.06	4.48%
Milford Wind 1	5.50%	22,406,879	22,536,993	22,542,153	0.18	5.04%
Milford Wind 2	5.49%	9,134,782	9,202,219	9,202,608	0.16	5.31%
Windy Point Flats	5.44%	9,102,545	9,145,922	9,145,846	0.07	5.03%
Pwr Purchase Agreements Comb	4.58%	122,702,247	123,112,516	123,134,376	0.11	N/A
San Juan Reclaim Trust Fund	4.59%	22,391,785	22,437,800	22,223,626	0.47	N/A
San Juan Decomm Trust Fund	4.44%	5,017,647	5,032,912	5,022,174	0.39	N/A

(1) Weighted average remaining portfolio life for NG Prepaid includes GICs with AGL.

(2) Cost of capital as of March 31, 2019 as provided by PFM.



Tenor	I25 Ask YTM US Treasury Actives Curve 11/30/23	I25 Ask YTM US Treasury Actives Curve 11/30/22	I25 Ask YTM (Change) 11/30/23-11/30/22
1M	5.367	3.922	144.50
2M	5.382	4.065	131.70
3M	5.388	4.320	106.80
6M	5.399	4.650	74.90
1Y	5.117	4.686	43.10
2Y	4.680	4.310	37.00
3Y	4.442	4.049	39.30
5Y	4.266	3.737	53.00



**Southern California  
Public Power Authority  
Combined Financial Statements  
September 30, 2023 and 2022  
(Unaudited)**

# Southern California Public Power Authority

## Combined Financial Statements (Unaudited)

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## **Southern California Public Power Authority**

### **Combined Financial Statements for the Quarter Ending September 30, 2023**

The Authority's net position increased by \$63 million mainly due to an increase in assets and deferred outflows of resources of \$757 million and an increase in liabilities and deferred inflows of resources of \$694 million.

#### **Assets and deferred outflows of resources increased primarily due to:**

- Construction costs incurred in the Southern Transmission System Renewal (STSR) Project and ongoing capital expenditures in Palo Verde and Apex Projects,
- The increase in investments, cash and cash equivalents from the issuance of the STSR 2023-1 and 2023-1A Revenue Bonds;

The increase was partially offset by the scheduled depreciation in the generation and transmission projects and scheduled depletion in the Natural Gas Reserve projects, and the scheduled amortization of prepaid assets in Windy Point/Flats, Milford I and II, and Prepaid Natural Gas projects.

#### **Liabilities and deferred inflows of resources increased primarily due to:**

- The increase in long-term debt due to the issuance of the STSR 2023-1 and 2023-1A Revenue Bonds,
- The increase in current debt due for the Windy Point/Flats and Linden Wind projects,
- The increase in accounts payable due to the accrued liabilities for the STSR project and overbillings,
- The increase in advances from participants in the Windy Point/Flats and Linden project.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
Summary of Financial Condition and Changes in Net Position  
Combined All Projects  
(Amounts in Thousands)

	SEPTEMBER	
	2023	2022
<b>Assets</b>		
Net utility plant	\$ 1,386,327	\$ 1,184,402
Net lease asset	7,109	7,645
Investments	1,108,075	621,205
Cash and cash equivalents	285,285	175,131
Prepaid and other assets	592,945	625,087
Total assets	<u>3,379,741</u>	<u>2,613,470</u>
Deferred outflows of resources	<u>86,489</u>	<u>95,445</u>
Total assets and deferred outflows of resources	<u>\$ 3,466,230</u>	<u>\$ 2,708,915</u>
<b>Liabilities</b>		
Noncurrent liabilities		
Long-term debt	\$ 2,190,479	\$ 1,738,150
Long-term lease Liabilities	7,392	7,805
Fair value of derivative instruments	4,676	8,408
Notes payable, other and net pension liabilities	2,930	1,836
Advances from participants	12,288	12,401
Reclamation and decommissioning obligation	243,119	239,899
Total noncurrent liabilities	<u>2,460,884</u>	<u>2,008,499</u>
Current liabilities		
Debt due within one year	304,255	150,100
Current portion of long-term lease liabilities	351	315
Notes payable and other liabilities due within one year	24,184	15,191
Advances from participants due within one year	146,528	130,044
Accrued interest	30,061	23,286
Accounts payable and accruals	251,434	192,175
Total current liabilities	<u>756,813</u>	<u>511,111</u>
Deferred inflows of resources	<u>8,131</u>	<u>12,339</u>
Total liabilities and deferred inflows of resources	<u>3,225,828</u>	<u>2,531,949</u>
<b>Net position</b>		
Net investment in capital assets	(387,334)	92,751
Restricted	743,822	202,599
Unrestricted	(116,086)	(118,384)
Total net position	<u>240,402</u>	<u>176,966</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,466,230</u>	<u>\$ 2,708,915</u>
<b>Revenues, Expenses and Changes in net position</b>		
Operating revenues	\$ 267,621	\$ 312,946
Operating expenses	(251,248)	(290,095)
Operating income	16,373	22,851
Investment and other income	8,840	(2,399)
Derivative gain (loss)	4,613	4,371
Other interest and debt expense	(14,346)	(14,090)
Net non operating revenues (expenses)	<u>(893)</u>	<u>(12,118)</u>
Change in net position	15,480	10,733
Net position - beginning of year	226,748	164,293
Net contribution/(distributions) by participants	<u>(1,826)</u>	<u>1,940</u>
Net position - end of period	<u>\$ 240,402</u>	<u>\$ 176,966</u>



**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Net Position**  
**As of September 30, 2023**  
**(Amounts in Thousands)**

	<b>GENERATION</b>				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
<b>ASSETS</b>					
<b>Noncurrent assets</b>					
Net utility plant	\$ 242,908	\$ -	\$ 123,828	\$ 174,536	\$ 232,246
Net lease asset	-	-	3,252	1,732	-
Investments - restricted	195,806	25,516	47,058	7,996	13,607
Investments - unrestricted	8,406	-	13,856	-	-
Advance to IPA - restricted	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Total noncurrent assets	<u>447,120</u>	<u>25,516</u>	<u>187,994</u>	<u>184,264</u>	<u>245,853</u>
<b>Current assets</b>					
Cash and cash equivalents - restricted	9,661	-	11,630	2,560	6,068
Cash and cash equivalents - unrestricted	8,538	240	10,541	4,674	10,562
Interest receivable	972	205	522	64	47
Accounts receivable	5,341	777	643	35	-
Materials and supplies	12,144	-	11,474	806	6,565
Prepaid and other assets	872	21	48	31	7,538
Total current assets	<u>37,528</u>	<u>1,243</u>	<u>34,858</u>	<u>8,170</u>	<u>30,780</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred items related to pensions	-	-	-	-	-
Unamortized loss on refunding	-	-	9,429	20,929	-
Reclamation and decommissioning obligation	30,899	-	-	-	5,681
Regulatory asset	-	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	6,988	1,139	-
Total deferred outflows of resources	<u>30,899</u>	<u>-</u>	<u>16,417</u>	<u>22,068</u>	<u>5,681</u>
Total assets and deferred outflows of resources	<u>\$ 515,547</u>	<u>\$ 26,759</u>	<u>\$ 239,269</u>	<u>\$ 214,502</u>	<u>\$ 282,314</u>
<b>LIABILITIES</b>					
<b>Noncurrent liabilities</b>					
Long-term debt	\$ -	\$ -	\$ 222,259	\$ 248,636	\$ 226,740
Long-term lease liabilities	-	-	3,292	1,807	-
Fair value of derivative instruments	-	-	1,276	1,139	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommissioning obligation	204,928	22,485	-	-	11,832
Total noncurrent liabilities	<u>204,928</u>	<u>22,485</u>	<u>226,827</u>	<u>251,582</u>	<u>238,572</u>
<b>Current Liabilities</b>					
Debt due within one year	-	-	11,325	13,560	11,205
Current portion of long-term lease liabilities	-	-	178	57	-
Notes payable and other liabilities due within one year	-	-	24,184	-	-
Advances from participants due within one year	-	-	21,613	5,220	23,209
Accrued interest	-	-	3,626	1,043	2,685
Accounts payable and accruals	14,354	897	7,408	4,983	6,904
Accrued property tax	2,250	-	-	-	-
Total current liabilities	<u>16,604</u>	<u>897</u>	<u>68,334</u>	<u>24,863</u>	<u>44,003</u>
Total liabilities	<u>221,532</u>	<u>23,382</u>	<u>295,161</u>	<u>276,445</u>	<u>282,575</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Regulatory liability	-	-	-	-	-
Deferred items related to pensions	-	-	-	-	-
Unamortized gain on refunding	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	242,908	-	(100,543)	(66,863)	(349)
Restricted	32,314	2,777	21,169	4,346	(17,691)
Unrestricted	18,793	600	23,482	574	17,779
Total net position	<u>294,015</u>	<u>3,377</u>	<u>(55,892)</u>	<u>(61,943)</u>	<u>(261)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 515,547</u>	<u>\$ 26,759</u>	<u>\$ 239,269</u>	<u>\$ 214,502</u>	<u>\$ 282,314</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Net Position**  
**As of September 30, 2022**  
**(Amounts in Thousands)**

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
<b>ASSETS</b>					
<b>Noncurrent assets</b>					
Net utility plant	\$ 251,148	\$ -	\$ 133,622	\$ 184,153	\$ 243,839
Net lease asset	-	-	3,518	1,842	-
Investments - restricted	192,095	25,675	42,917	13,504	12,867
Investments - unrestricted	8,485	-	17,433	-	-
Advance to IPA - restricted	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Total noncurrent assets	<u>451,728</u>	<u>25,675</u>	<u>197,490</u>	<u>199,499</u>	<u>256,706</u>
<b>Current assets</b>					
Cash and cash equivalents - restricted	4,097	-	6,574	1,007	7,982
Cash and cash equivalents - unrestricted	13,878	251	8,068	1,168	7,827
Interest receivable	441	58	173	24	29
Accounts receivable	1,523	-	714	-	3,227
Materials and supplies	12,192	-	11,534	806	5,903
Prepaid and other assets	669	9	229	29	893
Total current assets	<u>32,800</u>	<u>318</u>	<u>27,292</u>	<u>3,034</u>	<u>25,861</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred items related to pensions	-	-	-	-	-
Unamortized loss on refunding	-	-	10,749	30,582	-
Reclamation and decommissioning obligation	32,251	-	-	-	6,048
Accumulated decrease in fair value of hedging derivatives	-	-	2,829	-	-
Total deferred outflows of resources	<u>32,251</u>	<u>-</u>	<u>13,578</u>	<u>30,582</u>	<u>6,048</u>
Total assets and deferred outflows of resources	<u>\$ 516,779</u>	<u>\$ 25,993</u>	<u>\$ 238,360</u>	<u>\$ 233,115</u>	<u>\$ 288,615</u>
<b>LIABILITIES</b>					
<b>Noncurrent liabilities</b>					
Long-term debt	\$ -	\$ -	\$ 235,669	\$ 270,514	\$ 238,692
Long-term lease liabilities	-	-	3,529	1,883	-
Fair value of derivative instruments	-	-	3,848	-	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommissioning obligation	199,019	25,626	-	-	11,491
Total noncurrent liabilities	<u>199,019</u>	<u>25,626</u>	<u>243,046</u>	<u>272,397</u>	<u>250,183</u>
<b>Current Liabilities</b>					
Debt due within one year	-	-	10,760	12,885	10,830
Current portion of long-term lease liabilities	-	-	168	54	-
Notes payable and other liabilities due within one year	-	-	15,191	-	-
Advances from participants due within one year	-	-	21,448	8,349	22,213
Accrued interest	-	-	3,302	1,710	2,778
Accounts payable and accruals	12,525	293	7,157	1,822	2,364
Accrued property tax	2,250	-	-	-	-
Total current liabilities	<u>14,775</u>	<u>293</u>	<u>58,026</u>	<u>24,820</u>	<u>38,185</u>
Total liabilities	<u>213,794</u>	<u>25,919</u>	<u>301,072</u>	<u>297,217</u>	<u>288,368</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred items related to pensions	-	-	-	-	-
Unamortized gain on refunding	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	251,148	-	(102,236)	(68,758)	1,933
Restricted	29,760	(5)	21,240	4,473	(17,176)
Unrestricted	22,077	79	18,284	183	15,490
Total net position	<u>302,985</u>	<u>74</u>	<u>(62,712)</u>	<u>(64,102)</u>	<u>247</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 516,779</u>	<u>\$ 25,993</u>	<u>\$ 238,360</u>	<u>\$ 233,115</u>	<u>\$ 288,615</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Net Position**  
**As of September 30, 2023**  
**(Amounts in Thousands)**

	<b>GREEN POWER</b>				
	Tieton Hydropower Project	Milford I Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project
<b>ASSETS</b>					
<b>Noncurrent assets</b>					
Net utility plant	\$ 29,127	\$ -	\$ -	\$ -	\$ 70,693
Net lease asset	-	-	-	-	2,125
Investments - restricted	1,875	5,736	2,625	51,499	9,066
Investments - unrestricted	-	3,732	-	-	-
Advance to IPA - restricted	-	-	-	-	-
Prepaid and other assets	-	62,820	62,314	169,890	-
Total noncurrent assets	<u>31,002</u>	<u>72,288</u>	<u>64,939</u>	<u>221,389</u>	<u>81,884</u>
<b>Current assets</b>					
Cash and cash equivalents - restricted	902	3,555	84	9,768	1,322
Cash and cash equivalents - unrestricted	955	5,911	4,502	11,838	507
Interest receivable	9	47	8	501	79
Accounts receivable	-	-	-	115	3,399
Materials and supplies	-	-	-	-	-
Prepaid and other assets	226	8,764	6,525	20,907	63
Total current assets	<u>2,092</u>	<u>18,277</u>	<u>11,119</u>	<u>43,129</u>	<u>5,370</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred items related to pensions	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-
Reclamation and decommissioning obligation	382	-	-	-	275
Regulatory asset	-	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-
Total deferred outflows of resources	<u>382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275</u>
Total assets and deferred outflows of resources	<u>\$ 33,476</u>	<u>\$ 90,565</u>	<u>\$ 76,058</u>	<u>\$ 264,518</u>	<u>\$ 87,529</u>
<b>LIABILITIES</b>					
<b>Noncurrent liabilities</b>					
Long-term debt	\$ 34,522	\$ 73,903	\$ 71,062	\$ 86,281	\$ 42,252
Long-term lease liabilities	-	-	-	-	2,293
Fair value of derivative instruments	-	-	-	-	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommissioning obligation	1,016	-	-	-	832
Total noncurrent liabilities	<u>35,538</u>	<u>73,903</u>	<u>71,062</u>	<u>86,281</u>	<u>45,377</u>
<b>Current Liabilities</b>					
Debt due within one year	1,300	11,115	6,950	162,590	40,320
Current portion of long-term lease liabilities	-	-	-	-	116
Notes payable and other liabilities due within one year	-	-	-	-	-
Advances from participants due within one year	202	2,770	250	54,831	10,724
Accrued interest	376	945	830	2,969	1,172
Accounts payable and accruals	821	9,602	3,141	8,228	551
Accrued property tax	-	-	-	-	219
Total current liabilities	<u>2,699</u>	<u>24,432</u>	<u>11,171</u>	<u>228,618</u>	<u>53,102</u>
Total liabilities	<u>38,237</u>	<u>98,335</u>	<u>82,233</u>	<u>314,899</u>	<u>98,479</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Regulatory liability	-	-	-	-	-
Deferred items related to pensions	-	-	-	-	-
Unamortized gain on refunding	473	1,010	1,705	4,769	3
Total deferred inflows of resources	<u>473</u>	<u>1,010</u>	<u>1,705</u>	<u>4,769</u>	<u>3</u>
<b>NET POSITION</b>					
Net investment in capital assets	(6,695)	-	-	-	(12,162)
Restricted	1,303	-	-	-	8,937
Unrestricted	158	(8,780)	(7,880)	(55,150)	(7,728)
Total net position	<u>(5,234)</u>	<u>(8,780)</u>	<u>(7,880)</u>	<u>(55,150)</u>	<u>(10,953)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 33,476</u>	<u>\$ 90,565</u>	<u>\$ 76,058</u>	<u>\$ 264,518</u>	<u>\$ 87,529</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Net Position**  
**As of September 30, 2022**  
**(Amounts in Thousands)**

	<b>GREEN POWER</b>				
	Tieton Hydropower Project	Milford I Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project
<b>ASSETS</b>					
<b>Noncurrent assets</b>					
Net utility plant	\$ 30,635	\$ -	\$ -	\$ -	\$ 76,507
Net lease asset	-	-	-	-	2,285
Investments - restricted	1,921	10,559	2,559	47,953	9,885
Investments - unrestricted	-	-	-	-	-
Advance to IPA - restricted	-	-	-	-	-
Prepaid and other assets	-	74,497	71,011	197,341	-
Total noncurrent assets	<u>32,556</u>	<u>85,056</u>	<u>73,570</u>	<u>245,294</u>	<u>88,677</u>
<b>Current assets</b>					
Cash and cash equivalents - restricted	844	686	10	673	727
Cash and cash equivalents - unrestricted	1,740	6,443	2,173	2,793	1,731
Interest receivable	2	14	11	149	29
Accounts receivable	-	-	327	590	937
Materials and supplies	-	-	-	-	-
Prepaid and other assets	58	8,764	6,526	20,916	27
Total current assets	<u>2,644</u>	<u>15,907</u>	<u>9,047</u>	<u>25,121</u>	<u>3,451</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred items related to pensions	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-
Reclamation and decommissioning obligation	405	-	-	-	298
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-
Total deferred outflows of resources	<u>405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>298</u>
Total assets and deferred outflows of resources	<u>\$ 35,605</u>	<u>\$ 100,963</u>	<u>\$ 82,617</u>	<u>\$ 270,415</u>	<u>\$ 92,426</u>
<b>LIABILITIES</b>					
<b>Noncurrent liabilities</b>					
Long-term debt	\$ 36,405	\$ 88,150	\$ 80,870	\$ 255,110	\$ 84,109
Long-term lease liabilities	-	-	-	-	2,393
Fair value of derivative instruments	-	-	-	-	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Reclamation and decommissioning obligation	987	-	-	-	808
Total noncurrent liabilities	<u>37,392</u>	<u>88,150</u>	<u>80,870</u>	<u>255,110</u>	<u>87,310</u>
<b>Current Liabilities</b>					
Debt due within one year	1,225	10,590	6,620	12,265	4,735
Current portion of long-term lease liabilities	-	-	-	-	93
Notes payable and other liabilities due within one year	-	-	-	-	-
Advances from participants due within one year	202	2,770	250	41,752	9,678
Accrued interest	394	1,077	913	3,123	1,178
Accounts payable and accruals	1,436	8,416	1,038	4,848	670
Accrued property tax	-	-	-	-	411
Total current liabilities	<u>3,257</u>	<u>22,853</u>	<u>8,821</u>	<u>61,988</u>	<u>16,765</u>
Total liabilities	<u>40,649</u>	<u>111,003</u>	<u>89,691</u>	<u>317,098</u>	<u>104,075</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred items related to pensions	-	-	-	-	-
Unamortized gain on refunding	517	1,574	2,171	7,191	158
Total deferred inflows of resources	<u>517</u>	<u>1,574</u>	<u>2,171</u>	<u>7,191</u>	<u>158</u>
<b>NET POSITION</b>					
Net investment in capital assets	(6,995)	-	-	-	(12,537)
Restricted	1,274	-	-	-	9,403
Unrestricted	160	(11,614)	(9,245)	(53,874)	(8,673)
Total net position	<u>(5,561)</u>	<u>(11,614)</u>	<u>(9,245)</u>	<u>(53,874)</u>	<u>(11,807)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 35,605</u>	<u>\$ 100,963</u>	<u>\$ 82,617</u>	<u>\$ 270,415</u>	<u>\$ 92,426</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Net Position**  
**As of September 30, 2023**  
**(Amounts in Thousands)**

	<b>TRANSMISSION</b>			
	Southern Transmission System Project	Southern Transmission System Renewal Project	Mead-Phoenix Project	Mead-Adelanto Project
<b>ASSETS</b>				
<b>Noncurrent assets</b>				
Net utility plant	\$ 90,983	\$ 264,765	\$ 35,677	\$ 73,174
Net lease asset	-	-	-	-
Investments - restricted	12,640	526,388	1,161	854
Investments - unrestricted	-	-	-	-
Advance to IPA - restricted	10,930	19,566	-	-
Prepaid and other assets	-	-	-	-
Total noncurrent assets	<u>114,553</u>	<u>810,719</u>	<u>36,838</u>	<u>74,028</u>
<b>Current assets</b>				
Cash and cash equivalents - restricted	4,972	28,644	1,360	1,563
Cash and cash equivalents - unrestricted	528	-	1,663	1,094
Interest receivable	31	1,864	10	19
Accounts receivable	6,567	-	-	-
Materials and supplies	-	-	-	-
Prepaid and other assets	25	-	95	354
Total current assets	<u>12,123</u>	<u>30,508</u>	<u>3,128</u>	<u>3,030</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred items related to pensions	-	-	-	-
Unamortized loss on refunding	4,458	-	-	-
Reclamation and decommissioning obligation	-	-	-	-
Regulatory asset	-	2,661	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-
Total deferred outflows of resources	<u>4,458</u>	<u>2,661</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 131,134</u>	<u>\$ 843,888</u>	<u>\$ 39,966</u>	<u>\$ 77,058</u>
<b>LIABILITIES</b>				
<b>Noncurrent liabilities</b>				
Long-term debt	\$ 94,505	\$ 786,939	\$ 12,540	\$ 15,443
Long-term lease liabilities	-	-	-	-
Fair value of derivative instruments	-	-	-	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-
Advances from participants	-	-	-	-
Reclamation and decommissioning obligation	-	-	-	-
Total noncurrent liabilities	<u>94,505</u>	<u>786,939</u>	<u>12,540</u>	<u>15,443</u>
<b>Current Liabilities</b>				
Debt due within one year	27,055	-	1,595	1,965
Current portion of long-term lease liabilities	-	-	-	-
Notes payable and other liabilities due within one year	-	-	-	-
Advances from participants due within one year	-	-	504	504
Accrued interest	1,425	8,698	162	200
Accounts payable and accruals	10,763	48,251	2,406	1,828
Accrued property tax	-	-	58	-
Total current liabilities	<u>39,243</u>	<u>56,949</u>	<u>4,725</u>	<u>4,497</u>
Total liabilities	<u>133,748</u>	<u>843,888</u>	<u>17,265</u>	<u>19,940</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Regulatory liability	-	-	-	-
Deferred items related to pensions	-	-	-	-
Unamortized gain on refunding	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	(26,118)	(532,218)	21,543	55,766
Restricted	27,147	532,218	2,370	1,729
Unrestricted	(3,643)	-	(1,212)	(377)
Total net position	<u>(2,614)</u>	<u>-</u>	<u>22,701</u>	<u>57,118</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 131,134</u>	<u>\$ 843,888</u>	<u>\$ 39,966</u>	<u>\$ 77,058</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Net Position**  
**As of September 30, 2022**  
**(Amounts in Thousands)**

	<b>TRANSMISSION</b>		
	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project
<b>ASSETS</b>			
<b>Noncurrent assets</b>			
Net utility plant	\$ 95,030	\$ 38,205	\$ 79,563
Net lease asset	-	-	-
Investments - restricted	24,123	686	496
Investments - unrestricted	-	-	-
Advance to IPA - restricted	10,930	-	-
Prepaid and other assets	-	-	-
Total noncurrent assets	<u>130,083</u>	<u>38,891</u>	<u>80,059</u>
<b>Current assets</b>			
Cash and cash equivalents - restricted	372	1,056	1,468
Cash and cash equivalents - unrestricted	628	2,235	1,275
Interest receivable	17	6	6
Accounts receivable	14,487	-	-
Materials and supplies	-	-	-
Prepaid and other assets	34	273	361
Total current assets	<u>15,538</u>	<u>3,570</u>	<u>3,110</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred items related to pensions	-	-	-
Unamortized loss on refunding	6,811	-	-
Reclamation and decommissioning obligation	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-
Total deferred outflows of resources	<u>6,811</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 152,432</u>	<u>\$ 42,461</u>	<u>\$ 83,169</u>
<b>LIABILITIES</b>			
<b>Noncurrent liabilities</b>			
Long-term debt	\$ 125,411	\$ 14,497	\$ 17,867
Long-term lease liabilities	-	-	-
Fair value of derivative instruments	-	-	-
Notes payable, other, net pension and OPEB liabilities	-	-	-
Advances from participants	-	-	-
Reclamation and decommissioning obligation	-	-	-
Total noncurrent liabilities	<u>125,411</u>	<u>14,497</u>	<u>17,867</u>
<b>Current Liabilities</b>			
Debt due within one year	62,825	1,535	1,870
Current portion of long-term lease liabilities	-	-	-
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	-	-	-
Accrued interest	2,210	178	223
Accounts payable and accruals	16,029	2,981	2,087
Accrued property tax	-	-	-
Total current liabilities	<u>81,064</u>	<u>4,694</u>	<u>4,180</u>
Total liabilities	<u>206,475</u>	<u>19,191</u>	<u>22,047</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred items related to pensions	-	-	-
Unamortized gain on refunding	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	(86,395)	22,172	59,827
Restricted	31,232	1,571	1,417
Unrestricted	1,120	(473)	(122)
Total net position	<u>(54,043)</u>	<u>23,270</u>	<u>61,122</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 152,432</u>	<u>\$ 42,461</u>	<u>\$ 83,169</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Net Position**  
**As of September 30, 2023**  
**(Amounts in Thousands)**

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
<b>ASSETS</b>				
<b>Noncurrent assets</b>				
Net utility plant	\$ 20,008	\$ 22,596	\$ -	\$ -
Net lease asset	-	-	-	-
Investments - restricted	-	34,273	21,935	-
Investments - unrestricted	-	-	-	21,591
Advance to IPA - restricted	-	-	-	-
Prepaid and other assets	125	-	135,832	-
Total noncurrent assets	<u>20,133</u>	<u>56,869</u>	<u>157,767</u>	<u>21,591</u>
<b>Current assets</b>				
Cash and cash equivalents - restricted	2,331	4,094	5,764	27
Cash and cash equivalents - unrestricted	2,868	1,725	853	104,436
Interest receivable	11	390	118	177
Accounts receivable	1,293	465	3,002	17,414
Materials and supplies	-	-	-	-
Prepaid and other assets	511	2	9,039	163
Total current assets	<u>7,014</u>	<u>6,676</u>	<u>18,776</u>	<u>122,217</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred items related to pensions	-	-	-	-
Unamortized loss on refunding	-	-	-	-
Reclamation and decommissioning obligation	335	78	-	-
Regulatory asset	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	2,262	-
Total deferred outflows of resources	<u>335</u>	<u>78</u>	<u>2,262</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 27,482</u>	<u>\$ 63,623</u>	<u>\$ 178,805</u>	<u>\$ 143,808</u>
<b>LIABILITIES</b>				
<b>Noncurrent liabilities</b>				
Long-term debt	\$ 8,097	\$ 19,068	\$ 248,232	\$ -
Long-term lease liabilities	-	-	-	-
Fair value of derivative instruments	-	-	2,261	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-
Advances from participants	8,471	3,817	-	-
Reclamation and decommissioning obligation	1,672	354	-	-
Total noncurrent liabilities	<u>18,240</u>	<u>23,239</u>	<u>250,493</u>	<u>-</u>
<b>Current Liabilities</b>				
Debt due within one year	1,201	2,824	11,250	-
Current portion of long-term lease liabilities	-	-	-	-
Notes payable and other liabilities due within one year	-	-	-	-
Advances from participants due within one year	1,620	802	-	24,279
Accrued interest	138	324	5,468	-
Accounts payable and accruals	3,176	2,120	3,637	118,942
Accrued property tax	194	-	-	-
Total current liabilities	<u>6,329</u>	<u>6,070</u>	<u>20,355</u>	<u>143,221</u>
Total liabilities	<u>24,569</u>	<u>29,309</u>	<u>270,848</u>	<u>143,221</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Regulatory liability	-	-	-	-
Deferred items related to pensions	-	-	-	-
Unamortized gain on refunding	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,642	29,969	-	-
Restricted	475	4,259	-	-
Unrestricted	796	86	(92,043)	587
Total net position	<u>2,913</u>	<u>34,314</u>	<u>(92,043)</u>	<u>587</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 27,482</u>	<u>\$ 63,623</u>	<u>\$ 178,805</u>	<u>\$ 143,808</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Net Position**  
**As of September 30, 2022**  
**(Amounts in Thousands)**

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
<b>ASSETS</b>				
<b>Noncurrent assets</b>				
Net utility plant	\$ 21,578	\$ 24,164	\$ -	\$ -
Net lease asset	-	-	-	-
Investments - restricted	498	34,954	21,059	-
Investments - unrestricted	-	-	-	55,484
Advance to IPA - restricted	-	-	-	-
Prepaid and other assets	126	-	148,522	-
Total noncurrent assets	<u>22,202</u>	<u>59,118</u>	<u>169,581</u>	<u>55,484</u>
<b>Current assets</b>				
Cash and cash equivalents - restricted	1,782	3,217	5,424	41
Cash and cash equivalents - unrestricted	2,799	1,662	916	66,928
Interest receivable	7	152	100	87
Accounts receivable	1,350	1,114	4,204	13,816
Materials and supplies	-	-	-	-
Prepaid and other assets	510	2	8,923	173
Total current assets	<u>6,448</u>	<u>6,147</u>	<u>19,567</u>	<u>81,045</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred items related to pensions	-	-	-	-
Unamortized loss on refunding	-	-	-	-
Reclamation and decommissioning obligation	373	88	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	4,560	-
Total deferred outflows of resources	<u>373</u>	<u>88</u>	<u>4,560</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 29,023</u>	<u>\$ 65,353</u>	<u>\$ 193,708</u>	<u>\$ 136,529</u>
<b>LIABILITIES</b>				
<b>Noncurrent liabilities</b>				
Long-term debt	\$ 9,299	\$ 21,891	\$ 259,666	\$ -
Long-term lease liabilities	-	-	-	-
Fair value of derivative instruments	-	-	4,560	-
Notes payable, other, net pension and OPEB liabilities	-	-	-	-
Advances from participants	8,834	3,567	-	-
Reclamation and decommissioning obligation	1,624	344	-	-
Total noncurrent liabilities	<u>19,757</u>	<u>25,802</u>	<u>264,226</u>	<u>-</u>
<b>Current Liabilities</b>				
Debt due within one year	1,270	2,985	9,705	-
Current portion of long-term lease liabilities	-	-	-	-
Notes payable and other liabilities due within one year	-	-	-	-
Advances from participants due within one year	1,227	2,776	10	19,369
Accrued interest	154	366	5,680	-
Accounts payable and accruals	2,519	2,292	4,965	116,930
Accrued property tax	1,142	-	-	-
Total current liabilities	<u>6,312</u>	<u>8,419</u>	<u>20,360</u>	<u>136,299</u>
Total liabilities	<u>26,069</u>	<u>34,221</u>	<u>284,586</u>	<u>136,299</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred items related to pensions	-	-	-	-
Unamortized gain on refunding	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,738	26,896	-	-
Restricted	721	3,746	-	-
Unrestricted	495	490	(90,878)	230
Total net position	<u>2,954</u>	<u>31,132</u>	<u>(90,878)</u>	<u>230</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 29,023</u>	<u>\$ 65,353</u>	<u>\$ 193,708</u>	<u>\$ 136,529</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2022



**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Net Position**  
**As of September 30, 2023**  
**(Amounts in Thousands)**

	<b>MISCELLANEOUS</b>			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	<b>Total Combined</b>
<b>ASSETS</b>				
<b>Noncurrent assets</b>				
Net utility plant	\$ -	\$ -	\$ 5,786	\$ 1,386,327
Net lease asset	-	-	-	7,109
Investments - restricted	-	102,455	-	1,060,490
Investments - unrestricted	-	-	-	47,585
Advance to IPA - restricted	-	-	-	30,496
Prepaid and other assets	-	-	-	430,981
Total noncurrent assets	<u>-</u>	<u>102,455</u>	<u>5,786</u>	<u>2,962,988</u>
<b>Current assets</b>				
Cash and cash equivalents - restricted	513	19,032	-	113,850
Cash and cash equivalents - unrestricted	-	-	-	171,435
Interest receivable	-	982	-	6,056
Accounts receivable	188	-	-	39,239
Materials and supplies	-	-	-	30,989
Prepaid and other assets	-	-	-	55,184
Total current assets	<u>701</u>	<u>20,014</u>	<u>-</u>	<u>416,753</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred items related to pensions	-	-	973	973
Unamortized loss on refunding	-	-	-	34,816
Reclamation and decommissioning obligation	-	-	-	37,650
Regulatory asset	-	-	-	2,661
Accumulated decrease in fair value of hedging derivatives	-	-	-	10,389
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>973</u>	<u>86,489</u>
Total assets and deferred outflows of resources	<u>\$ 701</u>	<u>\$ 122,469</u>	<u>\$ 6,759</u>	<u>\$ 3,466,230</u>
<b>LIABILITIES</b>				
<b>Noncurrent liabilities</b>				
Long-term debt	\$ -	\$ -	\$ -	2,190,479
Long-term lease liabilities	-	-	-	7,392
Fair value of derivative instruments	-	-	-	4,676
Notes payable, other, net pension and OPEB liabilities	-	-	2,930	2,930
Advances from participants	-	-	-	12,288
Reclamation and decommissioning obligation	-	-	-	243,119
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>2,930</u>	<u>2,460,884</u>
<b>Current Liabilities</b>				
Debt due within one year	-	-	-	304,255
Current portion of long-term lease liabilities	-	-	-	351
Notes payable and other liabilities due within one year	-	-	-	24,184
Advances from participants due within one year	-	-	-	146,528
Accrued interest	-	-	-	30,061
Accounts payable and accruals	701	-	-	248,713
Accrued property tax	-	-	-	2,721
Total current liabilities	<u>701</u>	<u>-</u>	<u>-</u>	<u>756,813</u>
Total liabilities	<u>701</u>	<u>-</u>	<u>2,930</u>	<u>3,217,697</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Regulatory liability	-	-	-	-
Deferred items related to pensions	-	-	171	171
Unamortized gain on refunding	-	-	-	7,960
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>171</u>	<u>8,131</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	-	5,786	(387,334)
Restricted	-	122,469	-	743,822
Unrestricted	-	-	(2,128)	(116,086)
Total net position	<u>-</u>	<u>122,469</u>	<u>3,658</u>	<u>240,402</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 701</u>	<u>\$ 122,469</u>	<u>\$ 6,759</u>	<u>\$ 3,466,230</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Net Position**  
**As of September 30, 2022**  
**(Amounts in Thousands)**

	MISCELLANEOUS			Total Combined
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	
<b>ASSETS</b>				
<b>Noncurrent assets</b>				
Net utility plant	\$ -	\$ -	\$ 5,958	\$ 1,184,402
Net lease asset	-	-	-	7,645
Investments - restricted	-	98,052	-	539,803
Investments - unrestricted	-	-	-	81,402
Advance to IPA - restricted	-	-	-	10,930
Prepaid and other assets	-	-	-	491,497
Total noncurrent assets	-	98,052	5,958	2,315,679
<b>Current assets</b>				
Cash and cash equivalents - restricted	-	16,656	-	52,616
Cash and cash equivalents - unrestricted	-	-	-	122,515
Interest receivable	-	235	-	1,540
Accounts receivable	-	-	-	42,289
Materials and supplies	-	-	-	30,435
Prepaid and other assets	-	-	-	48,396
Total current assets	-	16,891	-	297,791
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred items related to pensions	-	-	451	451
Unamortized loss on refunding	-	-	-	48,142
Reclamation and decommissioning obligation	-	-	-	39,463
Accumulated decrease in fair value of hedging derivatives	-	-	-	7,389
Total deferred outflows of resources	-	-	451	95,445
Total assets and deferred outflows of resources	\$ -	\$ 114,943	\$ 6,409	\$ 2,708,915
<b>LIABILITIES</b>				
<b>Noncurrent liabilities</b>				
Long-term debt	\$ -	\$ -	\$ -	\$ 1,738,150
Long-term lease liabilities	-	-	-	7,805
Fair value of derivative instruments	-	-	-	8,408
Notes payable, other, net pension and OPEB liabilities	-	-	1,836	1,836
Advances from participants	-	-	-	12,401
Reclamation and decommissioning obligation	-	-	-	239,899
Total noncurrent liabilities	-	-	1,836	2,008,499
<b>Current Liabilities</b>				
Debt due within one year	-	-	-	150,100
Current portion of long-term lease liabilities	-	-	-	315
Notes payable and other liabilities due within one year	-	-	-	15,191
Advances from participants due within one year	-	-	-	130,044
Accrued interest	-	-	-	23,286
Accounts payable and accruals	-	-	-	188,372
Accrued property tax	-	-	-	3,803
Total current liabilities	-	-	-	511,111
Total liabilities	-	-	1,836	2,519,610
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred items related to pensions	-	-	728	728
Unamortized gain on refunding	-	-	-	11,611
Total deferred inflows of resources	-	-	728	12,339
<b>NET POSITION</b>				
Net investment in capital assets	-	-	5,958	92,751
Restricted	-	114,943	-	202,599
Unrestricted	-	-	(2,113)	(118,384)
Total net position	-	114,943	3,845	176,966
Total liabilities, deferred inflows of resources, and net position	\$ -	\$ 114,943	\$ 6,409	\$ 2,708,915

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal years ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

	<b>GENERATION</b>				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Operating revenues					
Sales of electric energy	\$ 15,836	\$ 3,025	\$ 30,408	\$ 8,980	\$ 37,225
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>15,836</u>	<u>3,025</u>	<u>30,408</u>	<u>8,980</u>	<u>37,225</u>
Operating expenses					
Operations and maintenance	9,111	55	26,359	4,740	31,221
Depreciation, depletion and amortization	5,705	-	2,368	2,365	4,246
Amortization of nuclear fuel	3,207	-	-	-	-
Decommissioning	338	-	-	-	92
Pension and other benefits expense (credit)	-	-	-	-	-
Total operating expenses	<u>18,361</u>	<u>55</u>	<u>28,727</u>	<u>7,105</u>	<u>35,559</u>
Operating income (loss)	<u>(2,525)</u>	<u>2,970</u>	<u>1,681</u>	<u>1,875</u>	<u>1,666</u>
Non operating revenues (expenses)					
Investment and other income	1,760	278	942	199	313
Derivative gain (loss)	-	-	4,613	-	-
Other interest and debt expense	-	-	(1,875)	(1,484)	(2,499)
Net non operating revenues (expenses)	<u>1,760</u>	<u>278</u>	<u>3,680</u>	<u>(1,285)</u>	<u>(2,186)</u>
Change in net position	<u>(765)</u>	<u>3,248</u>	<u>5,361</u>	<u>590</u>	<u>(520)</u>
Net position - beginning of year	294,780	129	(61,253)	(62,533)	259
Net contributions /(withdrawals) by participants	-	-	-	-	-
Net position - end of year	<u>\$ 294,015</u>	<u>\$ 3,377</u>	<u>\$ (55,892)</u>	<u>\$ (61,943)</u>	<u>\$ (261)</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

	<b>GENERATION</b>				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Operating revenues					
Sales of electric energy	\$ 14,448	\$ 49	\$ 24,064	\$ 13,525	\$ 69,352
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>14,448</u>	<u>49</u>	<u>24,064</u>	<u>13,525</u>	<u>69,352</u>
Operating expenses					
Operations and maintenance	8,607	50	19,265	8,561	62,710
Depreciation, depletion and amortization	5,845	-	2,577	2,467	4,151
Amortization of nuclear fuel	3,238	-	-	-	-
Decommissioning	338	-	-	-	92
Total operating expenses	<u>18,028</u>	<u>50</u>	<u>21,842</u>	<u>11,028</u>	<u>66,953</u>
Operating income (loss)	<u>(3,580)</u>	<u>(1)</u>	<u>2,222</u>	<u>2,497</u>	<u>2,399</u>
Non operating revenues (expenses)					
Investment and other income	(3,679)	(124)	119	130	117
Derivative gain (loss)	-	-	4,371	-	-
Other interest and debt expense	-	-	(1,939)	(1,910)	(2,592)
Net non operating revenues (expenses)	<u>(3,679)</u>	<u>(124)</u>	<u>2,551</u>	<u>(1,780)</u>	<u>(2,475)</u>
Change in net position	<u>(7,259)</u>	<u>(125)</u>	<u>4,773</u>	<u>717</u>	<u>(76)</u>
Net position - beginning of year	310,244	199	(67,485)	(64,819)	323
Net contributions /(withdrawals) by participants	-	-	-	-	-
Net position - end of year	<u>\$ 302,985</u>	<u>\$ 74</u>	<u>\$ (62,712)</u>	<u>\$ (64,102)</u>	<u>\$ 247</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

	<b>GREEN POWER</b>				
	Tieton Hydropower Project	Milford 1 Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project
Operating revenues					
Sales of electric energy	\$ 948	\$ 5,555	\$ 3,629	\$ 21,013	\$ 4,317
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>948</u>	<u>5,555</u>	<u>3,629</u>	<u>21,013</u>	<u>4,317</u>
Operating expenses					
Operations and maintenance	338	5,082	3,440	18,366	2,126
Depreciation, depletion and amortization	374	-	-	-	1,493
Amortization of nuclear fuel	-	-	-	-	-
Decommissioning	6	-	-	-	6
Pension and other benefits expense (credit)	-	-	-	-	-
Total operating expenses	<u>718</u>	<u>5,082</u>	<u>3,440</u>	<u>18,366</u>	<u>3,625</u>
Operating income (loss)	<u>230</u>	<u>473</u>	<u>189</u>	<u>2,647</u>	<u>692</u>
Non operating revenues (expenses)					
Investment and other income	47	196	75	897	333
Derivative gain (loss)	-	-	-	-	-
Other interest and debt expense	(219)	(115)	(52)	(1,964)	(801)
Net non operating revenues (expenses)	<u>(172)</u>	<u>81</u>	<u>23</u>	<u>(1,067)</u>	<u>(468)</u>
Change in net position	<u>58</u>	<u>554</u>	<u>212</u>	<u>1,580</u>	<u>224</u>
Net position - beginning of year	(5,292)	(9,334)	(8,092)	(56,730)	(11,177)
Net contributions /(withdrawals) by participants	-	-	-	-	-
Net position - end of year	<u>\$ (5,234)</u>	<u>\$ (8,780)</u>	<u>\$ (7,880)</u>	<u>\$ (55,150)</u>	<u>\$ (10,953)</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

	<b>GREEN POWER</b>				
	Tieton Hydropower Project	Milford I Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project
Operating revenues					
Sales of electric energy	\$ 1,051	\$ 8,781	\$ 3,765	\$ 17,590	\$ 4,191
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>1,051</u>	<u>8,781</u>	<u>3,765</u>	<u>17,590</u>	<u>4,191</u>
Operating expenses					
Operations and maintenance	364	7,992	3,374	18,308	2,059
Depreciation, depletion and amortization	381	-	-	-	1,493
Amortization of nuclear fuel	-	-	-	-	-
Decommissioning	6	-	-	-	6
Total operating expenses	<u>751</u>	<u>7,992</u>	<u>3,374</u>	<u>18,308</u>	<u>3,558</u>
Operating income (loss)	<u>300</u>	<u>789</u>	<u>391</u>	<u>(718)</u>	<u>633</u>
Non operating revenues (expenses)					
Investment and other income	19	55	12	71	212
Derivative gain (loss)	-	-	-	-	-
Other interest and debt expense	(237)	(143)	21	(562)	(744)
Net non operating revenues (expenses)	<u>(218)</u>	<u>(88)</u>	<u>33</u>	<u>(491)</u>	<u>(532)</u>
Change in net position	<u>82</u>	<u>701</u>	<u>424</u>	<u>(1,209)</u>	<u>101</u>
Net position - beginning of year	(5,643)	(12,315)	(9,669)	(52,665)	(11,908)
Net contributions /(withdrawals) by participants	-	-	-	-	-
Net position - end of year	<u>\$ (5,561)</u>	<u>\$ (11,614)</u>	<u>\$ (9,245)</u>	<u>\$ (53,874)</u>	<u>\$ (11,807)</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

	<b>TRANSMISSION</b>			
	Southern Transmission System Project	Southern Transmission System Renewal Project	Mead-Phoenix Project	Mead-Adelanto Project
Operating revenues				
Sales of electric energy	\$ -	\$ -	\$ -	\$ -
Sales of transmission services	12,490	-	967	1,772
Sales of natural gas	-	-	-	-
Total operating revenues	<u>12,490</u>	<u>-</u>	<u>967</u>	<u>1,772</u>
Operating expenses				
Operations and maintenance	5,771	-	427	1,139
Depreciation, depletion and amortization	1,012	-	698	1,583
Amortization of nuclear fuel	-	-	-	-
Decommissioning	-	-	-	-
Pension and other benefits expense (credit)	-	-	-	-
Total operating expenses	<u>6,783</u>	<u>-</u>	<u>1,125</u>	<u>2,722</u>
Operating income (loss)	<u>5,707</u>	<u>-</u>	<u>(158)</u>	<u>(950)</u>
Non operating revenues (expenses)				
Investment and other income	214	-	41	40
Derivative gain (loss)	-	-	-	-
Other interest and debt expense	<u>(1,300)</u>	<u>-</u>	<u>(80)</u>	<u>(98)</u>
Net non operating revenues (expenses)	<u>(1,086)</u>	<u>-</u>	<u>(39)</u>	<u>(58)</u>
Change in net position	<u>4,621</u>	<u>-</u>	<u>(197)</u>	<u>(1,008)</u>
Net position - beginning of year	(7,235)	-	22,898	58,126
Net contributions /(withdrawals) by participants	-	-	-	-
Net position - end of year	<u>\$ (2,614)</u>	<u>\$ -</u>	<u>\$ 22,701</u>	<u>\$ 57,118</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

	<b>TRANSMISSION</b>		
	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	23,073	902	1,350
Sales of natural gas	-	-	-
Total operating revenues	<u>23,073</u>	<u>902</u>	<u>1,350</u>
Operating expenses			
Operations and maintenance	5,246	332	675
Depreciation, depletion and amortization	1,012	698	1,583
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	<u>6,258</u>	<u>1,030</u>	<u>2,258</u>
Operating income (loss)	<u>16,815</u>	<u>(128)</u>	<u>(908)</u>
Non operating revenues (expenses)			
Investment and other income	19	18	15
Derivative gain (loss)	-	-	-
Other interest and debt expense	<u>(1,752)</u>	<u>(85)</u>	<u>(104)</u>
Net non operating revenues (expenses)	<u>(1,733)</u>	<u>(67)</u>	<u>(89)</u>
Change in net position	<u>15,082</u>	<u>(195)</u>	<u>(997)</u>
Net position - beginning of year	(69,125)	23,465	62,119
Net contributions /(withdrawals) by participants	-	-	-
Net position - end of year	<u>\$ (54,043)</u>	<u>\$ 23,270</u>	<u>\$ 61,122</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2022



**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Operating revenues				
Sales of electric energy	\$ -	\$ -	\$ -	\$ 113,212
Sales of transmission services	-	-	-	-
Sales of natural gas	<u>577</u>	<u>1,666</u>	<u>6,001</u>	<u>-</u>
Total operating revenues	<u>577</u>	<u>1,666</u>	<u>6,001</u>	<u>113,212</u>
Operating expenses				
Operations and maintenance	279	554	3,142	114,457
Depreciation, depletion and amortization	369	667	-	-
Amortization of nuclear fuel	-	-	-	-
Decommissioning	<u>10</u>	<u>2</u>	<u>-</u>	<u>-</u>
Pension and other benefits expense (credit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>658</u>	<u>1,223</u>	<u>3,142</u>	<u>114,457</u>
Operating income (loss)	<u>(81)</u>	<u>443</u>	<u>2,859</u>	<u>(1,245)</u>
Non operating revenues (expenses)				
Investment and other income	39	518	266	1,268
Derivative gain (loss)	-	-	-	-
Other interest and debt expense	<u>(137)</u>	<u>(323)</u>	<u>(3,399)</u>	<u>-</u>
Net non operating revenues (expenses)	<u>(98)</u>	<u>195</u>	<u>(3,133)</u>	<u>1,268</u>
Change in net position	<u>(179)</u>	<u>638</u>	<u>(274)</u>	<u>23</u>
Net position - beginning of year	3,092	33,676	(91,769)	564
Net contributions /(withdrawals) by participants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position - end of year	<u>\$ 2,913</u>	<u>\$ 34,314</u>	<u>\$ (92,043)</u>	<u>\$ 587</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Operating revenues				
Sales of electric energy	\$ -	\$ -	\$ -	\$ 121,373
Sales of transmission services	-	-	-	-
Sales of natural gas	<u>1,306</u>	<u>2,393</u>	<u>5,733</u>	<u>-</u>
Total operating revenues	<u>1,306</u>	<u>2,393</u>	<u>5,733</u>	<u>121,373</u>
Operating expenses				
Operations and maintenance	555	1,026	3,077	121,774
Depreciation, depletion and amortization	658	1,459	-	-
Amortization of nuclear fuel	-	-	-	-
Decommissioning	<u>10</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,223</u>	<u>2,487</u>	<u>3,077</u>	<u>121,774</u>
Operating income (loss)	<u>83</u>	<u>(94)</u>	<u>2,656</u>	<u>(401)</u>
Non operating revenues (expenses)				
Investment and other income	14	39	256	636
Derivative gain (loss)	-	-	-	-
Other interest and debt expense	<u>(155)</u>	<u>(365)</u>	<u>(3,523)</u>	<u>-</u>
Net non operating revenues (expenses)	<u>(141)</u>	<u>(326)</u>	<u>(3,267)</u>	<u>636</u>
Change in net position	<u>(58)</u>	<u>(420)</u>	<u>(611)</u>	<u>235</u>
Net position - beginning of year	3,012	31,552	(90,267)	(5)
Net contributions /(withdrawals) by participants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position - end of year	<u>\$ 2,954</u>	<u>\$ 31,132</u>	<u>\$ (90,878)</u>	<u>\$ 230</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

	<b>MISCELLANEOUS</b>			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	<b>Total Combined</b>
Operating revenues				
Sales of electric energy	\$ -	\$ -	\$ -	\$ 244,148
Sales of transmission services	-	-	-	15,229
Sales of natural gas	-	-	-	8,244
Total operating revenues	-	-	-	267,621
Operating expenses				
Operations and maintenance	-	-	53	226,660
Depreciation, depletion and amortization	-	-	47	20,927
Amortization of nuclear fuel	-	-	-	3,207
Decommissioning	-	-	-	454
Pension and other benefits expense (credit)	-	-	-	-
Total operating expenses	-	-	100	251,248
Operating income (loss)	-	-	(100)	16,373
Non operating revenues (expenses)				
Investment and other income	-	1,361	53	8,840
Derivative gain (loss)	-	-	-	4,613
Other interest and debt expense	-	-	-	(14,346)
Net non operating revenues (expenses)	-	1,361	53	(893)
Change in net position	-	1,361	(47)	15,480
Net position - beginning of year	-	122,938	3,701	226,748
Net contributions /(withdrawals) by participants	-	(1,830)	4	(1,826)
Net position - end of year	\$ -	\$ 122,469	\$ 3,658	\$ 240,402

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

	<b>MISCELLANEOUS</b>			
	Project Development Fund	Project Stabilization Fund	SCPPA Fund	<b>Total Combined</b>
Operating revenues				
Sales of electric energy	\$ -	\$ -	\$ -	\$ 278,189
Sales of transmission services	-	-	-	25,325
Sales of natural gas	-	-	-	9,432
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,946</u>
Operating expenses				
Operations and maintenance	-	-	54	264,029
Depreciation, depletion and amortization	-	-	50	22,374
Amortization of nuclear fuel	-	-	-	3,238
Decommissioning	-	-	-	454
Total operating expenses	<u>-</u>	<u>-</u>	<u>104</u>	<u>290,095</u>
Operating income (loss)	<u>-</u>	<u>-</u>	<u>(104)</u>	<u>22,851</u>
Non operating revenues (expenses)				
Investment and other income	-	(382)	54	(2,399)
Derivative gain (loss)	-	-	-	4,371
Other interest and debt expense	-	-	-	(14,090)
Net non operating revenues (expenses)	<u>-</u>	<u>(382)</u>	<u>54</u>	<u>(12,118)</u>
Change in net position	<u>-</u>	<u>(382)</u>	<u>(50)</u>	<u>10,733</u>
Net position - beginning of year		113,388	3,892	164,293
Net contributions /(withdrawals) by participants	<u>-</u>	<u>1,937</u>	<u>3</u>	<u>1,940</u>
Net position - end of year	<u>\$ -</u>	<u>\$ 114,943</u>	<u>\$ 3,845</u>	<u>\$ 176,966</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Cash Flows**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Cash flows from operating activities					
Receipts from participants	\$ 13,270	\$ 3,036	\$ 17,663	\$ 6,018	\$ 20,091
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(7,827)	(46)	(10,475)	(1,170)	(8,957)
Other disbursements and receipts	-	(2,968)	87	48	1
Net cash flows provided by (used for) operating activities	<u>5,443</u>	<u>22</u>	<u>7,275</u>	<u>4,896</u>	<u>11,135</u>
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(4,526)	-	34	-	(1,172)
Debt interest and swap payments	-	-	(3,358)	(2,312)	(5,557)
Lease interest payments	-	-	(49)	(26)	-
Principal payments on leases	-	-	(59)	(19)	-
Principal payments on debt	-	-	(10,760)	(13,245)	(10,830)
Payment for bond issue costs	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(4,526)</u>	<u>-</u>	<u>(14,192)</u>	<u>(15,602)</u>	<u>(17,559)</u>
Cash flows from investing activities					
Interest received on investments	327	9	470	95	173
Purchases of investments	(1,136)	-	(31,349)	(5,938)	(12,904)
Proceeds from sale/maturity of investments	4,000	-	34,960	14,450	20,490
Net cash provided by (used for) investing activities	<u>3,191</u>	<u>9</u>	<u>4,081</u>	<u>8,607</u>	<u>7,759</u>
Net increase (decrease) in cash and cash equivalents	4,108	31	(2,836)	(2,099)	1,335
Cash and cash equivalents, beginning of year	<u>14,091</u>	<u>209</u>	<u>25,007</u>	<u>9,333</u>	<u>15,295</u>
Cash and cash equivalents, end of year	<u>\$ 18,199</u>	<u>\$ 240</u>	<u>\$ 22,171</u>	<u>\$ 7,234</u>	<u>\$ 16,630</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ (2,525)	\$ 2,970	\$ 1,681	\$ 1,875	\$ 1,666
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation, depletion and amortization	5,705	-	2,368	2,365	4,246
Decommissioning	338	-	-	-	92
Amortization of nuclear fuel	3,207	-	-	-	-
Changes in assets and liabilities:					
Accounts receivable	(4,087)	-	5	-	-
Accounts payable and accruals	2,299	27	801	1,157	3,474
Other	506	(2,975)	2,420	(501)	1,657
Net cash provided by operating activities	<u>\$ 5,443</u>	<u>\$ 22</u>	<u>\$ 7,275</u>	<u>\$ 4,896</u>	<u>\$ 11,135</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash/cash equivalents - restricted	\$ 9,661	\$ -	\$ 11,630	\$ 2,560	\$ 6,068
Cash/cash equivalents - unrestricted	8,538	240	10,541	4,674	10,562
	<u>\$ 18,199</u>	<u>\$ 240</u>	<u>\$ 22,171</u>	<u>\$ 7,234</u>	<u>\$ 16,630</u>

These unaudited financial statements should be read in conjunction to the notes to  
the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Cash Flows**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

	GENERATION				
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project
Cash flows from operating activities					
Receipts from participants	\$ 16,651	\$ 9	\$ 15,459	\$ 6,003	\$ 14,978
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(11,014)	(29)	(7,286)	(1,010)	(8,919)
Other disbursements and receipts	5,798	(2)	105	2	3
Net cash flow provided by (used for) operating activities	<u>11,435</u>	<u>(22)</u>	<u>8,278</u>	<u>4,995</u>	<u>6,062</u>
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(5,883)	-	1	(96)	(2,032)
Debt interest and swap payments	-	-	(3,584)	(3,433)	(5,728)
Lease interest payments	-	-	(52)	(27)	-
Principal payments on leases	-	-	(56)	(18)	-
Principal payments on debt	-	-	(13,245)	(5,855)	(10,490)
Net cash provided by (used for) capital and related financing activities	<u>(5,883)</u>	<u>-</u>	<u>(16,936)</u>	<u>(9,429)</u>	<u>(18,250)</u>
Cash flows from investing activities					
Interest received on investments	34	2	60	6	90
Purchases of investments	(8,153)	-	(19,145)	(8,602)	(58,061)
Proceeds from sale/maturity of investments	2,500	-	22,867	9,450	63,260
Net cash provided by (used for) investing activities	<u>(5,619)</u>	<u>2</u>	<u>3,782</u>	<u>854</u>	<u>5,289</u>
Net increase (decrease) in cash and cash equivalents	(67)	(20)	(4,876)	(3,580)	(6,899)
Cash and cash equivalents, beginning of year	<u>18,042</u>	<u>271</u>	<u>19,518</u>	<u>5,755</u>	<u>22,708</u>
Cash and cash equivalents, end of year	<u>\$ 17,975</u>	<u>\$ 251</u>	<u>\$ 14,642</u>	<u>\$ 2,175</u>	<u>\$ 15,809</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ (3,580)	\$ (1)	\$ 2,222	\$ 2,497	\$ 2,399
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation, depletion and amortization	5,845	-	2,577	2,467	4,151
Decommissioning	338	-	-	-	92
Amortization of nuclear fuel	3,238	-	-	-	-
Changes in assets and liabilities:					
Accounts receivable	(25)	-	324	57	-
Accounts payable and accruals	5,619	(16)	1,399	769	(994)
Other	-	(5)	1,756	(795)	414
Net cash provided by operating activities	<u>\$ 11,435</u>	<u>\$ (22)</u>	<u>\$ 8,278</u>	<u>\$ 4,995</u>	<u>\$ 6,062</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash/cash equivalents - restricted	4,097	-	6,574	1,007	7,982
Cash/cash equivalents - unrestricted	13,878	251	8,068	1,168	7,827
	<u>\$ 17,975</u>	<u>\$ 251</u>	<u>\$ 14,642</u>	<u>\$ 2,175</u>	<u>\$ 15,809</u>

These unaudited financial statements should be read in conjunction to the notes to  
the audited financial statements for the fiscal year ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Cash Flows**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

	<b>GREEN POWER</b>				
	Tieton Hydropower Project	Milford 1 Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project
Cash flows from operating activities					
Receipts from participants	\$ 1,323	\$ 9,735	\$ 4,107	\$ 20,898	\$ 4,023
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(866)	(2,118)	(1,275)	(10,979)	(2,405)
Other disbursements and receipts	<u>2</u>	<u>2</u>	<u>-</u>	<u>(1)</u>	<u>401</u>
Net cash flows provided by (used for) operating activities	<u>459</u>	<u>7,619</u>	<u>2,832</u>	<u>9,918</u>	<u>2,019</u>
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	-	-	-	-	-
Debt interest and swap payments	(788)	(2,155)	(1,825)	(6,246)	(2,356)
Lease interest payments	-	-	-	-	-
Principal payments on leases	-	-	-	-	-
Principal payments on debt	(1,225)	(10,590)	(6,620)	(12,265)	(4,735)
Payment for bond issue costs	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(2,013)</u>	<u>(12,745)</u>	<u>(8,445)</u>	<u>(18,511)</u>	<u>(7,091)</u>
Cash flows from investing activities					
Interest received on investments	27	145	80	480	21
Purchases of investments	(1,858)	(7,448)	(2,609)	(10,506)	(3,547)
Proceeds from sale/maturity of investments	<u>2,720</u>	<u>7,960</u>	<u>6,420</u>	<u>23,560</u>	<u>6,420</u>
Net cash provided by (used for) investing activities	<u>889</u>	<u>657</u>	<u>3,891</u>	<u>13,534</u>	<u>2,894</u>
Net increase (decrease) in cash and cash equivalents	(665)	(4,469)	(1,722)	4,941	(2,178)
Cash and cash equivalents, beginning of year	<u>2,522</u>	<u>13,935</u>	<u>6,308</u>	<u>16,665</u>	<u>4,007</u>
Cash and cash equivalents, end of year	<u>\$ 1,857</u>	<u>\$ 9,466</u>	<u>\$ 4,586</u>	<u>\$ 21,606</u>	<u>\$ 1,829</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 230	\$ 473	\$ 189	\$ 2,647	\$ 692
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation, depletion and amortization	374	-	-	-	1,493
Decommissioning	6	-	-	-	6
Amortization of nuclear fuel	-	-	-	-	-
Changes in assets and liabilities:					
Accounts receivable	-	(1)	-	(115)	69
Accounts payable and accruals	72	4,242	482	238	(241)
Other	<u>(223)</u>	<u>2,905</u>	<u>2,161</u>	<u>7,148</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 459</u>	<u>\$ 7,619</u>	<u>\$ 2,832</u>	<u>\$ 9,918</u>	<u>\$ 2,019</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash/cash equivalents - restricted	\$ 902	\$ 3,555	\$ 84	\$ 9,768	\$ 1,322
Cash/cash equivalents - unrestricted	<u>955</u>	<u>5,911</u>	<u>4,502</u>	<u>11,838</u>	<u>507</u>
	<u>\$ 1,857</u>	<u>\$ 9,466</u>	<u>\$ 4,586</u>	<u>\$ 21,606</u>	<u>\$ 1,829</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Cash Flows**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

	<b>GREEN POWER</b>				
	Tieton Hydropower Project	Milford I Wind Project	Milford II Wind Project	Windy Point/ Windy Flats Project	Linden Wind Project
Cash flows from operating activities					
Receipts from participants	\$ 1,395	\$ 12,348	\$ 4,446	\$ 21,753	\$ 4,047
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(455)	(3,768)	(2,450)	(10,718)	(2,190)
Other disbursements and receipts	-	6	-	16	17
Net cash flow provided by (used for) operating activities	<u>940</u>	<u>8,586</u>	<u>1,996</u>	<u>11,051</u>	<u>1,874</u>
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	-	-	-	-	-
Debt interest and swap payments	(820)	(2,399)	(1,983)	(6,538)	(2,469)
Lease interest payments	-	-	-	-	-
Principal payments on leases	-	-	-	-	-
Principal payments on debt	(1,165)	(10,105)	(6,300)	(11,680)	(4,510)
Net cash provided by (used for) capital and related financing activities	<u>(1,985)</u>	<u>(12,504)</u>	<u>(8,283)</u>	<u>(18,218)</u>	<u>(6,979)</u>
Cash flows from investing activities					
Interest received on investments	12	26	16	46	14
Purchases of investments	(1,915)	(6,576)	(8,263)	(12,555)	(6,931)
Proceeds from sale/maturity of investments	2,210	8,750	11,400	12,000	8,240
Net cash provided by (used for) investing activities	<u>307</u>	<u>2,200</u>	<u>3,153</u>	<u>(509)</u>	<u>1,323</u>
Net increase (decrease) in cash and cash equivalents	(738)	(1,718)	(3,134)	(7,676)	(3,782)
Cash and cash equivalents, beginning of year	<u>3,322</u>	<u>8,847</u>	<u>5,317</u>	<u>11,142</u>	<u>6,240</u>
Cash and cash equivalents, end of year	<u>\$ 2,584</u>	<u>\$ 7,129</u>	<u>\$ 2,183</u>	<u>\$ 3,466</u>	<u>\$ 2,458</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 300	\$ 789	\$ 391	\$ (718)	\$ 633
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation, depletion and amortization	381	-	-	-	1,493
Decommissioning	6	-	-	-	6
Amortization of nuclear fuel	-	-	-	-	-
Changes in assets and liabilities:					
Accounts receivable	-	(1)	-	-	(531)
Accounts payable and accruals	308	4,894	(555)	4,613	70
Other	(55)	2,904	2,160	7,156	203
Net cash provided by operating activities	<u>\$ 940</u>	<u>\$ 8,586</u>	<u>\$ 1,996</u>	<u>\$ 11,051</u>	<u>\$ 1,874</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash/cash equivalents - restricted	844	686	10	673	727
Cash/cash equivalents - unrestricted	1,740	6,443	2,173	2,793	1,731
	<u>\$ 2,584</u>	<u>\$ 7,129</u>	<u>\$ 2,183</u>	<u>\$ 3,466</u>	<u>\$ 2,458</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2022



**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Cash Flows**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

	TRANSMISSION			
	Southern Transmission System Project	Southern Transmission System Renewal Project	Mead-Phoenix Project	Mead-Adelanto Project
Cash flows from operating activities				
Receipts from participants	\$ 17,010	\$ -	\$ 1,311	\$ 2,017
Receipts from sale of oil and gas	-	-	-	-
Payments to operating managers	(10,796)	-	(401)	(708)
Other disbursements and receipts	5	-	1	1
	<u>6,219</u>	<u>-</u>	<u>911</u>	<u>1,310</u>
Net cash flows provided by (used for) operating activities				
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants, net	-	-	-	-
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	(46,731)	(46)	-
Debt interest and swap payments	(4,420)	(5,274)	(355)	(446)
Lease interest payments	-	-	-	-
Principal payments on leases	-	-	-	-
Principal payments on debt	(62,825)	-	(1,535)	(1,870)
Payment for bond issue costs	-	(113)	-	-
	<u>(67,245)</u>	<u>(52,118)</u>	<u>(1,936)</u>	<u>(2,316)</u>
Net cash provided by (used for) capital and related financing activities				
Cash flows from investing activities				
Interest received on investments	162	2,559	40	29
Purchases of investments	(8,143)	(102,466)	(658)	(452)
Proceeds from sale/maturity of investments	50,260	50,000	960	1,180
	<u>42,279</u>	<u>(49,907)</u>	<u>342</u>	<u>757</u>
Net cash provided by (used for) investing activities				
Net increase (decrease) in cash and cash equivalents	(18,747)	(102,025)	(683)	(249)
Cash and cash equivalents, beginning of year	24,247	130,669	3,706	2,906
Cash and cash equivalents, end of year	<u>\$ 5,500</u>	<u>\$ 28,644</u>	<u>\$ 3,023</u>	<u>\$ 2,657</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 5,707	\$ -	\$ (158)	\$ (950)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation, depletion and amortization	1,012	-	698	1,583
Decommissioning	-	-	-	-
Amortization of nuclear fuel	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(3,500)	-	-	-
Accounts payable and accruals	3,004	-	410	442
Other	(4)	-	(39)	235
	<u>6,219</u>	<u>-</u>	<u>911</u>	<u>1,310</u>
Net cash provided by operating activities				
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash/cash equivalents - restricted	\$ 4,972	\$ 28,644	\$ 1,360	\$ 1,563
Cash/cash equivalents - unrestricted	528	-	1,663	1,094
	<u>\$ 5,500</u>	<u>\$ 28,644</u>	<u>\$ 3,023</u>	<u>\$ 2,657</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Cash Flows**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

	TRANSMISSION		
	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project
Cash flows from operating activities			
Receipts from participants	\$ 27,156	\$ 1,638	\$ 2,240
Receipts from sale of oil and gas	-	-	-
Payments to operating managers	(8,317)	(647)	(5,342)
Other disbursements and receipts	(4)	6	8
Net cash flow provided by (used for) operating activities	<u>18,835</u>	<u>997</u>	<u>(3,094)</u>
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	-	-	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	-	(30)	(152)
Debt interest and swap payments	(5,856)	(385)	(491)
Lease interest payments	-	-	-
Principal payments on leases	-	-	-
Principal payments on debt	(59,415)	(1,475)	(1,780)
Net cash provided by (used for) capital and related financing activities	<u>(65,271)</u>	<u>(1,890)</u>	<u>(2,423)</u>
Cash flows from investing activities			
Interest received on investments	33	12	9
Purchases of investments	(21,789)	(2,185)	(6,295)
Proceeds from sale/maturity of investments	49,400	2,599	12,702
Net cash provided by (used for) investing activities	<u>27,644</u>	<u>426</u>	<u>6,416</u>
Net increase (decrease) in cash and cash equivalents	(18,792)	(467)	899
Cash and cash equivalents, beginning of year	<u>19,792</u>	<u>3,758</u>	<u>1,844</u>
Cash and cash equivalents, end of year	<u>\$ 1,000</u>	<u>\$ 3,291</u>	<u>\$ 2,743</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 16,815	\$ (128)	\$ (908)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation, depletion and amortization	1,012	698	1,583
Decommissioning	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities:			
Accounts receivable	(3,032)	-	-
Accounts payable and accruals	4,043	699	(4,159)
Other	(3)	(272)	390
Net cash provided by operating activities	<u>\$ 18,835</u>	<u>\$ 997</u>	<u>\$ (3,094)</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash/cash equivalents - restricted	372	1,056	1,468
Cash/cash equivalents - unrestricted	628	2,235	1,275
	<u>\$ 1,000</u>	<u>\$ 3,291</u>	<u>\$ 2,743</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Cash Flows**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Cash flows from operating activities				
Receipts from participants	\$ 620	\$ 1,197	\$ 6,770	\$ 104,937
Receipts from sale of oil and gas	114	242	1,275	-
Payments to operating managers	(259)	(543)	(158)	\$ (100,694)
Other disbursements and receipts	4	-	2	7,769
Net cash flows provided by (used for) operating activities	<u>479</u>	<u>896</u>	<u>7,889</u>	<u>12,012</u>
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants, net	<u>383</u>	<u>1</u>	<u>-</u>	<u>-</u>
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	(1)	-	-	-
Debt interest and swap payments	(310)	(730)	-	-
Lease interest payments	-	-	-	-
Principal payments on leases	-	-	-	-
Principal payments on debt	(1,270)	(2,985)	-	-
Payment for bond issue costs	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(1,581)</u>	<u>(3,715)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Interest received on investments	38	227	262	1,036
Purchases of investments	-	(9,400)	(6,602)	(14,075)
Proceeds from sale/maturity of investments	<u>1,080</u>	<u>12,330</u>	<u>1,000</u>	<u>20,800</u>
Net cash provided by (used for) investing activities	<u>1,118</u>	<u>3,157</u>	<u>(5,340)</u>	<u>7,761</u>
Net increase (decrease) in cash and cash equivalents	399	339	2,549	19,773
Cash and cash equivalents, beginning of year	<u>4,800</u>	<u>5,480</u>	<u>4,068</u>	<u>84,690</u>
Cash and cash equivalents, end of year	<u>\$ 5,199</u>	<u>\$ 5,819</u>	<u>\$ 6,617</u>	<u>\$ 104,463</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (81)	\$ 443	\$ 2,859	\$ (1,245)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation, depletion and amortization	369	667	-	-
Decommissioning	10	2	-	-
Amortization of nuclear fuel	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(13)	215	(1,174)	(5,143)
Accounts payable and accruals	375	(309)	3,197	18,422
Other	(181)	(122)	3,007	(22)
Net cash provided by operating activities	<u>\$ 479</u>	<u>\$ 896</u>	<u>\$ 7,889</u>	<u>\$ 12,012</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash/cash equivalents - restricted	\$ 2,331	\$ 4,094	\$ 5,764	\$ 27
Cash/cash equivalents - unrestricted	<u>2,868</u>	<u>1,725</u>	<u>853</u>	<u>104,436</u>
	<u>\$ 5,199</u>	<u>\$ 5,819</u>	<u>\$ 6,617</u>	<u>\$ 104,463</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Cash Flows**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

	NATURAL GAS			PPAs
	Pinedale Project	Barnett Project	Prepaid Natural Gas Project	Power Purchase Agreements Combined Projects
Cash flows from operating activities				
Receipts from participants	\$ 614	\$ 1,282	\$ 9,495	\$ 102,420
Receipts from sale of oil and gas	319	849	-	-
Payments to operating managers	(625)	(1,104)	(117)	(95,825)
Other disbursements and receipts	15	-	(1,855)	14,425
Net cash flow provided by (used for) operating activities	<u>323</u>	<u>1,027</u>	<u>7,523</u>	<u>21,020</u>
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants, net	167	4	-	-
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	(3)	(15)	-	-
Debt interest and swap payments	(348)	(819)	-	-
Lease interest payments	-	-	-	-
Principal payments on leases	-	-	-	-
Principal payments on debt	(1,345)	(3,160)	-	-
Net cash provided by (used for) capital and related financing activities	<u>(1,696)</u>	<u>(3,994)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Interest received on investments	9	43	206	191
Purchases of investments	-	(8,950)	(25,580)	(30,468)
Proceeds from sale/maturity of investments	500	8,869	18,954	6,500
Net cash provided by (used for) investing activities	<u>509</u>	<u>(38)</u>	<u>(6,420)</u>	<u>(23,777)</u>
Net increase (decrease) in cash and cash equivalents	(697)	(3,001)	1,103	(2,757)
Cash and cash equivalents, beginning of year	5,278	7,880	5,237	69,726
Cash and cash equivalents, end of year	<u>\$ 4,581</u>	<u>\$ 4,879</u>	<u>\$ 6,340</u>	<u>\$ 66,969</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 83	\$ (94)	\$ 2,656	\$ (401)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation, depletion and amortization	658	1,459	-	-
Decommissioning	10	2	-	-
Amortization of nuclear fuel	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(307)	(335)	(1,586)	(7,291)
Accounts payable and accruals	169	250	3,484	28,535
Other	(290)	(255)	2,969	177
Net cash provided by operating activities	<u>\$ 323</u>	<u>\$ 1,027</u>	<u>\$ 7,523</u>	<u>\$ 21,020</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash/cash equivalents - restricted	1,782	3,217	5,424	41
Cash/cash equivalents - unrestricted	2,799	1,662	916	66,928
	<u>\$ 4,581</u>	<u>\$ 4,879</u>	<u>\$ 6,340</u>	<u>\$ 66,969</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Cash Flows**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

	MISCELLANEOUS			Total Combined
	Project Development Fund	Projects Stabilization Fund	SCPPA Fund	
Cash flows from operating activities				
Receipts from participants	\$ 513	\$ -	\$ -	\$ 234,539
Receipts from sale of oil and gas	-	-	-	1,631
Payments to operating managers	-	-	-	(159,677)
Other disbursements and receipts	-	-	(53)	5,301
Net cash flows provided by (used for) operating activities	513	-	(53)	81,794
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants, net	-	(1,830)	53	(1,393)
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	-	(52,442)
Debt interest and swap payments	-	-	-	(36,132)
Lease interest payments	-	-	-	(75)
Principal payments on leases	-	-	-	(78)
Principal payments on debt	-	-	-	(140,755)
Payment for bond issue costs	-	-	-	(113)
Net cash provided by (used for) capital and related financing activities	-	-	-	(229,595)
Cash flows from investing activities				
Interest received on investments	-	825	-	7,005
Purchases of investments	-	(9,100)	-	(228,191)
Proceeds from sale/maturity of investments	-	10,100	-	268,690
Net cash provided by (used for) investing activities	-	1,825	-	47,504
Net increase (decrease) in cash and cash equivalents	513	(5)	-	(101,690)
Cash and cash equivalents, beginning of year	-	19,037	-	386,975
Cash and cash equivalents, end of year	\$ 513	\$ 19,032	\$ -	\$ 285,285
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ -	\$ -	\$ (100)	\$ 16,373
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation, depletion and amortization	-	-	47	20,927
Decommissioning	-	-	-	454
Amortization of nuclear fuel	-	-	-	3,207
Changes in assets and liabilities:				
Accounts receivable	(188)	-	-	(13,932)
Accounts payable and accruals	701	-	-	38,793
Other	-	-	-	15,972
Net cash provided by operating activities	\$ 513	\$ -	\$ (53)	\$ 81,794
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash/cash equivalents - restricted	\$ 513	\$ 19,032	\$ -	\$ 113,850
Cash/cash equivalents - unrestricted	-	-	-	171,435
	\$ 513	\$ 19,032	\$ -	\$ 285,285

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2023

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Individual Statements of Cash Flows**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

	MISCELLANEOUS			Total Combined
	Project Development Fund	Projects Stabilization Fund	SCPPA Fund	
Cash flows from operating activities				
Receipts from participants	\$ -	\$ -	\$ -	\$ 241,934
Receipts from sale of oil and gas	-	-	-	1,168
Payments to operating managers	-	-	-	(159,816)
Other disbursements and receipts	-	-	(54)	18,486
	-	-	(54)	101,772
Net cash flow provided by (used for) operating activities	-	-	(54)	101,772
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants, net	(2,606)	1,937	54	(444)
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	-	(8,210)
Debt interest and swap payments	-	-	-	(34,853)
Lease interest payments	-	-	-	(79)
Principal payments on leases	-	-	-	(74)
Principal payments on debt	-	-	-	(130,525)
	-	-	-	(173,741)
Net cash provided by (used for) capital and related financing activities	-	-	-	(173,741)
Cash flows from investing activities				
Interest received on investments	-	147	-	956
Purchases of investments	-	(12,334)	-	(237,802)
Proceeds from sale/maturity of investments	-	9,700	-	249,901
	-	(2,487)	-	13,055
Net cash provided by (used for) investing activities	-	(2,487)	-	13,055
Net increase (decrease) in cash and cash equivalents	(2,606)	(550)	-	(59,358)
Cash and cash equivalents, beginning of year	2,606	17,206	-	234,489
Cash and cash equivalents, end of year	\$ -	\$ 16,656	\$ -	\$ 175,131
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ -	\$ -	\$ (104)	\$ 22,851
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation, depletion and amortization	-	-	50	22,374
Decommissioning	-	-	-	454
Amortization of nuclear fuel	-	-	-	3,238
Changes in assets and liabilities:				
Accounts receivable	-	-	-	(12,727)
Accounts payable and accruals	-	-	-	49,128
Other	-	-	-	16,454
	-	-	(54)	101,772
Net cash provided by operating activities	\$ -	\$ -	\$ (54)	\$ 101,772
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash/cash equivalents - restricted	-	16,656	-	52,616
Cash/cash equivalents - unrestricted	-	-	-	122,515
	\$ -	\$ 16,656	\$ -	\$ 175,131

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2022

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Combining Statements of Net Position**  
**As of September 30, 2023**  
**(Amounts in Thousands)**

**POWER PURCHASE AGREEMENTS**

	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Project I	Copper Mountain Solar 3 Project	Columbia2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II Project	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project
<b>ASSETS</b>														
<b>Noncurrent assets</b>														
Investments - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Current assets</b>														
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents - unrestricted	-	1,042	5,006	1,196	5,430	6,550	4,060	14,697	737	3,216	3,135	3,598	2,234	3,093
Interest receivable	-	1	15	1	9	20	3	13	1	6	2	9	2	3
Accounts receivable	-	-	788	9	-	799	78	-	298	-	839	963	62	538
Prepaid and other assets	-	1	6	2	2	11	3	10	5	1	3	4	6	13
Total current assets	-	1,044	5,815	1,208	5,441	7,380	4,144	14,720	1,041	3,223	3,979	4,574	2,304	3,647
Total assets	\$ -	\$ 1,044	\$ 5,815	\$ 1,208	\$ 5,441	\$ 7,380	\$ 4,144	\$ 19,456	\$ 1,041	\$ 3,223	\$ 3,979	\$ 4,574	\$ 2,304	\$ 3,647
<b>LIABILITIES</b>														
<b>Current Liabilities</b>														
Advances from participants due within one year	\$ -	\$ 500	\$ 1,650	\$ 400	\$ 960	\$ -	\$ 400	\$ 400	\$ 171	\$ 960	\$ 2,000	\$ 2,000	\$ 600	\$ 800
Accounts payable and accruals	-	543	4,139	807	4,456	7,352	3,741	18,929	869	2,248	1,953	2,557	1,702	2,844
Total liabilities	-	1,043	5,789	1,207	5,416	7,352	4,141	19,329	1,040	3,208	3,953	4,557	2,302	3,644
Total liabilities	-	1,043	5,789	1,207	5,416	7,352	4,141	19,329	1,040	3,208	3,953	4,557	2,302	3,644
<b>NET POSITION</b>														
Unrestricted	-	1	26	1	25	28	3	127	1	15	26	17	2	3
Total net position	-	1	26	1	25	28	3	127	1	15	26	17	2	3
Total liabilities and net position	\$ -	\$ 1,044	\$ 5,815	\$ 1,208	\$ 5,441	\$ 7,380	\$ 4,144	\$ 19,456	\$ 1,041	\$ 3,223	\$ 3,979	\$ 4,574	\$ 2,304	\$ 3,647

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Combining Statements of Net Position**  
**As of September 30, 2023**  
**(Amounts in Thousands)**

**POWER PURCHASE AGREEMENTS**

	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Totals
<b>ASSETS</b>																
<b>Noncurrent assets</b>																
Investments - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,951	\$ -	\$ -	\$ -	\$ -	\$ 11,904	\$ -	\$ -	\$ -	\$ 21,591
<b>Current assets</b>																
Cash and cash equivalents - restricted	-	-	-	-	-	-	3	-	-	-	24	-	-	-	-	27
Cash and cash equivalents - unrestricted	1,689	3,630	252	3,819	4,884	2,600	4,700	2,809	1,505	1,452	728	13,676	2,394	4,383	1,921	104,436
Interest receivable	2	3	-	3	15	7	9	6	1	1	3	36	1	4	1	177
Accounts receivable	90	161	3	35	9,731	-	9	320	593	-	-	-	-	1,805	293	17,414
Prepaid and other assets	5	9	2	17	16	7	-	2	1	2	2	8	12	5	8	163
Total current assets	<u>1,786</u>	<u>3,803</u>	<u>257</u>	<u>3,874</u>	<u>14,646</u>	<u>2,614</u>	<u>4,721</u>	<u>3,137</u>	<u>2,100</u>	<u>1,455</u>	<u>757</u>	<u>13,720</u>	<u>2,407</u>	<u>6,197</u>	<u>2,223</u>	<u>122,217</u>
Total assets	<u>\$ 1,786</u>	<u>\$ 3,803</u>	<u>\$ 257</u>	<u>\$ 3,874</u>	<u>\$ 14,646</u>	<u>\$ 2,614</u>	<u>\$ 9,672</u>	<u>\$ 3,137</u>	<u>\$ 2,100</u>	<u>\$ 1,455</u>	<u>\$ 757</u>	<u>\$ 25,624</u>	<u>\$ 2,407</u>	<u>\$ 6,197</u>	<u>\$ 2,223</u>	<u>\$ 143,808</u>
<b>LIABILITIES</b>																
<b>Current Liabilities</b>																
Advances from participants due within one year	\$ 300	\$ 900	\$ 90	\$ 420	\$ 2,738	\$ -	\$ 400	\$ 2,000	\$ 400	\$ 400	\$ 12	\$ 4,600	\$ 174	\$ 500	\$ 504	\$ 24,279
Accounts payable and accruals	1,484	2,900	167	3,451	11,887	2,604	9,201	1,123	1,695	1,054	742	20,851	2,232	5,693	1,718	118,942
Total liabilities	<u>1,784</u>	<u>3,800</u>	<u>257</u>	<u>3,871</u>	<u>14,625</u>	<u>2,604</u>	<u>9,601</u>	<u>3,123</u>	<u>2,095</u>	<u>1,454</u>	<u>754</u>	<u>25,451</u>	<u>2,406</u>	<u>6,193</u>	<u>2,222</u>	<u>143,221</u>
Total liabilities	<u>1,784</u>	<u>3,800</u>	<u>257</u>	<u>3,871</u>	<u>14,625</u>	<u>2,604</u>	<u>9,601</u>	<u>3,123</u>	<u>2,095</u>	<u>1,454</u>	<u>754</u>	<u>25,451</u>	<u>2,406</u>	<u>6,193</u>	<u>2,222</u>	<u>143,221</u>
<b>NET POSITION</b>																
Unrestricted	<u>2</u>	<u>3</u>	<u>-</u>	<u>3</u>	<u>21</u>	<u>10</u>	<u>71</u>	<u>14</u>	<u>5</u>	<u>1</u>	<u>3</u>	<u>173</u>	<u>1</u>	<u>4</u>	<u>1</u>	<u>587</u>
Total net position	<u>2</u>	<u>3</u>	<u>-</u>	<u>3</u>	<u>21</u>	<u>10</u>	<u>71</u>	<u>14</u>	<u>5</u>	<u>1</u>	<u>3</u>	<u>173</u>	<u>1</u>	<u>4</u>	<u>1</u>	<u>587</u>
Total liabilities and net position	<u>\$ 1,786</u>	<u>\$ 3,803</u>	<u>\$ 257</u>	<u>\$ 3,874</u>	<u>\$ 14,646</u>	<u>\$ 2,614</u>	<u>\$ 9,672</u>	<u>\$ 3,137</u>	<u>\$ 2,100</u>	<u>\$ 1,455</u>	<u>\$ 757</u>	<u>\$ 25,624</u>	<u>\$ 2,407</u>	<u>\$ 6,197</u>	<u>\$ 2,223</u>	<u>\$ 143,808</u>



**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Combining Statements of Net Position**  
**As of September 30, 2022**  
(Amounts in Thousands)

**POWER PURCHASE AGREEMENTS**

	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Project I	Copper Mountain Solar 3 Project	Columbia2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II Project	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project
<b>ASSETS</b>														
Noncurrent assets														
Investments - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets														
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents - unrestricted	1,941	1,357	4,422	1,511	5,437	2,297	1,228	1,104	1,025	3,141	2,208	2,148	1,334	3,753
Interest receivable	-	-	2	-	2	8	-	4	-	2	1	1	-	-
Accounts receivable	1	27	90	-	-	2,785	139	-	561	-	1,583	1,902	427	1,351
Prepaid and other assets	-	-	7	2	3	12	3	15	6	2	3	4	5	14
Total current assets	<u>1,942</u>	<u>1,384</u>	<u>4,521</u>	<u>1,513</u>	<u>5,442</u>	<u>5,102</u>	<u>1,370</u>	<u>1,123</u>	<u>1,592</u>	<u>3,145</u>	<u>3,795</u>	<u>4,055</u>	<u>1,766</u>	<u>5,118</u>
Total assets	<u>\$ 1,942</u>	<u>\$ 1,384</u>	<u>\$ 4,521</u>	<u>\$ 1,513</u>	<u>\$ 5,442</u>	<u>\$ 5,102</u>	<u>\$ 1,370</u>	<u>\$ 15,042</u>	<u>\$ 1,592</u>	<u>\$ 3,145</u>	<u>\$ 3,795</u>	<u>\$ 4,055</u>	<u>\$ 1,766</u>	<u>\$ 5,118</u>
<b>LIABILITIES</b>														
Current Liabilities														
Advances from participants due within one year	\$ 857	\$ 500	\$ 2,050	\$ 400	\$ 960	\$ -	\$ 400	\$ 400	\$ 171	\$ 960	\$ 2,000	\$ 2,000	\$ 600	\$ 800
Accounts payable and accruals	1,085	884	2,462	1,113	4,473	5,094	970	14,598	1,421	2,182	1,791	2,050	1,166	4,318
Total liabilities	<u>1,942</u>	<u>1,384</u>	<u>4,512</u>	<u>1,513</u>	<u>5,433</u>	<u>5,094</u>	<u>1,370</u>	<u>14,998</u>	<u>1,592</u>	<u>3,142</u>	<u>3,791</u>	<u>4,050</u>	<u>1,766</u>	<u>5,118</u>
Total liabilities	<u>1,942</u>	<u>1,384</u>	<u>4,512</u>	<u>1,513</u>	<u>5,433</u>	<u>5,094</u>	<u>1,370</u>	<u>14,998</u>	<u>1,592</u>	<u>3,142</u>	<u>3,791</u>	<u>4,050</u>	<u>1,766</u>	<u>5,118</u>
<b>NET POSITION</b>														
Unrestricted	-	-	9	-	9	8	-	44	-	3	4	5	-	-
Total net position	<u>-</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>	<u>8</u>	<u>-</u>	<u>44</u>	<u>-</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 1,942</u>	<u>\$ 1,384</u>	<u>\$ 4,521</u>	<u>\$ 1,513</u>	<u>\$ 5,442</u>	<u>\$ 5,102</u>	<u>\$ 1,370</u>	<u>\$ 15,042</u>	<u>\$ 1,592</u>	<u>\$ 3,145</u>	<u>\$ 3,795</u>	<u>\$ 4,055</u>	<u>\$ 1,766</u>	<u>\$ 5,118</u>

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Combining Statements of Net Position**  
**As of September 30, 2022**  
(Amounts in Thousands)

**POWER PURCHASE AGREEMENTS**

	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Totals
<b>ASSETS</b>																
<b>Noncurrent assets</b>																
Investments - unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 21,899	\$ -	\$ 7,758	\$ -	\$ -	\$ -	\$ -	\$ 11,908	\$ -	\$ -	\$ -	\$ 55,484
<b>Current assets</b>																
Cash and cash equivalents - restricted	-	-	-	-	-	-	8	-	-	-	33	-	-	-	-	41
Cash and cash equivalents - unrestricted	1,168	2,862	134	4,092	3,151	2,166	1,628	3,838	1,155	1,285	791	4,242	2,719	3,384	1,407	66,928
Interest receivable	-	-	-	-	57	2	3	1	-	-	1	3	-	-	-	87
Accounts receivable	275	939	33	1,000	-	249	14	618	40	392	-	-	-	184	1,206	13,816
Prepaid and other assets	6	8	3	21	16	8	-	2	1	2	3	11	11	5	-	173
Total current assets	1,449	3,809	170	5,113	3,224	2,425	1,653	4,459	1,196	1,679	828	4,256	2,730	3,573	2,613	81,045
Total assets	\$ 1,449	\$ 3,809	\$ 170	\$ 5,113	\$ 25,123	\$ 2,425	\$ 9,411	\$ 4,459	\$ 1,196	\$ 1,679	\$ 828	\$ 16,164	\$ 2,730	\$ 3,573	\$ 2,613	\$ 136,529
<b>LIABILITIES</b>																
<b>Current Liabilities</b>																
Advances from participants due within one year	\$ 300	\$ 900	\$ 90	\$ 420	\$ 400	\$ -	\$ 400	\$ 2,000	\$ 400	\$ 400	\$ 12	\$ 1,149	\$ 174	\$ 500	\$ 126	\$ 19,369
Accounts payable and accruals	1,149	2,909	80	4,693	24,654	2,421	8,982	2,452	796	1,279	815	14,977	2,556	3,073	2,487	116,930
Total liabilities	1,449	3,809	170	5,113	25,054	2,421	9,382	4,452	1,196	1,679	827	16,126	2,730	3,573	2,613	136,299
Total liabilities	1,449	3,809	170	5,113	25,054	2,421	9,382	4,452	1,196	1,679	827	16,126	2,730	3,573	2,613	136,299
<b>NET POSITION</b>																
Unrestricted	-	-	-	-	69	4	29	7	-	-	1	38	-	-	-	230
Total net position	-	-	-	-	69	4	29	7	-	-	1	38	-	-	-	230
Total liabilities and net position	\$ 1,449	\$ 3,809	\$ 170	\$ 5,113	\$ 25,123	\$ 2,425	\$ 9,411	\$ 4,459	\$ 1,196	\$ 1,679	\$ 828	\$ 16,164	\$ 2,730	\$ 3,573	\$ 2,613	\$ 136,529

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Combining Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Three Months Ended September 30, 2023**  
(Amounts in Thousands)

**POWER PURCHASE AGREEMENTS**

	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Project I	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II Project	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project
Operating revenues														
Sales of electric energy	\$ -	\$ 82	\$ 6,079	\$ 561	\$ 2,192	\$ 15,559	\$ 1,249	\$ 5,561	\$ 2,042	\$ 1,483	\$ 6,077	\$ 7,071	\$ 1,355	\$ 4,294
Total operating revenues	<u>-</u>	<u>82</u>	<u>6,079</u>	<u>561</u>	<u>2,192</u>	<u>15,559</u>	<u>1,249</u>	<u>5,561</u>	<u>2,042</u>	<u>1,483</u>	<u>6,077</u>	<u>7,071</u>	<u>1,355</u>	<u>4,294</u>
Operating expenses														
Operations and maintenance	-	85	6,162	564	2,250	15,672	1,253	5,813	2,044	1,516	6,123	7,138	1,361	4,301
Total operating expenses	<u>-</u>	<u>85</u>	<u>6,162</u>	<u>564</u>	<u>2,250</u>	<u>15,672</u>	<u>1,253</u>	<u>5,813</u>	<u>2,044</u>	<u>1,516</u>	<u>6,123</u>	<u>7,138</u>	<u>1,361</u>	<u>4,301</u>
Operating income (loss)	<u>-</u>	<u>(3)</u>	<u>(83)</u>	<u>(3)</u>	<u>(58)</u>	<u>(113)</u>	<u>(4)</u>	<u>(252)</u>	<u>(2)</u>	<u>(33)</u>	<u>(46)</u>	<u>(67)</u>	<u>(6)</u>	<u>(7)</u>
Non operating revenues (expenses)														
Investment and other income	-	3	73	3	65	101	6	253	2	37	51	59	6	8
Change in net position	-	-	(10)	-	7	(12)	2	1	-	4	5	(8)	-	1
Net position - beginning of year	<u>-</u>	<u>1</u>	<u>36</u>	<u>1</u>	<u>18</u>	<u>40</u>	<u>1</u>	<u>126</u>	<u>1</u>	<u>11</u>	<u>21</u>	<u>25</u>	<u>2</u>	<u>2</u>
Net position - end of period	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 26</u>	<u>\$ 1</u>	<u>\$ 25</u>	<u>\$ 28</u>	<u>\$ 3</u>	<u>\$ 127</u>	<u>\$ 1</u>	<u>\$ 15</u>	<u>\$ 26</u>	<u>\$ 17</u>	<u>\$ 2</u>	<u>\$ 3</u>

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Combining Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Three Months Ended September 30, 2023**  
**(Amounts in Thousands)**

**POWER PURCHASE AGREEMENTS**

	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Totals
Operating revenues																
Sales of electric energy	\$ 1,630	\$ 3,159	\$ 204	\$ 5,780	\$ 23,094	\$ 4,251	\$ (88)	\$ 3,419	\$ 240	\$ 2,213	\$ 281	\$ 9,208	\$ 2,631	\$ 880	\$ 2,705	\$ 113,212
Total operating revenues	<u>1,630</u>	<u>3,159</u>	<u>204</u>	<u>5,780</u>	<u>23,094</u>	<u>4,251</u>	<u>(88)</u>	<u>3,419</u>	<u>240</u>	<u>2,213</u>	<u>281</u>	<u>9,208</u>	<u>2,631</u>	<u>880</u>	<u>2,705</u>	<u>113,212</u>
Operating expenses																
Operations and maintenance	1,634	3,168	205	5,793	23,120	4,276	21	3,460	242	2,216	291	9,515	2,635	890	2,709	114,457
Total operating expenses	<u>1,634</u>	<u>3,168</u>	<u>205</u>	<u>5,793</u>	<u>23,120</u>	<u>4,276</u>	<u>21</u>	<u>3,460</u>	<u>242</u>	<u>2,216</u>	<u>291</u>	<u>9,515</u>	<u>2,635</u>	<u>890</u>	<u>2,709</u>	<u>114,457</u>
Operating income (loss)	<u>(4)</u>	<u>(9)</u>	<u>(1)</u>	<u>(13)</u>	<u>(26)</u>	<u>(25)</u>	<u>(109)</u>	<u>(41)</u>	<u>(2)</u>	<u>(3)</u>	<u>(10)</u>	<u>(307)</u>	<u>(4)</u>	<u>(10)</u>	<u>(4)</u>	<u>(1,245)</u>
Non operating revenues (expenses)																
Investment and other income	5	9	1	11	43	28	106	41	5	3	10	321	4	11	3	1,268
Change in net position	1	-	-	(2)	17	3	(3)	-	3	-	-	14	-	1	(1)	23
Net position - beginning of year	<u>1</u>	<u>3</u>	<u>-</u>	<u>5</u>	<u>4</u>	<u>7</u>	<u>74</u>	<u>14</u>	<u>2</u>	<u>1</u>	<u>3</u>	<u>159</u>	<u>1</u>	<u>3</u>	<u>2</u>	<u>564</u>
Net position - end of period	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 21</u>	<u>\$ 10</u>	<u>\$ 71</u>	<u>\$ 14</u>	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 173</u>	<u>\$ 1</u>	<u>\$ 4</u>	<u>\$ 1</u>	<u>\$ 587</u>

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Combining Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

**POWER PURCHASE AGREEMENTS**

	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Project I	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II Project	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project
Operating revenues														
Sales of electric energy	\$ -	\$ 64	\$ 5,955	\$ 659	\$ 2,310	\$ 15,466	\$ 1,588	\$ 3,375	\$ 2,723	\$ 1,565	\$ 6,145	\$ 7,214	\$ 2,373	\$ 6,023
Total operating revenues	-	64	5,955	659	2,310	15,466	1,588	3,375	2,723	1,565	6,145	7,214	2,373	6,023
Operating expenses														
Operations and maintenance	-	64	5,976	659	2,321	15,483	1,588	3,405	2,723	1,576	6,161	7,230	2,373	6,023
Total operating expenses	-	64	5,976	659	2,321	15,483	1,588	3,405	2,723	1,576	6,161	7,230	2,373	6,023
Operating income (loss)	-	-	(21)	-	(11)	(17)	-	(30)	-	(11)	(16)	(16)	-	-
Non operating revenues (expenses)														
Investment and other income	-	-	26	-	18	20	-	72	-	13	16	17	-	-
Net non operating revenues (expenses)	-	-	1	-	2	2	-	2	-	1	2	2	-	-
Change in net position	-	-	5	-	7	3	-	42	-	2	-	1	-	-
Net position - beginning of year	-	-	4	-	2	5	-	2	-	1	4	4	-	-
Net position - end of period	\$ -	\$ -	\$ 9	\$ -	\$ 9	\$ 8	\$ -	\$ 44	\$ -	\$ 3	\$ 4	\$ 5	\$ -	\$ -

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**Combining Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Three Months Ended September 30, 2022**  
**(Amounts in Thousands)**

**POWER PURCHASE AGREEMENTS**

	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Totals
Operating revenues																
Sales of electric energy	\$ 2,405	\$ 5,056	\$ 237	\$ 7,859	\$ 20,951	\$ 4,483	\$ 7	\$ 3,777	\$ 295	\$ 5,779	\$ 91	\$ 6,448	\$ 2,770	\$ 118	\$ 5,637	\$ 121,373
Total operating revenues	<u>2,405</u>	<u>5,056</u>	<u>237</u>	<u>7,859</u>	<u>20,951</u>	<u>4,483</u>	<u>7</u>	<u>3,777</u>	<u>295</u>	<u>5,779</u>	<u>91</u>	<u>6,448</u>	<u>2,770</u>	<u>118</u>	<u>5,637</u>	<u>121,373</u>
Operating expenses																
Operations and maintenance	2,405	5,056	237	7,859	20,965	4,490	17	3,795	295	5,779	93	6,481	2,781	302	5,637	121,774
Total operating expenses	<u>2,405</u>	<u>5,056</u>	<u>237</u>	<u>7,859</u>	<u>20,965</u>	<u>4,490</u>	<u>17</u>	<u>3,795</u>	<u>295</u>	<u>5,779</u>	<u>93</u>	<u>6,481</u>	<u>2,781</u>	<u>302</u>	<u>5,637</u>	<u>121,774</u>
Operating income (loss)	-	-	-	-	(14)	(7)	(10)	(18)	-	-	(2)	(33)	(11)	(184)	-	(401)
Non operating revenues (expenses)																
Investment and other income	-	-	-	-	113	10	44	22	-	-	3	67	11	184	-	636
Net non operating revenues (expenses)	-	-	-	-	3	3	6	3	-	168	-	-	-	-	-	195
Change in net position	-	-	-	-	99	3	34	4	-	-	1	34	-	-	-	235
Net position - beginning of year	-	-	-	-	(30)	1	(5)	3	-	-	-	4	-	-	-	(5)
Net position - end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69</u>	<u>\$ 4</u>	<u>\$ 29</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
Combining Statements of Cash Flows  
For the Three Months Ended September 30, 2023  
(Amounts in Thousands)

POWER PURCHASE AGREEMENTS

	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Project I	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project
Cash flows from operating activities														
Receipts from participants	\$ -	\$ 34	\$ 5,292	\$ 552	\$ 3,057	\$ 14,760	\$ 450	\$ 5,928	\$ 556	\$ 2,181	\$ 5,238	\$ 6,108	\$ 626	\$ 1,113
Payments to operating managers	-	(94)	(6,668)	(370)	(2,246)	(16,649)	(495)	(5,833)	(1,338)	(1,490)	(6,549)	(7,694)	(671)	(1,890)
Other disbursements and receipts	-	-	1	-	(1)	(1)	2,794	(4)	761	3	-	-	503	1,730
Net cash flow from operating activities	-	(60)	(1,375)	182	810	(1,890)	2,749	91	(21)	694	(1,311)	(1,586)	458	953
Cash flows from noncapital financing activities														
Advances (withdrawals) by participants, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities														
Interest received on investments	-	3	62	3	61	99	3	249	2	35	56	57	5	6
Purchases of investments	-	-	-	-	-	-	-	(4,723)	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used for) investing activities	-	3	62	3	61	99	3	(4,474)	2	35	56	57	5	6
Net inc (dec) in cash and cash equivalents	-	(57)	(1,313)	185	871	(1,791)	2,752	(4,383)	(19)	729	(1,255)	(1,529)	463	959
Cash and cash equivalents, beg. of year	-	1,099	6,319	1,011	4,559	8,341	1,308	19,080	756	2,487	4,390	5,127	1,771	2,134
Cash and cash equivalents, end of period	\$ -	\$ 1,042	\$ 5,006	\$ 1,196	\$ 5,430	\$ 6,550	\$ 4,060	\$ 14,697	\$ 737	\$ 3,216	\$ 3,135	\$ 3,598	\$ 2,234	\$ 3,093
Reconciliation of operating income (loss) to net cash provided by operating activities														
Operating income (loss)	\$ -	\$ (3)	\$ (83)	\$ (3)	\$ (58)	\$ (113)	\$ (4)	\$ (252)	\$ (2)	\$ (33)	\$ (46)	\$ (67)	\$ (6)	\$ (7)
Changes in assets and liabilities:														
Accounts receivable	-	-	(786)	(9)	-	(799)	(44)	-	(241)	-	(840)	(962)	(20)	(399)
Accounts payable and accruals	-	(57)	(506)	194	868	(977)	2,797	344	222	727	(425)	(556)	485	1,361
Other	-	-	-	-	-	(1)	-	(1)	-	-	-	(1)	(1)	(2)
Net cash provided by operating activities	\$ -	\$ (60)	\$ (1,375)	\$ 182	\$ 810	\$ (1,890)	\$ 2,749	\$ 91	\$ (21)	\$ 694	\$ (1,311)	\$ (1,586)	\$ 458	\$ 953
Cash and cash equivalents as stated in the Combining Statement of Net Position														
Cash/cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents - unrestricted	-	1,042	5,006	1,196	5,430	6,550	4,060	14,697	737	3,216	3,135	3,598	2,234	3,093
	\$ -	\$ 1,042	\$ 5,006	\$ 1,196	\$ 5,430	\$ 6,550	\$ 4,060	\$ 14,697	\$ 737	\$ 3,216	\$ 3,135	\$ 3,598	\$ 2,234	\$ 3,093

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
Combining Statements of Cash Flows  
For the Three Months Ended September 30, 2023  
(Amounts in Thousands)

POWER PURCHASE AGREEMENTS

	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Omat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyalton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Star Peak Geothermal Project	Mammoth Casa Diablo IV Energy Project	Totals
Cash flows from operating activities																
Receipts from participants	\$ 559	\$ 944	\$ 201	\$ 270	\$ 26,898	\$ 5,169	\$ 14	\$ 3,099	\$ 381	\$ 723	\$ 344	\$ 13,851	\$ 2,784	\$ 1,686	\$ 2,119	\$ 104,937
Payments to operating managers	(774)	(1,362)	(173)	(979)	(22,424)	(4,479)	(42)	(3,717)	(187)	(381)	(391)	(9,931)	(1,803)	(684)	(1,380)	(100,694)
Other disbursements and receipts	592	1,389	(1)	(4)	4	(1)	-	-	-	-	(1)	(2)	-	1	6	7,769
Net cash flow from operating activities	377	971	27	(713)	4,478	689	(28)	(618)	194	342	(48)	3,918	981	1,003	745	12,012
Cash flows from noncapital financing activities																
Advances (withdrawals) by participants, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities																
Interest received on investments	3	7	1	10	32	27	25	41	3	3	10	216	4	9	4	1,036
Purchases of investments	-	-	-	-	-	-	(1,955)	-	-	-	-	(7,397)	-	-	-	(14,075)
Proceeds from sale/maturity of investments	-	-	-	-	-	-	4,500	-	-	-	-	16,300	-	-	-	20,800
Net cash provided by (used for) investing activities	3	7	1	10	32	27	2,570	41	3	3	10	9,119	4	9	4	7,761
Net inc (dec) in cash and cash equivalents	380	978	28	(703)	4,510	716	2,542	(577)	197	345	(38)	13,037	985	1,012	749	19,773
Cash and cash equivalents, beg. of year	1,309	2,652	224	4,522	374	1,884	2,161	3,386	1,308	1,107	790	639	1,409	3,371	1,172	84,690
Cash and cash equivalents, end of period	\$ 1,689	\$ 3,630	\$ 252	\$ 3,819	\$ 4,884	\$ 2,600	\$ 4,703	\$ 2,809	\$ 1,505	\$ 1,452	\$ 752	\$ 13,676	\$ 2,394	\$ 4,383	\$ 1,921	\$ 104,463
Reconciliation of operating income (loss) to net cash provided by operating activities																
Operating income (loss)	\$ (4)	\$ (9)	\$ (1)	\$ (13)	\$ (26)	\$ (25)	\$ (109)	\$ (41)	\$ (2)	\$ (3)	\$ (10)	\$ (307)	\$ (4)	\$ (10)	\$ (4)	\$ (1,245)
Changes in assets and liabilities:																
Accounts receivable	(41)	(45)	(3)	(34)	-	-	4	(320)	(110)	-	(1)	-	-	(494)	1	(5,143)
Accounts payable and accruals	422	1,024	31	(665)	4,507	715	78	(256)	305	345	(38)	4,226	987	1,507	757	18,422
Other	-	1	-	(1)	(3)	(1)	(1)	(1)	1	-	1	(1)	(2)	-	(9)	(22)
Net cash provided by operating activities	\$ 377	\$ 971	\$ 27	\$ (713)	\$ 4,478	\$ 689	\$ (28)	\$ (618)	\$ 194	\$ 342	\$ (48)	\$ 3,918	\$ 981	\$ 1,003	\$ 745	\$ 12,012
Cash and cash equivalents as stated in the Combining Statement of Net Position																
Cash/cash equivalents - restricted	-	-	-	-	-	-	3	-	-	-	24	-	-	-	-	27
Cash/cash equivalents - unrestricted	1,689	3,630	252	3,819	4,884	2,600	4,700	2,809	1,505	1,452	728	13,676	2,394	4,383	1,921	104,436
	\$ 1,689	\$ 3,630	\$ 252	\$ 3,819	\$ 4,884	\$ 2,600	\$ 4,703	\$ 2,809	\$ 1,505	\$ 1,452	\$ 752	\$ 13,676	\$ 2,394	\$ 4,383	\$ 1,921	\$ 104,463



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
Combining Statements of Cash Flows  
For the Three Months Ended September 30, 2022  
(Amounts in Thousands)

POWER PURCHASE AGREEMENTS

	Ormat Geothermal Energy Project	MWD Small Hydro Project	Pebble Springs Project	Ameresco Chiquita Landfill Gas Project	Don A. Campbell / Wild Rose Project I	Copper Mountain Solar 3 Project	Columbia 2 Solar Project	Heber 1 Geothermal Project	Kingbird Solar Project	Don A. Campbell II	Springbok I Project	Springbok II Project	Summer Solar Project	Astoria 2 Solar Project
Cash flows from operating activities														
Receipts from participants	\$ -	\$ 8	\$ 5,865	\$ 690	\$ 3,390	\$ 14,778	\$ 101	\$ 7,260	\$ 108	\$ 2,451	\$ 5,082	\$ 6,108	\$ 128	\$ 245
Receipts from sale of oil and gas	-	(94)	(6,425)	(707)	(2,236)	(16,328)	(997)	(3,301)	(1,394)	(1,488)	(6,734)	(7,994)	(1,276)	(2,980)
Payments to operating managers	-	-	-	6	1,731	-	872	(1)	1,474	194	-	-	1,274	3,582
Other disbursements and receipts	-	-	-	6	1,731	-	872	(1)	1,474	194	-	-	1,274	3,582
Net cash flow from operating activities	-	(86)	(560)	(11)	2,885	(1,550)	(24)	3,958	188	1,157	(1,652)	(1,886)	126	847
Cash flows from noncapital financing activities														
Advances from participants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities														
Interest received on investments	-	-	20	-	17	16	-	26	-	12	17	17	-	-
Purchases of investments	-	-	-	-	-	-	-	(10,397)	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	2,000	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used for) investing activities	-	-	2,020	-	17	16	-	(10,371)	-	12	17	17	-	-
Net inc (dec) in cash and cash equivalents	-	(86)	1,460	(11)	2,902	(1,534)	(24)	(6,413)	188	1,169	(1,635)	(1,869)	126	847
Cash and cash equivalents, beg. of year	1,941	1,443	2,962	1,522	2,535	3,831	1,252	7,517	837	1,972	3,843	4,017	1,208	2,906
Cash and cash equivalents, end of period	\$ 1,941	\$ 1,357	\$ 4,422	\$ 1,511	\$ 5,437	\$ 2,297	\$ 1,228	\$ 1,104	\$ 1,025	\$ 3,141	\$ 2,208	\$ 2,148	\$ 1,334	\$ 3,753
Reconciliation of operating income (loss) to net cash provided by operating activities														
Operating income (loss)	\$ -	\$ -	\$ (21)	\$ -	\$ (11)	\$ (17)	\$ -	\$ (30)	\$ -	\$ (11)	\$ (16)	\$ (16)	\$ -	\$ -
Changes in assets and liabilities:														
Accounts receivable	-	(27)	(90)	7	-	(688)	43	-	(209)	-	(1,063)	(1,106)	(85)	(274)
Accounts payable and accruals	-	(59)	(448)	(17)	2,896	(844)	(67)	3,990	396	1,168	(572)	(764)	211	1,122
Other	-	-	(1)	(1)	-	(1)	-	(2)	1	-	(1)	-	-	(1)
Net cash provided by operating activities	\$ -	\$ (86)	\$ (560)	\$ (11)	\$ 2,885	\$ (1,550)	\$ (24)	\$ 3,958	\$ 188	\$ 1,157	\$ (1,652)	\$ (1,886)	\$ 126	\$ 847
Cash and cash equivalents as stated in the Combining Statement of Net Position														
Cash/cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents - unrestricted	1,941	1,357	4,422	1,511	5,437	2,297	1,228	1,104	1,025	3,141	2,208	2,148	1,334	3,753
	\$ 1,941	\$ 1,357	\$ 4,422	\$ 1,511	\$ 5,437	\$ 2,297	\$ 1,228	\$ 1,104	\$ 1,025	\$ 3,141	\$ 2,208	\$ 2,148	\$ 1,334	\$ 3,753

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
Combining Statements of Cash Flows  
For the Three Months Ended September 30, 2022  
(Amounts in Thousands)

POWER PURCHASE AGREEMENTS

	Antelope Big Sky Ranch Project	Antelope DSR I Solar Project	Antelope DSR II Solar Project	Puente Hills Landfill Gas Project	Ormat Nevada Geothermal Project	Ormesa Geothermal Project	ARP Loyaltton Biomass Project	Springbok III Project	Whitegrass Geothermal Project	Desert Harvest Project	Roseburg Biomass Project	Red Cloud Wind Project	COSO Project	Totals		
Cash flows from operating activities																
Receipts from participants	\$ 132	\$ -	\$ 204	\$ 502	\$ 23,028	\$ 5,340	\$ 8	\$ 3,159	\$ 393	\$ 900	\$ 418	\$ 15,519	\$ 2,781	\$ 2,415	\$ 1,407	\$ 102,420
Receipts from sale of oil and gas																\$ -
Payments to operating managers	(1,261)	(2,289)	(249)	(596)	(19,192)	(4,483)	(19)	(3,898)	(494)	(865)	(200)	(7,532)	(2,773)	(20)	-	(95,825)
Other disbursements and receipts	1,247	3,043	-	(5)	(1)	1	-	-	(1)	-	1	9	10	989	-	14,425
Net cash flow from operating activities	118	754	(45)	(99)	3,835	858	(11)	(739)	(102)	35	219	7,996	18	3,384	1,407	21,020
Cash flows from noncapital financing activities																
Advances from participants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities																
Interest received on investments	-	-	-	-	(10)	8	4	22	-	-	2	40	-	-	-	191
Purchases of investments	-	-	-	-	(3,446)	-	(4,742)	-	-	-	-	(11,883)	-	-	-	(30,468)
Proceeds from sale/maturity of investments	-	-	-	-	-	-	4,500	-	-	-	-	-	-	-	-	6,500
Net cash provided by (used for) investing activities	-	-	-	-	(3,456)	8	(238)	22	-	-	2	(11,843)	-	-	-	(23,777)
Net inc (dec) in cash and cash equivalents	118	754	(45)	(99)	379	866	(249)	(717)	(102)	35	221	(3,847)	18	3,384	1,407	(2,757)
Cash and cash equivalents, beg. of year	1,050	2,108	179	4,191	2,772	1,300	1,885	4,555	1,257	1,250	603	8,089	2,701	-	-	69,726
Cash and cash equivalents, end of period	\$ 1,168	\$ 2,862	\$ 134	\$ 4,092	\$ 3,151	\$ 2,166	\$ 1,636	\$ 3,838	\$ 1,155	\$ 1,285	\$ 824	\$ 4,242	\$ 2,719	\$ 3,384	\$ 1,407	\$ 66,969
Reconciliation of operating income (loss) to net cash provided by operating activities																
Operating income (loss)	\$ -	\$ -	\$ -	\$ -	\$ (14)	\$ (7)	\$ (10)	\$ (18)	\$ -	\$ -	\$ (2)	\$ (33)	\$ (11)	\$ (184)	\$ -	\$ (401)
Changes in assets and liabilities:																
Accounts receivable	(164)	(204)	(32)	(999)	-	-	(2)	(618)	-	(392)	2	-	-	(184)	(1,206)	(7,291)
Accounts payable and accruals	282	958	(12)	901	3,850	866	1	(102)	(102)	427	219	8,030	19	3,573	2,613	28,535
Other	-	-	(1)	(1)	(1)	(1)	-	(1)	-	-	-	(1)	10	179	-	177
Net cash provided by operating activities	\$ 118	\$ 754	\$ (45)	\$ (99)	\$ 3,835	\$ 858	\$ (11)	\$ (739)	\$ (102)	\$ 35	\$ 219	\$ 7,996	\$ 18	\$ 3,384	\$ 1,407	\$ 21,020
Cash and cash equivalents as stated in the Combining Statement of Net Position																
Cash/cash equivalents - restricted	-	-	-	-	-	-	8	-	-	-	33	-	-	-	-	41
Cash/cash equivalents - unrestricted	1,168	2,862	134	4,092	3,151	2,166	1,628	3,838	1,155	1,285	791	4,242	2,719	3,384	1,407	66,928
	\$ 1,168	\$ 2,862	\$ 134	\$ 4,092	\$ 3,151	\$ 2,166	\$ 1,636	\$ 3,838	\$ 1,155	\$ 1,285	\$ 824	\$ 4,242	\$ 2,719	\$ 3,384	\$ 1,407	\$ 66,969



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

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# MEMO

**To:** SCPPA Finance Committee

**From:** Aileen Ma, Chief Financial & Administrative Officer

**Date:** January 8, 2024

**Re:** **FY 2023-24 Administrative & General (A&G) Expense Budget to Actual Comparison Report – November 2023**

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As of November 30, 2023, total A&G expenditures were \$3,967,377 which is \$475,878 or 10.7% under the year-to-date budget.

Total Indirect A&G expenditures were \$2,139,189 which is \$255,701 or 10.7% under budget. The under budget was primarily due to:

- Savings in meeting expenses due to lower than expected number of Member staff attending Working Group meetings in person versus virtually.
- Timing of expenditures and invoices from vendors and consultants.

The under budget was partially offset by an increase in workers' compensation insurance premium and additional premium contribution for correcting retiree medical insurance.

Total Direct A&G expenditures were \$1,828,188 which is \$220,177 or 10.7% under budget. The under budget was primarily due to the timing of expenditures for legal and consulting services and savings in agent billable costs because of personnel vacancy. The under budget was partially offset by the timing of invoices paid for annual trustee fees on the various project fund accounts. It is anticipated that trustee fees will trend back toward budget as the fiscal year progresses.

Southern California Public Power Authority  
 FY 2023-24 Administrative & General (A&G) Expense Budget to Actual  
 November 30, 2023

	ANNUAL BUDGET FY 2023-2024	YTD BUDGET 11/30/2023	YTD ACTUAL 11/30/2023	Under / (Over) Budget	% Variance
Salaries	\$ 2,907,600	\$ 1,211,500	\$ 1,158,255	\$ 53,245	4.4%
Employee Benefits	742,600	385,215	356,056	29,159	7.6%
Office Building Costs	180,400	61,534	62,202	(668)	-1.1%
Office Equipment and IT	135,060	72,837	65,416	7,421	10.2%
Office Expenses	65,100	27,125	19,047	8,079	29.8%
Insurance	150,370	123,770	125,967	(2,197)	-1.8%
Meeting Expense	54,700	22,794	11,997	10,797	47.4%
Travel and Conferences	55,500	23,125	10,251	12,874	55.7%
Staff Training/Development	53,000	22,081	129	21,952	99.4%
Memberships and Dues	23,730	1,550	821	729	47.0%
Subscriptions	19,210	8,003	5,725	2,278	28.5%
Gov't Affairs (Sacramento Office)	175,550	68,531	56,026	12,505	18.2%
Legislative Advocacy	366,200	166,029	164,848	1,181	0.7%
Regulatory Advocacy	200,000	83,331	40,565	42,766	51.3%
General Legal Services	130,000	54,169	40,904	13,266	24.5%
Auditing Services	4,800	4,611	4,611	(0)	0.0%
Consulting & Other Services	97,350	40,559	5,301	35,258	86.9%
Financial Advisor	90,000	37,500	30,000	7,500	20.0%
Budget Contingency	136,280	-	-	-	0.0%
<b>Subtotal</b>	<b>\$ 5,587,450</b>	<b>\$ 2,414,264</b>	<b>\$ 2,158,121</b>	<b>\$ 256,143</b>	<b>10.6%</b>
Glendora Project Accounting - Direct A&G	(46,500)	(19,375)	(18,933)	(442)	2.3%
<b>TOTAL INDIRECT A&amp;G</b>	<b>\$ 5,540,950</b>	<b>\$ 2,394,889</b>	<b>\$ 2,139,189</b>	<b>\$ 255,701</b>	<b>10.7%</b>
Outside Counsels	\$ 434,500	\$ 181,044	\$ 82,336	\$ 98,708	54.5%
Auditing Services	351,200	337,389	337,389	0	0.0%
Consulting & Other Services	165,500	68,956	12,927	56,029	81.3%
Project Travel Costs	17,000	7,081	5,772	1,309	18.5%
WREGIS Fees	15,550	6,478	3,198	3,280	50.6%
Agent Billable Costs	2,911,700	1,213,208	1,137,335	75,873	6.3%
Trustee Fees	305,600	127,333	142,798	(15,465)	-12.1%
Rating Agency Fees	129,500	87,500	87,500	-	0.0%
<b>Subtotal</b>	<b>\$ 4,330,550</b>	<b>\$ 2,028,989</b>	<b>\$ 1,809,255</b>	<b>\$ 219,735</b>	<b>10.8%</b>
Glendora Project Accounting	46,500	19,375	18,933	442	2.3%
<b>TOTAL DIRECT A&amp;G</b>	<b>\$ 4,377,050</b>	<b>\$ 2,048,364</b>	<b>\$ 1,828,188</b>	<b>\$ 220,177</b>	<b>10.7%</b>
<b>TOTAL A&amp;G EXPENSES</b>	<b>\$ 9,918,000</b>	<b>\$ 4,443,253</b>	<b>\$ 3,967,377</b>	<b>\$ 475,878</b>	<b>10.7%</b>



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# MEMO

**To: Board of Directors**  
**From: Michael S. Webster, Executive Director**  
**Date: January 18, 2024**  
**Re: Destruction of Records in accordance with SCPPA's Document Retention and Destruction Policy and SCPPA Board Resolution No. 2023-102**

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As provided in SCPPA's Document Retention and Destruction Policy ("Policy"), in December 2023, SCPPA staff undertook a review of SCPPA records to identify documents that are eligible for destruction, based upon the Records Retention and Destruction Schedule ("Schedule") that is incorporated into the Policy. A list of the records to be destroyed has been compiled and is attached to this memo. SCPPA's General Counsel and Chief Financial Officer/ Chief Administrative Officer have reviewed the attached list of records to confirm that such records may be destroyed based on the Schedule and Policy.

This memo documents that the records identified on the attached list will be destroyed, in accordance with SCPPA Board Resolution No. 2032-102.

DocuSigned by:

*Michael S. Webster*

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Michael S. Webster  
Executive Director, SCPPA

# Destruction List

January 18, 2024

Name of Document	Type of Document	Date of Document	Retention Period
Certified Mail - Unexecuted Ormat Dispute Resolution Letter Agreement - NNGP	Letter and Supporting Documents	12/3/2019	2 Years
Advocacy, Renewable Project, Revolving, CitiGroup, Restructuring, Utility Alliance Account	Bank Statements and Deposits	CY 2008	7 Years
Advocacy, Renewable Project, Revolving, CitiGroup, Restructuring, Utility Alliance Account	Bank Statements and Deposits	CY 2009	7 Years
Ameresco, Restructuring, Renewable Project, Advocacy, Ice Bear, Natural Gas Reserves, MWD, Revolving, Ormat	Bank Statements, Deposits and Withdrawals	CY 2010	7 Years
Ameresco, Renewable Project, Advocacy, Ice Bear, Natural Gas Reserves, MWD, Revolving, Ormat	Bank Statements, Deposits and Withdrawals	CY 2011	7 Years
Ameresco, Advocacy, Ice Bear, Natural Gas Reserves, MWD, Revolving, Ormat	Bank Statements, Deposits and Withdrawals	CY 2012	7 Years
MWD, Ameresco, Columbia Two, Ice Bear, Kingbird, Ormat, Restructuring, Revolving, Natural Gas Reserves, Advocacy, Big Sky Ranch	Bank Statements, Deposits and Withdrawals	CY 2013	7 Years
Restructuring, Advocacy, Ice Bear, Columbia Two, Big Sky Ranch, Summer Solar, Revolving, MWD, Kingbird, Ormat, Natural Gas Reserves, Clearwater Solar	Bank Statements, Deposits and Withdrawals	CY 2014	7 Years
Ameresco, Ice Bear, Columbia Two, MWD, Clearwater, Natural Gas Reserves, Kingbird, Ormat, Revolving, Big Sky Ranch, Summer Solar, Advocacy	Bank Statements, Deposits and Withdrawals	CY 2015	7 Years
Ameresco, MWD, Ormat Projects	MPC Billings, Invoices	FY 2011-2012	7 Years
Ameresco, MWD, Ormat Projects	MPC Billings, Invoices	FY 2012-2013	7 Years
Ameresco, MWD, Ormat Projects	MPC Billings, Invoices	FY 2013-2014	7 Years
Ameresco, Columbia Two, MWD, Ormat Projects	MPC Billings, Invoices	FY 2014-2015	7 Years
Ameresco, Columbia Two, MWD, Ormat Projects	MPC Billings, Invoices	FY 2015-2016	7 Years
S Ortiz WF CC statement	Credit Card Record	12/28/2015	7 Years
Tele Express, Staples, Roth Staffing, De Lage Landen	Fraudulent Checks	FY 2014-2015	7 Years
Vendors 1099	1099 Issued	2002	7 Years
Vendors 1099	1099 Issued	2003	7 Years

Vendors 1099	1099 Issued	2004	7 Years
Vendors 1099	1099 Issued	2005	7 Years
Vendors 1099	1099 Issued	2006	7 Years
Vendors 1099	1099 Issued	2007	7 Years
Vendors 1099	1099 Issued	2008	7 Years
Vendors 1099	1099 Issued	2009	7 Years
Vendors 1099	1099 Issued	2010	7 Years
Vendors 1099	1099 Issued	2011	7 Years
Vendors 1099	1099 Issued	2012	7 Years
Vendors 1099	1099 Issued	2013	7 Years
Vendors 1099	1099 Issued	2014	7 Years
Vendors 1099	1099 Issued	2015	7 Years
Employees W-2	W-2	2008	7 Years
Employees W-2	W-2	2009	7 Years
Employees W-2	W-2	2012	7 Years
Employees W-2	W-2	2013	7 Years
Employees W-2	W-2	2014	7 Years
Employees W-2	W-2	2015	7 Years
SCPPA Classification Review and Total Compensation Report (CPS HR)	Consulting Report	5/8/2018	2 Years
SCPPA Classification Study for Administrative Services Manager & Senior Accountant (Koff & Associates)	Consulting Report	6/10/2019	2 Years
City of Vernon Request for Expressions of Interest and Information Jawbone Canyon	Vernon RFI document	2015	2 Years
Response to RFP for Energy and Scheduling from City of Riverside	Proposal (no contract awarded to Riverside)	10/30/2017	2 Years
OATI Web Cares Agreement ARP Loyaltan	OATI (Agreement cancelled)	2/14/2018	2 Years
Memorandum Questions for Finalist Vendors- SCPPA CAES RFP (Magnum)	Questions & Answers	4/20/2018	2 Years
Magnum proposal for CAES (2018)	Proposal	1/5/2018	2 Years
Hydrostor presentation for CAES	Presentation	5/1/2018	2 Years
Salton Sea Geothermal Presentation	Presentation	2018	2 Years
Power Grids Separation Notice to Hitachi 2019	Letter notice	9/17/2019	2 Years
Range Meeting with SCPPA on Hydrogen Co-Fired CAES	Presentation	8/22/2018	2 Years
CAES Proposal Short List Interview with SCPPA (Range)	Presentation	5/4/2018	2 Years
Responses to Questions from SCPPA CAES Short List Interview (Range)	Questions & Answers	5/4/2018	2 Years
Overview of Mineral & Surface Rights Acquisition (Range)	Presentation	8/22/2019	2 Years
Decommissioning Overview (Range)	Presentation	8/22/2019	2 Years
Planning for 100% Hydrogen Zero Carbon CAES (Range)	Presentation	8/22/2019	2 Years
Technical Meeting With SCPPA & LADWP	Presentation	2/26/2020	2 Years
21 and 30 year contract proposal (Range)	Letter	2/14/2019	2 Years
Range CAES 100% Hydrogen Pricing	Letter	1/28/2020	2 Years
Magnum Letter on CAES	Letter	5/15/2019	2 Years
Magnum Letter on CAES	Letter	6/24/2019	2 Years

Range Memo on Mineral and Surface Rights Process for CAES Project	Memo	8/22/2019	2 Years
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Approved:

DocuSigned by:  
*Christine Godines*  
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**Christine Godines**  
General Counsel

Approved:

DocuSigned by:  
*Aileen Ma*  
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**Aileen Ma**  
CFO & CAO



## **MAGNOLIA POWER PLANT OPERATIONS REPORT December 2023**

### **Reporting Period**

**December 1-31, 2023**

### **Workforce Safety Statistics**

- There were zero (0) lost time accidents this month and zero (0) year-to-date (YTD).
- There were zero (0) reportable incidents in December and zero (0) YTD.

### **Plant Performance Information**

- **Availability:** 91.9% in December, 97.3% fiscal year-to-date (FYTD), and 96.3% YTD. (A table showing monthly plant availability for the past twenty-four months is attached.)
- **Unit Capacity Factor (240 MW):** 73.7% in December, 72.9% FYTD, and 70.0% YTD.
- **Fired Factored Hours:** 683.5 hours in December 2023.
- **Plant Starts (5 starts/month allowed):** One (1) start used during December.
- **Statistics:** Details are provided on the attached monthly production report entitled "Year-to-Date Summary of Statistics CY 2023 & FY 2023-24".

### **Plant Outage Summary and Other Actions Taken by Operating Agent**

- MPP was shut down on December 15, 2023 to perform an offline water wash of the combustion turbine compressor. Balance of plant maintenance was also performed during this outage. MPP was restarted on December 18, 2023.
- A table entitled "Outage Summary" is attached it shows all the outages that have occurred over the past twelve (12) months. The "2023-2027 Scheduled Inspection Plan" is also attached showing the calendar for future planned outages at MPP.
- Triennial emissions compliance testing was performed on December 20 – 21, 2023; results of the test are pending.
- GE Engineering personnel performed testing on December 22, 2023 to evaluate combustion turbine emissions and begin tuning to improve emissions performance. This work resulted in an improvement of 2MW of the Resource Minimum value. The minimum operating value for MPP is currently 94MW, down from 96MW. Another tune will be necessary to complete the tuning and restore the MPP back to the normal Resource Minimum value. GE Engineering personnel are in the process of developing a test plan for that work and once provided, another day or two of tuning will be scheduled.
- There were no instances of stranded energy in December 2023 (a table showing stranded energy by month is attached).

**MAGNOLIA MONTHLY PRODUCTION REPORT**  
**Year-to-Date Summary of Statistics**  
**CY 2023 & FY 2023-24**

		2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FYTD	YTD
<b><u>ENERGY</u></b>															
Combustion Turbine (Gross)	MWH	88,733	82,568	67,105	70,015	62,895	66,191	90,631	87,895	73,952	67,533	82,141	84,689	486,842	924,349
Steam Turbine	MWH	53,953	49,958	42,961	48,897	47,749	44,899	56,269	56,580	49,211	49,713	52,441	51,752	315,967	604,383
Plant Generation (Gross)	MWH	142,686	132,526	110,066	118,913	110,644	111,089	146,900	144,475	123,163	117,246	134,583	136,441	802,809	1,528,732
Plant Auxiliaries (Unit Aux.)	MWH	5,056	4,688	3,993	4,823	4,847	4,381	5,328	5,293	4,611	5,051	5,092	4,826	30,201	57,989
Plant Auxiliaries (Reserve)	MWH	71	6	456	6	6	355	6	7	359	7	6	330	715	1,615
Plant Generation (Net)	MWH	137,630	127,838	106,073	114,090	105,797	106,708	141,573	139,182	118,552	112,195	129,490	131,615	772,609	1,470,744
Capacity Factor (240 MW Net)	%	77.1%	79.3%	59.4%	66.0%	59.3%	61.8%	79.3%	77.9%	68.6%	62.8%	74.9%	73.7%	72.9%	70.0%
<b><u>THERMAL EFFICIENCY</u></b>															
Combustion Turbine (Gross)	BTU/KWh	11,547	11,557	12,135	13,126	13,984	12,922	11,966	12,051	12,376	13,519	12,229	11,797	12,274	12,357
Total Plant (Gross)	BTU/KWh	7,181	7,201	7,401	7,728	7,950	7,702	7,412	7,431	7,531	7,792	7,464	7,350	7,487	7,495
Total Plant (Net)	BTU/KWh	7,444	7,465	7,679	8,055	8,314	8,019	7,691	7,714	7,824	8,143	7,758	7,619	7,780	7,791
<b><u>AVAILABILITY</u></b>															
Hours in the Month	Hours	744.0	672.0	744.0	720.0	744.0	720.0	744.0	744.0	720.0	744.0	720.0	744.0	4,416.0	8760.0
Plant Operating Hours	Hours	737.6	672.0	610.8	720.0	744.0	659.5	744.0	744.0	659.5	744.0	720.0	683.5	4,295.0	8438.9
Duct Burner Operating Hours	Hours	0.1	0.1	0.6	0.1	0.6	3.1	33.6	95.3	60.5	4.9	0.1	12.7	207.0	211.6
Plant Availability	%	99.1%	100.0%	82.1%	100.0%	100.0%	91.6%	100.0%	100.0%	91.6%	100.0%	100.0%	91.9%	97.3%	96.3%
Offline yet Available Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Planned Outage Hours	Hours	0.0	0.0	103.2	0.0	0.0	60.5	0.0	0.0	60.5	0.0	0.0	60.5	121.0	284.7
Forced Outage Hours	Hours	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.4
Forced Outage	%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Total Hours Offline	Hours	6.4	0.0	103.2	0.0	0.0	60.5	0.0	0.0	60.5	0.0	0.0	60.5	121.0	291.2
Forced Derated Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(FFH) From Peak Power	Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Factored Fired Hours	Hours	737.6	672.0	610.8	720.0	744.0	659.5	744.0	744.0	659.5	744.0	720.0	683.5	4,295.0	8,438.9
(FFH) Before Next Inspection	Hours	16,835	16,163	15,552	14,832	14,088	13,428	12,684	11,940	11,281	10,537	9,817	9,133	-	-
Estimated Date of Next Major Outage															Jan 2025
<b><u>FUEL USAGE AND QUALITY</u></b>															
Combustion Turbine	DTH	1,024,574	954,258	814,325	919,007	879,540	855,285	1,084,506	1,059,216	915,235	912,961	1,004,543	999,045	5,975,507	11,422,496
Duct Burner	DTH	8	8	227	4	39	372	4,312	14,388	12,349	605	4	3,783	35,441	36,098
Duct Burner	MMSCF	0.0	0.0	0.2	0.0	0.0	0.4	4.1	13.7	11.8	0.6	0.0	3.6	34	34
Duct Burner Fuel Remaining	MMSCF	555.0	555.0	554.8	554.8	554.7	554.4	550.3	536.6	524.8	524.2	524.2	520.6	-	-
Total Plant Usage	DTH	1,024,582	954,266	814,552	919,011	879,579	855,656	1,088,819	1,073,604	927,585	913,566	1,004,547	1,002,827	6,010,948	11,458,594
Gas BTU (HHV)	BTU/SCF	1,064	1,037	1,032	1,027	1,035	1,038	1,039	1,032	1,034	1,033	1,030	1,050	1,036	1,038

## Magnolia Power Plant - Outage Summary

Outages During the Reporting Period December 1-31, 2023				
Outage Type	Start Date/Time	End Date/Time	Hours	Comments
PO	12/15/23 6:03 PM	12/18/23 6:32 AM	60.5	CT water wash

Summary of Outages During the Past Twelve Months				
Outage Type	Start Date	End Date	Hours	Cause
FO	January 23, 2023	January 23, 2023	6.4	Failed hazardous gas sensor
PO	March 24, 2023	March 30, 2023	132.2	CT borescope/boiler inspection
PO	June 23, 2023	June 26, 2023	60.5	CT water wash
PO	September 22, 2023	September 25, 2023	60.5	CT water wash

Outage Type Legend
RS - Reserve Shutdown
PO - Planned Outage
FO - Forced Outage
OMC - Outside of Management Control

## Magnolia Power Plant - Availability Summary Table

Monthly	Quarterly	Semi-Annually	Annually
Jan-22 100.0%	Q1 '22 88.6%	H1 '22 92.9%	Yr '22 94.8%
Feb-22 100.0%			
Mar-22 67.8%			
Apr-22 98.8%	Q2 '22 96.9%		
May-22 100.0%			
Jun-22 91.7%			
Jul-22 97.3%	Q3 '22 96.2%	H2 '22 96.6%	
Aug-22 100.0%			
Sep-22 91.5%			
Oct-22 98.7%	Q4 '22 96.7%		
Nov-22 100.0%			
Dec-22 91.9%			
Jan-23 99.1%	Q1 '23 93.5%	H1 '23 95.4%	Yr '23 96.3%
Feb-23 100.0%			
Mar-23 82.1%			
Apr-23 100.0%	Q2 '23 97.2%		
May-23 100.0%			
Jun-23 91.6%			
Jul-23 100.0%	Q3 '23 97.3%	H2 '23 97.3%	
Aug-23 100.0%			
Sep-23 91.6%			
Oct-23 100.0%	Q4 '23 97.3%		
Nov-23 100.0%			
Dec-23 91.9%			



Magnolia Power Project

# 2023-2027

## Scheduled Inspection Plan with 32K Hardware

Offline Water Wash ■

Hot Gas Path / Minor Inspection ■

Major Inspection ■

As of Jan. 2nd, 2024

Total Fired Time

135,140.0 Hours

Total Fired Hours PROJECTED ANNUALLY	2023 (8,448 Hours)	2024 (8,472 Hours)	2025 (7,380 Hours)	2026 (8,448 Hours)	2027 (8,448 Hours)
<b>INSPECTIONS</b>	<span style="background-color: #90EE90;">65</span> 128,642 hrs	<span style="background-color: #90EE90;">69</span>	<span style="background-color: #90EE90;">73</span> <span style="background-color: #FF0000;">3</span>	<span style="background-color: #90EE90;">76</span>	<span style="background-color: #90EE90;">80</span>
<b>Water Wash</b> 90 Day Intervals Every 2,160 Hours	March 2023 Offline 6:00 PM 3/24/2023 Online 6:00 AM 3/30/2023	March 2024 Offline 6:00 PM 3/15/2024 Online 6:00 AM 3/21/2024	February 2025 Offline 6:00 PM 2/28/2025 Online 6:00 AM 4/21/2025	January 2026 Offline 6:00 PM 1/23/2026 Online 6:00 AM 1/29/2026	February 2027 Offline 6:00 PM 2/5/2027 Online 6:00 AM 2/11/2027
<b>Hot Gas Path / Minor Inspection</b> Every 32,000 Hours Last HGP @ 81,095 Hrs	CT Borescope/Boiler Inspection	CT Borescope/Boiler Inspection	Minor Inspection/Rotor Rep./Boiler Inspection	CT Borescope/Boiler Inspection	CT Borescope/Boiler Inspection
<b>Major Inspection</b> Every 64,000 Hours Last Major @ 112,229 Hrs	<span style="background-color: #90EE90;">66</span> 130,694 hrs	<span style="background-color: #90EE90;">70</span>	<span style="background-color: #90EE90;">74</span>	<span style="background-color: #90EE90;">77</span>	<span style="background-color: #90EE90;">81</span>
<b>Upcoming Inspections</b> <span style="background-color: #FF0000;">■</span> Minor Inspection CT Rotor Replacement <b>02/28/2025-04/21/2025</b>	June 2023 Offline 6:00 PM 6/23/2023 Online 6:00 AM 6/26/2023	June 2024 Offline 6:00 PM 6/21/2024 Online 6:00 AM 6/24/2024	July 2025 Offline 6:00 PM 7/18/2025 Online 6:00 AM 7/21/2025	May 2026 Offline 6:00 PM 5/1/2026 Online 6:00 AM 5/04/2026	May 2027 Offline 6:00 PM 5/7/2027 Online 6:00 AM 5/10/2027
All future dates are estimates based on run hours and are subject to change.	<span style="background-color: #90EE90;">67</span> 132,818 hrs	<span style="background-color: #90EE90;">71</span>	<span style="background-color: #90EE90;">75</span>	<span style="background-color: #90EE90;">78</span>	<span style="background-color: #90EE90;">82</span>
	September 2023 Offline 6:00 PM 9/22/2023 Online 6:00 AM 9/25/2023	September 2024 Offline 6:00 PM 9/20/2024 Online 6:00 AM 9/23/2024	October 2025 Offline 6:00 PM 10/17/2025 Online 6:00 AM 10/20/2025	July 2026 Offline 6:00 PM 07/31/2026 Online 6:00 AM 08/03/2026	August 2027 Offline 6:00 PM 8/6/2027 Online 6:00 AM 8/9/2027
	<span style="background-color: #90EE90;">68</span> 134,774 hrs	<span style="background-color: #90EE90;">72</span>		<span style="background-color: #90EE90;">79</span>	<span style="background-color: #90EE90;">83</span>
	December 2023 Offline 6:00 PM 12/15/2023 Online 6:00 AM 12/18/2023	December 2024 Offline 6:00 PM 12/13/2024 Online 6:00 AM 12/16/2024		November 2026 Offline 6:00 PM 11/06/2026 Online 6:00 AM 11/09/2026	November 2027 Offline 6:00 PM 11/5/2027 Online 6:00 AM 11/8/2027
<b>End Of Year Totals</b>	135,110 Hours	143,582 Hours	150,962 Hours	159,410 Hours	167,858 Hours

## Stranded Energy Monthly Report

Month	Participant	Energy (MWh)
Jan-23	-	-
Feb-23	-	-
Mar-23	-	-
Apr-23	-	-
May-23	-	-
Jun-23	-	-
Jul-23	-	-
Aug-23	Cerritos	2
Sep-23	-	-
Oct-23	Cerritos	19
Nov-23	-	-
Dec-23	-	-

# Memo



**TO:** Southern California Public Power Authority  
**FROM:** TFG  
**RE:** Federal Legislative Report  
**DATE:** January 11, [2023](#)

## December 2023 Federal Report

This legislative report covers activities related to appropriations, energy, [and](#) environment, as well as telecommunication and cybersecurity issues from December 1 through December 31, [2023](#).

### Executive Summary

**Congressional Calendar.** The House and Senate were in session for the first two weeks of December.

**FY 24 Appropriations.** Under the “laddered” approach for continuing to fund the government, one package of appropriations bills are funded through January 19<sup>th</sup> and February 2 for a second package.

Speaker Johnson and Majority leader Schumer recently reached agreement on a “topline” funding level for FY2024. The full set of bills will now have to be negotiated, passed, and signed by the President by those dates. As it stands now, it’s not clear that will happen.

**Energy and Environment.** Treasury has released its Direct Pay Incentives domestic content guidelines for ITC and PTC as well as its draft clean hydrogen tax credits regulations. In addition, Sen. Manchin is continuing to raise concerns about EV credits. Finally, the Energy Department is proposing changes to how the agency complies with the National Environmental Policy Act — streamlining the review of some energy storage systems and revising the way it assesses certain power lines and solar facilities under the federal law.

**Telecommunications/Cybersecurity.** Several matters happening in the telecom arena including, the FCC unanimously [adopted](#) a fourth report and order, declaratory ruling, and third further notice of proposed rulemaking (FNPRM).

### Budget and Appropriations

On November 16, President Joe Biden [signed](#) the “**Further Continuing Appropriations and Other Extensions Act, 2024**” ([P.L. 118-22](#)) into law, which extends government funding at enacted Fiscal Year (FY) 2023 funding levels from November 18, 2023 to Friday, January 19, 2024 for some federal agencies and programs, and to Friday, February 2, 2024 for most others.

The first deadline of January 19 covers certain federal agencies under four appropriations bills:

### Agriculture—Rural Development—Food and Drug Administration

- Energy—Water Development
- Military Construction—Veterans Affairs
- Transportation—Housing and Urban Development

Funding for the eight remaining agencies is extended until February 2:

- Commerce—Justice—Science
- Defense
- Financial Services—General Government
- Homeland Security
- Interior—Environment
- Labor—Health and Human Services—Education
- Legislative Branch
- State—Foreign Operations

The lists of which federal agencies are funded by each of the 12 spending bills is available [here](#).

Recently, House Speaker Mike Johnson (R-LA) and Senate Majority Leader Chuck Schumer (D-NY) announced an [agreement](#) on high-level FY 2024 top-line figures. Appropriators will draft bills using the \$1.659 trillion topline number, with \$886 billion for defense funding and \$772.7 billion for non-defense funding. Congressional leaders have not yet publicly announced the 302(b) funding allocations for each of the 12 spending bills, a necessary step in order to reach a final agreement on each of the 12 spending bills.

The need for a short-term funding measure to avoid a government shutdown is recognized by congressional leaders, given its clear Congress won't be able to pass the regular spending bills by the Jan. 19 deadline. Sen. Schumer has said senators will vote after Martin Luther King Jr. Day to keep the government open past the Jan. 19 deadline. Senate Republican Whip John Thune (R-SD) has said he expects the CR will extend funding for all federal departments and agencies past the Presidents Day recess in February, setting up a new round of deadlines in March.

## Energy and Environment

### Treasury Domestic Content Guidelines for ITC/PTC/Direct Pay Incentives Proposed

On December 28th, the Department of the Treasury and the Internal Revenue Service issued Notice 2024-9 that provides “transitional” procedures for applicable entities to claim exceptions to the domestic content requirements for claiming elective payment (also known as direct payment) energy tax credits in 2024. Under the Inflation Reduction Act, the value of energy credits eligible for elective payment is “phased out” for projects failing to meet domestic content requirements: for projects construction beginning in 2024, applicable credits are reduced by 10 percent; for projects construction of which begins in 2025, applicable credits are reduced by 15 percent; and for projects construction of which begins after 2025, applicable credits are reduced 100 percent. SCPPA is reviewing the proposed guidelines and will be



coordinating with the Regulatory Working Group and APPA to examine the need for submitting comments.

Treasury. IRA Direct Pay Pre-Filing The Internal Revenue Service recently announced the IRS Energy Credits Online pre-filing registration tool for taxpayers who intend to receive a direct payment or transfer a clean energy credit. Entities will use IRS Energy Credits Online to complete a required pre-filing registration process and receive a registration number. The registration number must be included on the taxpayer's annual return when making an elective payment or transfer election for a clean energy credit. An IRS Energy Credits Online user guide can be found [here](#) and a video tutorial [here](#). On Tuesday, January 9, 2024, at 2:00p Eastern, the Department of Treasury will host an elective pay webinar and provide an overview of the pre-filing registration process. Register in advance for this briefing at:

[https://ustreasury.zoomgov.com/webinar/register/WN\\_luqDJGihS3KtMKBb5cWzmg#/registration](https://ustreasury.zoomgov.com/webinar/register/WN_luqDJGihS3KtMKBb5cWzmg#/registration).

## Treasury Draft Regulations on Clean Hydrogen Tax Credits Released

On December 22, the Treasury Department and Internal Revenue Service issued [proposed regulations](#) for the tax credit for the production of clean hydrogen. The Inflation Reduction Act of 2022 provides a production credit for each kilogram of qualified clean hydrogen produced by a taxpayer at a qualified clean hydrogen production facility. The proposal states that to get the tax credit, an electrolyzer would need to be fueled by new power sources as opposed to existing electricity that's already on the grid. The electrolyzer would also be required to get power that is generated in the same balancing authority where the electrolyzer exists.

## Manchin Seeks To Stop EV Credits

Sen. Joe Manchin (D-WV) is pursuing efforts to nullify the IRA's EV credit. Manchin has requested the federal Government Accountability Office (GAO) evaluate whether proposed guidance implementing the credit issued by the Treasury Department in April and December of 2023 can be considered a "final rule." GAO's opinion would be advisory in nature, but the agency carries significant credibility with lawmakers. Such a determination which would assist in making it possible to use authority under the Congressional Review Act to advance a bill to repeal the credits—a bill the president would have to sign or be overridden. Manchin has made clear he wants to challenge that rule — as well as Treasury's December guidance on the IRA's "foreign entity of concern" provision even if they are not technically "final" and therefore in effect. He contends that because portions of the rules have already or will soon take effect, they amount to a "final rule" — regardless of their status in the regulatory process. The request of GAO appears to be an effort to render an "independent" analysis of the rules position in the regulatory process.

## New Study Says Hydrogen Credit Will Reduce Emissions

The Treasury Department's recent guidance for companies to qualify for a hydrogen production tax credit will likely result in lower carbon emissions, according to a [new study](#) by independent research firm Rhodium Group. The study includes three growth scenarios which were derived from the Rhodium Group and Massachusetts

Institute of Technology's [Clean Investment Monitor](#), a database of clean energy investments that says about 4.7 gigawatts of announced electrolyzer projects are expected to come online by 2027.

## DOE Proposed NEPA Reforms For Renewable Projects

The Energy Department is proposing changes to how the agency complies with the National Environmental Policy Act — streamlining the review of some energy storage systems and revising the way it assesses certain power lines and solar facilities under the federal law.

The proposal (comment period closed Jan. 2) is intended to speed deployment of solar, storage and power lines, amid efforts by FERC and the Biden administration to bring more transmission lines, wind, solar and storage onto the power grid.

Under the new proposed guidelines, upgrades to power lines or rebuilds of existing transmission lines are deemed by DOE to not have a significant environmental impact and can therefore undergo a streamlined NEPA review.

Other key elements would:

- Remove the mileage limitation for categorical exclusions for upgrading and rebuilding existing power lines (currently 20 miles), add options for relocating within an existing right of way or within otherwise previously disturbed or developed lands, and add new conditions;
- Clarify options for relocating powerlines within the scope of categorical exclusions;
- Establish new categorical exclusions for the construction, operation, upgrade, or decommissioning of an electrochemical battery or flywheel energy storage system within a previously disturbed or developed area or within a small area contiguous to a previously disturbed or developed area; and
- Remove the acreage limitation (currently 10) for the development of solar photovoltaic system proposed projects and to change the current categorical exclusion term of “removal” to “decommission” (which can allow for recycling or other actions).

It is worth noting that there is a growing push at FERC and within the renewables industry to upgrade existing transmission lines through grid enhancing technologies that can significantly boost the capacity of the existing system and bring more power online.

Upgrading or rebuilding power lines can include resilience measures like burying lines or hardening poles in response to hurricanes and wildfires, according to DOE.

The department would also set categorical exclusions for energy storage systems under its NEPA process. As the notice says, the exclusion includes “the construction, operation, upgrade, or decommissioning of an electrochemical-battery or flywheel energy storage system within a previously disturbed or developed area or within a small area contiguous to a previously disturbed or developed area.”

DOE also proposes increasing the size of solar projects that can go through a quicker NEPA process to 200 acres.

The agency based its proposal off feedback from other agencies and industry stakeholders it received following a request for information it published last year.

# Telecommunications and Cybersecurity

## Telecommunications

**FCC Adopts Pole Attachments Reforms:** The FCC unanimously [adopted](#) a fourth report and order, declaratory ruling, and third further notice of proposed rulemaking (FNPRM) in docket 17-84 addressing numerous pole attachment issues, including the establishment of an intra-agency rapid response team—dubbed the Rapid Broadband Assessment Team (RBAT)—to provide coordinated reviews and assessments in pole attachment disputes and recommend dispute resolution procedures. The Commission also provided new clarifications regarding what constitutes “red tagging,” or marking a pole for repair or replacement due to safety or compliance issues, and conditions under which replacing a utility pole is not solely required with the addition of a new attachment such as equipment or cables. The declaratory ruling also provides clarifications about the obligation for pole owners to share easement information and the applicable timelines for the processing of attachment requests for 3,000 or more poles.

**BEAD Rate Regulation Questioned:** House Energy and Commerce Committee Chair Cathy McMorris Rodgers (R-WA), communications and technology subcommittee Chair Bob Latta (R-OH), and 14 other Republicans on the committee [wrote](#) to National Telecommunications and Information Administration (NTIA) head Alan Davidson expressing concern that the agency is “ignoring” congressional intent and will allow states to regulate broadband rates through the Broadband Equity, Access, and Deployment (BEAD) Program established by the Infrastructure Investment and Jobs Act (IIJA). The lawmakers argued Mr. Davidson provided “troubling answers” during a Dec. 5 communications subcommittee [hearing](#) that indicated the NTIA would permit states to engage in rate regulation, despite statements made during Senate floor debate on the IIJA that no rate regulation would be allowed through the BEAD Program.

**USF Contributions Lawsuit Rejected:** The U.S. Court of Appeals for the Eleventh Circuit (Atlanta) rejected a challenge to the FCC’s Universal Service Fund (USF) contribution factor, saying that section 254 of the 1996 Telecommunications Act provided “an intelligible principle and the FCC maintains control and oversight of all actions by the private entity,” and therefore there are “no unconstitutional delegations” of authority from Congress to the FCC or from the FCC to the Universal Service Administrative Co., as the challengers had argued. The petitioners in the Eleventh Circuit case *Consumers’ Research et al. v. FCC et al.* ([case 22-13315](#)) were specifically challenging the FCC’s fourth-quarter 2022 contribution factor of 28.9% and have lodged similar challenges in other courts based on USF contribution factor decisions for different quarters.

In related USF news, The FCC [announced](#) that the proposed universal service fund (USF) contribution factor for the first quarter of 2024 will be 34.6 percent. The 34.6 percent USF contribution factor for 1Q 2024 is a new record high, barely beating out the previous high of 34.5 percent from 4Q 2023.

**RUS Revised Community Connect Grant:** The Rural Utilities Service [revised](#) the definition of eligible service area for the purposes of the Community Connect Grant (CCG) program for fiscal year 2023 as areas that lack broadband access at speeds at least 10 megabits per second downstream and 1 Mbps upstream, rather than the higher speeds of 25 Mbps/3 Mbps allowed in the notice of funding opportunity published in the Federal Register in March 2023. RUS also extended the application window until 11:59 a.m. ET on Feb. 20, 2024.

## Cybersecurity


**White House Cyber Director Confirmed:** In mid-December, the Senate voted 59-40 to [confirm](#) Harry Coker Jr. as the director of the White House Office of the National Cyber Director. The office has been without a Senate-confirmed director since the resignation of Chris Inglis last February. The director's position has been filled on an acting basis since then. Mr. Coker is a senior fellow at Auburn University's McCrary Institute for Cyber and Critical Infrastructure Security and previously was executive director of the National Security Agency and a director in the Central Intelligence Agency's Directorate of Digital Innovation.



# SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## 2023-24 STRATEGIC PRIORITIES REPORT

January 18, 2024

 <b>ADVOCACY</b> Emphasize the unique needs of Member communities by facilitating proactive advocacy.	
Goals	Board Update
<b>OBJECTIVE: Facilitate External and Internal Communication</b>	
Plan the State Capitol Day	The 2024 Public Power Capitol Day in Sacramento is set for Monday, February 5th. SCPPA Government Affairs is working with various SCPPA Members on scheduling meetings with their legislators. SCPPA has also scheduled meetings with key energy policy staffers in the Capitol. Topics for Capitol Day issue papers were discussed with Members at the SCPPA Government Affairs strategic planning meeting in December. Issues papers are currently being developed.
Plan the Federal Fly-In	The 2024 APPA Rally/SCPPA DC Fly-In is set for February 26 to 29. SCPPA Government Affairs is working with various SCPPA Members on scheduling meetings with their legislators and key energy legislative staffer. SCPPA has also scheduling meetings with key energy staffers at the Department of Energy as well as an informational discussion on FERC issues with the Six Cities' FERC expert. Topics for issue papers were discussed with Members at the SCPPA Government Affairs strategic planning meeting in December. Issues papers are currently being developed.
Plan the Policy Staff Tour	Planning for the SCPPA Government Affairs 2024 policy staff tour started in earnest at the SCPPA Government Affairs strategic planning meeting in December. The preliminary plan is to hold the tour the week of July 8th, 2024, with two days in Utah (including focus on the hydrogen transition at IPP) and one day in Southern California. Planning efforts, including developing a more detailed agenda and finalizing logistics, will continue in Q1 of 2024. Once this is completed invitations will be sent to SCPPA Memebbers and policy staff.
Proactively identify opportunities to have SCPPA Members meet with key regulatory and legislative staff and policymakers on key issues	<p>Most notably, SCPPA organized a CEC Roundtable in Sacramento on December 7th with CEC Commissioner Noemi Gallardo, Vice Chair Siva Gunda, and CEC staff to discuss various energy issues. SCPPA Members had the chance to share information about their utility's clean energy goals and discuss challenges and solutions regarding various issues. Assistant GMs and other high-level officials from eight SCPPA Members participated in the meetings. As follow-up, SCPPA organized a Southern California trip with CEC Vice Chair Gunda on January 10th to visit Burbank and Glendale and meet with SCPPA Members. Additional efforts will be made throughout 2024 to continue the on-going discussions with CEC commissioners and senior staff on clean energy and resource adequacy related issues.</p> <p>On December 5th, SCPPA invited state housing and energy committee consultants to an in-depth SCPPA presentation on the transformer supply chain crisis. SCPPA Government Affairs, in coordination with subject matter experts from SCPPA's membership, spent a significant amount of time</p>

	<p>planning for the meeting to develop a thorough presentation with leave-behind materials.</p> <p>On December 12th, as several SCPPA Members we in Sacramento for a SCPPA planned tour of the NCPA hydrogen project at the Lodi Energy Center, SCPPA Government Affairs organized a meeting between SCPPA Members and Asm. Steve Bennett's staff to discuss the assembly member's green hydrogen bill, which continues to move through the legislative process. This conversation gave SCPPA Members the opportunity to discuss how the bill could affect potential future hydrogen projects by SCPPA Members.</p>
<p>Plan Special Educational Events (e.g., Workshops for SCPPA Members and Tours for Policymakers), When Appropriate</p>	<p>On December 8th, SCPPA Government Affairs organized a SCPPA tour of SoCalGas's hydrogen demonstration project in Downey, CA. The tour also included a robust discussion of SoCalGas' Angeles Link project to deliver green hydrogen to users in the SoCalGas service territory. Twenty representatives from the SCPPA community attended this tour, including several general managers, assistant general managers, resource planners, and natural gas plant managers. This tour has stimulated a dialogue between SoCalGas and SCPPA to continue further discussion about potentially incorporating SCPPA and interested SCPPA Members into the Angeles Link hydrogen pipeline planning process.</p> <p>On December 12th, SCPPA Government Affairs organized a SCPPA tour of NCPA's hydrogen project at the Lodi Energy Center. Eleven representatives from the SCPPA community attended this tour.</p>
<p>Grow SCPPA's External Affairs Efforts to Promote SCPPA and Its Members</p>	<p>SCPPA has been actively posting and sharing stories about SCPPA and SCPPA Members on Twitter. As time permits, SCPPA is looking for opportunities to grow external affairs efforts.</p>

**OBJECTIVE: Champion POU Issues**

<p>Monitor and Advocate on Regulatory Issues</p>	<p><b>California Air Resources Board:</b>  <u>Cap-and-Trade</u> - On June 14, CARB kicked off a series of informal workshops leading up to the Cap-and-Trade rulemaking. SCPPA provided support to the JUG comments that were submitted on July 7, 2023. Following an informal rulemaking workshop on July 27, SCPPA submitted comments on August 17 primarily expressing concerns over CARB requiring POU consignment and reducing allowance allocations. SCPPA also assisted in the development of comments that were submitted by CMUA and the JUG. On October 5, CARB hosted another informal workshop on allowance allocation. Subsequently, SCPPA arranged a meeting with CARB staff and other POU representatives on allowance allocations that took place on October 16. On October 26, 2023 SCPPA submitted written comments focused on protecting POU allowances through 2030. Then, on November 16, CARB hosted a workshop regarding modeling and the potential post-2030 Cap-and-Trade program. SCPPA contributed to comments submitted on December 15 by CMUA and the JUG.</p> <p><u>Advanced Clean Fleets (ACF)</u> - SCPPA monitored the final 15-day changes and final approval (by the Office of Administrative Law), making the rule effective October 1, 2023. SCPPA encouraged Members to apply for the Truck Regulatory Implementation Groups (TRIGS) beginning in November, 2023. SCPPA is monitoring and sharing updates on the TRIG meetings, which kicked off on December 6/8. SCPPA continues to provide coverage of materials and trainings offered by CARB for ACF implementation. SCPPA has confirmed with CARB staff that CARB will be amending the ACF rule to accommodate AB 1594 and will be holding workshops on those amendments..</p>
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Zero-Emission Forklifts - SCPPA Members met with CARB regarding the Zero-Emission Forklift rulemaking on August 15 and 18 to answer CARB's questions about how utilities will plan for the added load required to charge forklift fleets.

**California Energy Commission:**

Distributed Electricity Backup Assets (DEBA) - SCPPA Members met with CARB regarding the Zero-Emission Forklift rulemaking on August 15 and 18 to answer CARB's questions about how utilities will plan for the added load required to charge forklift fleets.

Demand Side Grid Support (DSGS) - SCPPA coordinated meetings between the DSGS program administrator and participating Members this summer. SCPPA also submitted comments on the DSGS program and arranged for the CEC to provide program details at a SCPPA Regulatory Working Group meeting.

Power Source Disclosure - The CEC kicked off a new Power Source Disclosure rulemaking to incorporate updates to the Power Content Label (PCL) and include SB 1158 hourly reporting requirements at a workshop on September 26, 2023. SCPPA arranged a meeting with CEC program staff and other POU representatives for October 19, 2023. SCPPA submitted on October 24 requesting that the CEC remove GHGs associated with geothermal generation from the Power Content Label. SCPPA contributed to CMUA comments on October 24th as well. SCPPA arranged a meeting with CEC's Vice Chair Gunda's Chief of Staff on November 2 to further discuss SCPPA's specific request to remove geothermal GHGs.

Title 24 - SCPPA submitted comments to the CEC on August 9 in response to a workshop held on July 27, 2023 regarding the 2025 Pre-Rulemaking Staff Workshop on Heat Pump Baselines and Photovoltaic System Requirements.

Integrated Energy Policy Report (IEPR) - SCPPA submitted comments on the CEC's September 8th workshop on the Potential Growth of Hydrogen on September 22nd that highlighted the opportunities and challenges for hydrogen for the electricity sector and transportation in Southern California

Clean Transportation Program - SCPPA coordinated Joint POU comments following a pre-solicitation workshop to provide input on the development of a grant funding opportunity for municipal and government fleets ZEV infrastructure submitted on August 4, 2023.

AB 2127 EV Charging Infrastructure Assessment - SCPPA contributed to and provided support for CalETC's comment letter regarding the CEC's AB 2127 draft report on September 21, 2023.


Community Energy Resilience Investments (CERI) Program - SCPPA submitted comments to the CEC on September 29, 2023 in response to a workshop held on September 12, 2023 to provide input on the development of the grant program. In addition, SCPPA arranged for the lead CEC staff of the program to speak at a September 20th joint working group grant funding workshop. The CEC posted a draft grant solicitation and at time of writing, SCPPA is considering whether to prepare comments to be submitted on January 19, 2024.

SB 100 Report – SCPPA is planned a CEC roundtable between SCPPA and the CEC on December 7th to discuss near- and long-term clean energy planning issues. One of the objectives of this roundtable is to influence the 2025 SB 100 report to accurately reflect conditions amongst SCPPA Members.

	<p><b>California Public Utilities Commission:</b>  <u>SGIP</u> – SCPPA is leading the joint-POU effort to influence the CPUC proceeding to provide \$280 million to low-income customers in both IOU and POU territories in the state. Several joint-POU meetings have occurred and have involved strategies to explore consensus on program implementation. SCPPA also contributed to CMUA's comments submitted August 11th regarding the Self-Generation Incentive Program (SGIP) and Heat Pump Water Heater Program Improvements rulemaking.  Freight Infrastructure Planning (FIP) - On August 8, September 7, and September 18, SCPPA participated in calls with CPUC staff along with CMUA and NCPA to discuss the role of POU's in the CPUC's FIP. The POU's showed willingness to continue discussions and work alongside the CPUC through the FIP process.  Office of Energy Infrastructure Safety: SCPPA participated in the Wildfire Safety Advisory Board's (WSAB) Truckee Donner Public Utilities District visit on October 2nd. SCPPA spent time speaking directly to the WSAB's chair and staff about POU's and their wildfire mitigation plans.</p> <p><b>SWRCB:</b>  <u>Utility Wildfire General Order</u> - SCPPA coordinated Joint POU comments (submitted July 14, 2023) following the circulation of an administrative draft General Order regarding water quality permitting related to wildfire mitigation and other utility activities. SCPPA provided input on the scope, criteria, and administrative requirements of the draft General Order.</p> <p><b>Regionalization/CAISO:</b>  <u>Governance Pathway Initiative</u> - SCPPA hosted the Vice President of External Affairs for CAISO at a September 7th meeting to discuss CAISO's perspective of the regulator-led Governance Pathway Initiative.</p> <p><b>Grants:</b>  SCPPA Government Affairs worked to amend the current Master Professional Services Agreement with The Ferguson Group to allow SCPPA Members to enter into umbrella task orders for grant writing services – as opposed to entering into individual task orders for specific grants. This will streamline the ability for SCPPA Members to use these services. With the amendment in place, SCPPA Government Affairs has been working with several SCPPA Members to enter into umbrella task orders, and many are currently using these task orders to apply for both federal and state grants.</p>
Monitor and Advocate on Legislative Issues	With the state legislature in recess in Q4 of 2023, SCPPA spent significant time meeting with SCPPA Members and conducting research on issues related to energy markets, resource adequacy, the CAISO's interconnection backlog, and the transformer. Also, as part of this process, SCPPA has been meeting with other POU's, committee consultants, and third-party stakeholders to proactively educate and begin the process of developing coalitions on energy issues in 2024.
Prepare Issue Papers	SCPPA has developed presentations on the current energy markets and the transformer supply chain crisis, which have been and will continue to be shared with state and federal legislative and regulatory offices. SCPPA is also preparing a series of issue papers for Capitol Day and the Federal Fly-In.
Plan Government Affairs' Strategic Planning Meeting to Set Priorities and Broad Strategies	SCPPA's Government Affairs team held an all-day strategic planning meeting on December 13th with SCPPA's consultants and SCPPA Members to develop legislative and regulatory strategies for 2024. Action items were entered into SCPPA Government Affairs' annual goals tracking system and are being incorporated into planning and implementation of advocacy activities.



Seek Board Support through Approval of Guiding Principles	The 2024 Guiding Policy Principles will be presented to the SCPPA Board in Q1 of 2024.
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	<h2 style="margin: 0;">ASSETS</h2> <p style="margin: 0;">Be trustworthy stewards of public funds through the responsible administration of financial and physical assets and obligations.</p>
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<b>Goals</b>	<b>Board Update</b>
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**OBJECTIVE: Control Project Costs and Optimize Output**

<p><b>Effectively resolve emergent project issues:</b></p> <ul style="list-style-type: none"> <li>▪ Negotiate new NAESBs for Pinedale and Barnett trading to increase the number of potential counterparties.</li> </ul>	No update currently
<ul style="list-style-type: none"> <li>▪ Complete Copper Mountain Solar 3 Purchase Option Evaluation</li> </ul>	On January 5, 2024, Burbank Water and Power stated they do not wish to proceed with the current purchase option for Copper Mountain Solar 3, but wishes to continue the effort to be prepared to exercise the additional purchase option(s) in future years. SCPPA expects LADWP to also decline to proceed with the Copper Mountain Solar 3 purchase option at this time and is awaiting confirmation.
<ul style="list-style-type: none"> <li>▪ Loyaltan bankruptcy</li> </ul>	The ARP Loyaltan Settlement Agreement was approved by the SCPPA Board of Directors on December 21, 2023. SCPPA is waiting for Settlement Agreement approval confirmation from all other ARP Loyaltan Buyers.
<ul style="list-style-type: none"> <li>▪ Whitegrass/Star Peak Monthly PPA Issues Resolution</li> </ul>	Open Mountain Energy, Glendale, and SCPPA have agreed to and finalized Settlement Letter Agreements and Amended and Restated Power Purchase Agreements. Glendale received approval from their City Council on October 10, 2023 and SCPPA received Board of Directors approval on October 19, 2023. Settlement terms include Open Mountain Energy paying damages for Shortfall Damages, Daily Delay Damages (Star Peak Only), Excess Monthly Generation Payments Under Protest, PV System Credit Payments, and Test and Startup Energy Overbilling Damages (Star Peak Only). As of January 8, 2024, Open Mountain Energy has not executed the Settlement Letter Agreements or paid the agreed upon settlement amounts. The SCPPA Executive Director met with Open Mountain Energy on November 30, 2023 to discuss the delay in executing the Settlement Letter Agreements. In follow up, SCPPA and Glendale staff met with Open Mountain Energy on December 20, 2023 to also discuss the continued delay, and possible solutions.
<ul style="list-style-type: none"> <li>▪ Terminate SCPPA's participation in the Lower Colorado River Multi-Species Conservation Program (LCR MSCP)</li> </ul>	SCPPA staff is drafting a letter to assign SCPPA's rights and obligations as Permittee and State Participant Group Member to the participating SCPPA Members.
<ul style="list-style-type: none"> <li>▪ Magnolia &amp; Tieton Audits</li> </ul>	Amendment Number 2 to the Professional Services Agreement with Moss Adams and an additional Statement of Work for project related audit services was approved by the SCPPA Board on December 21, 2023.

<ul style="list-style-type: none"> <li>▪ Linden balance of plant operating agreement</li> </ul>	The Linden Wind Balance of Plant Operating Agreement was approved by the SCPPA Board on July 20, 2023.
<ul style="list-style-type: none"> <li>▪ Northwest wind energy exchange agreements</li> </ul>	The Pebble Springs Energy Exchange Agreement between PowerEx and SCPPA was approved by the SCPPA Board of Directors on November 16, 2023. The Linden Wind and Windy Flats/Wind Point Energy Exchange Agreements between PowerEx and SCPPA were approved by the SCPPA Board of Directors on December 21, 2023.
<ul style="list-style-type: none"> <li>▪ Casa Diablo IV REC dispute</li> </ul>	Ormat has resolved all interconnection issues with Casa Diablo IV and has provided SCPPA with all previously outstanding RECs to date.
<ul style="list-style-type: none"> <li>▪ Palo Verde Participation Agreement Amendment</li> </ul>	APS has provided SCPPA and the other Palo Verde Owners with a list of proposed amendments to the Palo Verde Participation Agreement and is currently drafting an Amended and Restated Agreement for the Owner's consideration. APS's drafting of the proposed amended Palo Verde Participation Agreement is delayed due to higher priority work, but is expected to be provided in early 2024.
<p><b>Provide transparency into operating project budgets, costs, and project risks:</b></p> <ul style="list-style-type: none"> <li>▪ Project budget to actual variances</li> </ul>	SCPPA Asset Management provides Quarterly Budget to Actual Variance reports to both Finance Committee and the SCPPA Board of Directors.
<ul style="list-style-type: none"> <li>▪ Minimum energy requirements</li> </ul>	SCPPA Asset Management provides Annual Guaranteed Energy Production Reports for select solar projects.
<ul style="list-style-type: none"> <li>▪ RPS Certification</li> </ul>	SCPPA Asset Management routinely verifies the CEC RPS Certification of existing project and reviews PPA requirements to ensure REC withholding provision are correctly followed.
<ul style="list-style-type: none"> <li>▪ Certificates of Insurance</li> </ul>	SCPPA Asset Management has compiled all SCPPA Project Certificates of Insurance on Laserfiche for review and to ensure compliance with PPA requirements.
<ul style="list-style-type: none"> <li>▪ Performance Security</li> </ul>	SCPPA Asset Management meets regularly to review the Performance Security provided by project developers and works with SCPPA Finance and SCPPA Legal to ensure receipt and accuracy of all Performance Security Documents.
<b>OBJECTIVE: Control A&amp;G Expenditures and Future Liabilities</b>	
Evaluate cost effective options for Health Reimbursement Arrangements (HRAs) plans.	Evaluation is currently in progress.
<b>OBJECTIVE: Finance Projects</b>	
Energy Prepay Financing	The work on the documents to finance an energy prepay is currently underway, with Anaheim as the project participant.
Linden Wind Energy Project Bond Refinancing	The SCPPA Board approved the Authorizing Resolution on November 16, 2023 authorizing the issuance of refunding revenue bonds. The bonds are anticipated to be priced and closed in mid-January 2024.

Wind Point/Windy Flats Project Bond Refinancing	The Windy Point/Windy Flats refunding revenue bonds were successfully priced on October 31, 2023. The transaction closed on November 14, 2023. The refunding resulted in a net present value savings of \$11.7 million.
Apex Power Project Bond Refinancing	No updates currently.
Southern Transmission System (STS) Renewal Project - Second Tranche of Bond Financing	No updates currently.

	<p><b>COLLABORATION</b> Foster collaboration and professionalism for SCPPA and its Working Groups to maximize the value of SCPPA to its Members and the communities they serve.</p>
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<b>Goals</b>	<b>Board Update</b>
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**OBJECTIVE: Enhance Member and Employee Communications**

Evaluate a Member Working Group on Asset Management	First Asset Management Working Group Meeting scheduled on October 26th, 2023.
Annual joint Working Group meeting	Scheduled for February 14, 2024 at the SCPPA Training Center
Complete update to Employee Handbook	SCPPA Management has reviewed a near-final draft of the Handbook and has provided recommendations. The Handbook is being finalized and ancillary documents are being drafted with the goal of completing such documents by June 2024
Consider an ad hoc sub-working group to discuss NEM rate designs.	An Ad hoc sub-working group was established and has met twice. The meetings were well attended, and the discussions were meaningful and robust. The next meeting will be held during the first quarter of 2024.
Evaluate expanding the Public Benefits Working Group to include a focus on demand side management programs, as well as merge key accounts on an as-needed basis to promote customer adoption of programs.	These changes were suggested by the AGM Working Group. The subject was discussed with the PBWG and they were asked to consider rebranding the group as the “Customer Programs Benefits and Services”. The working group members will be asked to adopt the proposed name, or suggest another.

**OBJECTIVE: Enhance SCPPA’s business practices, transparency, and consistency with the Joint Powers Agreement**

Complete SCPPA Staff and Member Staff training on procurement and contract management procedures	SCPPA Staff has updated the Solicitation and Contract Management Procedure document to reflect the updated Procurement Code that was approved by the SCPPA Board in February 2023, as well as reflecting recommendations provided by Duncan, Weinberg, Genzer & Pembroke from their review of SCPPA’s procurement processes. All SCPPA Staff have been provided training on the updated solicitation and contract management procedures. Training of Member Staff on the updated procedures is targeted for first quarter in 2024.
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Update Project Procurement Procedures to match the 2023 approved SCPA Procurement Codes.	Canyon: Amendments to the Canyon Special Procurement Rules have been drafted by SCPA and are under review by Anaheim. The amended Canyon Special Procurement Rules are expected to be presented to the SCPA Board in November 2023.
Assess areas where joint action distribution activities may be most beneficial to Members.	No update currently
Determine the Projects that have Board established Coordinating Committees that are Brown Act committees.	SCPA Legal is preparing a framework for SCPA staff to evaluate, for each project, which committees must comply with the Brown Act.
Implement State Compliant Records Storage System	Through our Laserfiche portal, we have contracted with Cities Digital, a software developer to implement a Records Management Module to secure, manage and store all SCPA records through an automation process that is State Compliant and integrated with SCPA's retention and disposal processes.
Evaluate whether, and to what extent to which building electrification and transportation electrification are consistent with the JPA.	No update currently

**OBJECTIVE: Support Member's Workforce Development to manage assets and programs**

Implement FY 2023-24 Training Program	<p><b>July 2023</b></p> <ul style="list-style-type: none"> <li>07/12/2023 – 07/13/2023   Transportation Electrification &amp; Electric Vehicle Fundamentals   Completed.</li> <li>07/18/2023   Traffic Control Technician and Flagger Operations Training   Completed.</li> <li>07/19/2023   Traffic Control Technician and Flagger Operations Training   Completed.</li> <li>07/27/2023   Maximizing Value of Energy Storage in CAISO Market (In-Person)   Completed.</li> </ul> <p><b>August 2023</b></p> <ul style="list-style-type: none"> <li>08-08-2023 - 08-10-2023  Technical Management Program (In-Person)   Completed.</li> </ul> <p><b>September 2023</b></p> <ul style="list-style-type: none"> <li>09/06/2023 – 09/07/2023   Project Management Fundamentals (in-person)   Completed.</li> </ul> <p><b>October 2023</b></p> <ul style="list-style-type: none"> <li>10/05/2023   Electric Utility Fundamentals + Insights (in-person)   Completed.</li> <li>10/16/2023 – 10/19/2023   Project Management Professional (PMP) Exam Prep (In-Person)   In Progress</li> <li>10/24/2023   Physical &amp; Financial Gas Markets  In Progress</li> </ul> <p><b>November 2023</b></p> <ul style="list-style-type: none"> <li>11/07/2023 – 11/08/2023   Understanding Demand Response (Virtual)   In Progress</li> <li>11/07/2023 – 11/09/2023   Municipal Bond Fundamentals (In-Person)   In Progress</li> <li>11/14/2023 – 11/15/2023   Applied Risk Management (Virtual)   In Progress</li> </ul>
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	<ul style="list-style-type: none"> <li>11/27/2023 - 11/28/2023   Gas Procurement, Scheduling, Power Plant Dispatch Decision Making for Municipalities   In Progress</li> </ul> <p><b>December 2023</b></p> <ul style="list-style-type: none"> <li>12/06/2023 – 12/07/2023   Electric Utility Fundamentals + Insights (in-person)   In Progress</li> </ul> <p><b>February 2024</b></p> <ul style="list-style-type: none"> <li>2/05/2024 – 02/06/2024   Project Management Fundamentals (in-person)   In Progress</li> </ul> <p><b>March 2024</b></p> <ul style="list-style-type: none"> <li>03/05/2024 through 03/06/2024  Scope and Requirements Management (In-Person)   In Progress</li> <li>03/12/2024   Electric Utility Fundamentals + Insights (In-Person)   In Progress</li> </ul> <p><b>April 2024</b></p> <ul style="list-style-type: none"> <li>04/08/2024 -04/11/2024   Project Management Professional PMP Exam Prep (In-Person)   register here</li> <li>04/16/2023 – 04/17/2023  PI System Collaboration, Discussion and Training by Aveva (in-person)   In Progress</li> </ul> <p><b>June 2024</b></p> <ul style="list-style-type: none"> <li>06/13/2024   Electric Utility Fundamentals + Insights (in-person)   In Progress</li> </ul>
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Internship Program Resolution	No update currently.
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Work to develop granted funding for training within CMUA Workforce Development Grant	Scope of work in progress.
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Determine feasibility of establishing SCPPA as Mandatory Continuing Legal Education provider and if feasible, develop a program to host utility-related legal training for SCPPA Member attorneys.	SCPPA Legal has determined that SCPPA can be a mandatory continuing legal education (MCLE) provider and has presented the results of its findings to the Legal Working Group. At future Legal Working Group meetings, we will be brainstorming topics for legal trainings.
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## EMERGING ISSUES

Help Members thrive and excel for the long term by exploring technological and operational solutions to emerging industry challenges and opportunities.

Goals	Board Update
<b>OBJECTIVE: Develop Workshops for Member Discussion</b>	
NEM 3.0	The NEM workshop was conducted in July 2023 and was attended by more than 70 members. The information shared by the two presenters was very informative and well received by the attendees.
Transmission Planning Member meeting	Reaching out to various Member and BA transmission planners to have a joint discussion either in-person or virtually in Q1 of 2024.
Annual Meeting	The 2024 Annual Conference is scheduled for October in the City of Pasadena.

Transmission and Distribution Annual Meeting	T&D E&O Conference was held on November 1, 2023 at the SCPPA Training Center from 9am –2pm with 8 different Member presentations. The conference was well attended with over 85 participants in-person and online. Members’ staff from among field personnel, engineers, and managers appreciated the intimate setting, learning from their peers, and time for in-person networking.
<b>Develop and conduct 2 or more emerging issue mini-workshops/seminars next year</b> <ul style="list-style-type: none"> <li>▪ Advanced Distribution Management Systems</li> </ul>	Planning to arrange and conduct two mini-workshops by end of June 2024.
Inflation Reduction Act Implementation and IRA financial tool demonstration	IRA financial tool currently under Beta testing. Hope to roll out model by end of January 2024 to all interested Members for use and further development.
Support Member IRP Development	Beginning February 2024, each Member that has an approved IRP by their city will present their IRP during the monthly Resource Planning Working Group Meetings (one per month).

**OBJECTIVE: Support IRP Development**



**DECARBONIZATION**

Champion decarbonization efforts for Member communities through collective projects, programs, and services to meet sustainability goals while maintaining reliability, low costs, and local control.

**Goals**

**Board Update**

**OBJECTIVE: Develop Renewable, Storage, and zero-carbon Projects**

Wind	All wind proposals submitted to the 2023 Renewables RFP have been presented to all Members and are currently under evaluation by interested Members.
Solar	SCPPA and participating Members are in negotiations with a number of solar-only and solar plus energy storage projects within and outside of the CAISO. The Daggett 2 Solar and Energy Storage Project achieved Commercial Operation on December 12, 2023. This is the first SCPPA solar plus storage project to reach COD.
Geothermal	No update currently
Standalone Storage	SCPPA and participating Members are in negotiations with a developer for a standalone storage project agreement within the CAISO. Other proposals submitted recently currently under evaluation by Members.
Resource Adequacy	SCPPA and participating Members in negotiations with a developer for a resource adequacy only agreement within the CAISO. Other proposals submitted to the 2023 Standalone Storage RFP recently are currently under evaluation by interested Members.
Carbon Free Power Project	On November 8, 2023, UAMPS and NuScale Power mutually agreed to terminate the Carbon Free Power Project due to a lack of project subscriptions to further deployment.
Power from the Prairie (PftP)	SCPPA and a participating Member will be part of the 4000 MW transmission line PftP Stage 2 Proof of Concept Study. A study project has been created at SCPPA for PftP.

**OBJECTIVE: Promote Joint Action to the greatest extent possible and help Members to move towards compromise to achieve the benefits.**

(To be determined)	No update currently
<b>OBJECTIVE: Improve project procurement process and agreements to be competitive while managing risk</b>	
Develop recommendations on procurement process improvements.	SCPPA working with various outside legal firms and Member City attorneys to establish new pro forma agreements to be used in future RFPs.
Renewable PPA	SCPPA working with various outside legal firms and Member City attorneys to establish new pro forma PPAs to be used in future 2024 RFPs.
Standalone Storage PPA	SCPPA working with various outside legal firms and Member city attorneys to establish new pro forma Energy Service Agreements (ESAs) to be used in future 2024 RFPs.
Power Sales Agreements	SCPPA working with various outside legal firms and Member attorneys to establish new pro forma PSA agreements to be used in future project negotiations.
<b>OBJECTIVE: Help Members decarbonize through Energy Efficiency and Demand Response Programs</b>	
Energy Efficiency RFPs and contracts:	<p>RFP and contract for electric meter data aggregation and analysis services.</p> <ul style="list-style-type: none"> <li>▪ SCPPA staff is currently finalizing the contract terms with the selected vendor.</li> </ul> <p>RFP for electronic energy efficiency newsletters. Award by Q4, 2023</p> <ul style="list-style-type: none"> <li>▪ SCPPA is currently finalizing the contract terms with the selected vendor.</li> </ul> <p>Energy Efficiency Contract Q1 2024</p> <ul style="list-style-type: none"> <li>▪ No update at this time</li> </ul> <p>Consider advancing “Smart Charging” programing opportunities.</p> <ul style="list-style-type: none"> <li>▪ No update at this time</li> </ul>
Identify and encourage the development and implementation of Demand Response related “Electrification Transportation”, and other electrification strategies that align with and are supported by SCPPA’s PPA.	<p>RFP/RFQ for public charger installation and maintenance services. Award(s) Q1, 2024</p> <ul style="list-style-type: none"> <li>▪ The Programs Team is awaiting the completion of a new Request for Proposals template which is currently being revised by SCPPA Legal.</li> </ul> <p>Submit CFI grant as a group effort for 5 SCPPA Members to seek funding for public chargers.</p> <ul style="list-style-type: none"> <li>▪ The Grant request was accepted, and we are now waiting for news regarding our submission.</li> </ul>



**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

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**MEMO**

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**TO:** SCPPA Board of Directors

**FROM:** Michael S. Webster, Executive Director

**DATE:** Thursday, January 11, 2024

**RE:** Working Group Updates

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## **WORKING GROUP SUMMARY**

### **ASSET MANAGEMENT**

The first Asset Management Working Group meeting was held on October 26th. The next meeting is scheduled for January 25, 2024.

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### **ASSISTANT GENERAL MANAGER**

The AGM Working Group was held on October 25. The next meeting will be held on January 24, 2024.

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### **CYBERSECURITY**

The Cybersecurity Working Group (CWG) did not meet this month. The CWG meets on an ad-hoc basis.

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### **FINANCIAL INCENTIVES and RATES**



The Financial Incentives and Rates Working Group (FIRWG) met on December 19, 2023 during which they enjoyed a NEMs successor rates presentation from RPU's Brian Seinturier, and, discussed nominating a new Working Group Chair and Co-Chair for 2024.

The next meeting is scheduled for January 16, 2024.

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## KEY ACCOUNTS

This group meets on an ad hoc basis, and a future meeting is currently not scheduled.

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## LEGAL

The Legal Working Group last met on October 26, 2023. The Legal Working Group will meet again in the first quarter of 2024.

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## LEGISLATIVE

The Legislative Working Group (LWG) participated in SCPPA's Government Affairs Strategic Planning meeting on December 13 and held its regularly scheduled meeting on December 20.

At the December 13 Strategic Planning meeting, Members spent the day in Sacramento discussing strategic priorities in the regulatory and legislative arenas for the upcoming year. A virtual recap was held at the end of the day for those who were not able to attend the strategic planning meeting in person.

At the December 20 LWG meeting, the LWG discussed the new the Senate pro Tem (Sen. Mike McGuire, D-Healdsburg) and the chair of the Assembly Utilities and Energy Committee (Asm. Petrie-Norris, D-Irvine); the state's \$68 billion budget deficit; and potential early legislative action on capacity payment clean up and green hydrogen.

The LWG also discussed a number of events organized by SCPPA Government Affairs in December, including a SCPPA briefing to legislative staff on the transformer supply chain crisis (12/5); SCPPA's CEC roundtable meetings in Sacramento (12/7); SCPPA's SoCalGas hydrogen tour in Downey (12/8); and SCPPA's NCPA hydrogen tour in Lodi (12/12).

Additionally, the LWG discussed the 2024 LWG Charter, Government Affairs Guiding Principles, Capitol Day, the APPA Legislative Rally/SCPPA Fly-in, and new leadership for the LWG.

The next LWG meeting will be held on January 17th.

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## **MUTUAL ASSISTANCE**

The Mutual Assistance Sub-working Group (MAWG) met on January 3rd. The MAWG shared information regarding any recent Mutual Assistance events for the month of December. The California Utilities Emergency Association (CUEA) will have two vacant seats available in the next nomination. The City of Banning has represented SCPPA for the last two years at the CUEA meetings and that term will end this year. We expect a Member from the MAWG to volunteer and continue representing SCPPA and their fellow Members by participating at the CUEA. The new Chair and Vice-chair for the MAWG will be Dan Scorza from Glendale and Tim Bass from Vernon, respectively.

The next MAWG meeting will be held on February 6th.

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## **NATURAL GAS**

The Natural Gas Working Group last met virtually on October 24. The next meeting is scheduled for January 23, 2024.

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## **PUBLIC BENEFITS**

The Public Benefits Working Group (PBWG) last met on January 3, 2024. Thule provided a presentation to the group and highlighted the benefits of their Ice Bear units and indicated that they were prepared to offer members discounts for volume purchases. The group also discussed changing the name of the working, as well as inviting members to consider serving as Chair and/or Co-Chair of the group for 2024 term,

The next meeting is scheduled for February 7, 2024.

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## REGULATORY

The Regulatory Working Group (RWG) participated in SCPPA's Government Affairs Strategic Planning meeting on December 13<sup>th</sup> (discussed above) and held its regularly scheduled meetings on December 20<sup>th</sup> and January 4<sup>th</sup>

During the December 20<sup>th</sup> and January 4<sup>th</sup> RWG meetings, the RWG discussed matters at the California Air Resources Board (CARB), California Energy Commission (CEC), Wildfire Safety Advisory Board (WSAB), California Public Utilities Commission (CPUC), U.S. Treasury, and California Electric Transportation Coalition (CaETC).

Members of the RWG also discussed a number of events organized by SCPPA Government Affairs in December, including a SCPPA briefing to legislative staff on the transformer supply chain crisis (12/5); SCPPA's CEC roundtable meetings in Sacramento (12/7); SCPPA's SoCalGas hydrogen tour in Downey (12/8); and SCPPA's NCPA hydrogen tour in Lodi (12/12).

Additionally, the RWG discussed and prepared the 2024 RWG Charter, Government Affairs Guiding Principles, appointed leadership for the RWG, and the January 10<sup>th</sup> planned visit by CEC Vice Chair Siva Gunda to meet with SCPPA in Southern California.

The next RWG meeting will be held on January 17<sup>th</sup>.

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## RENEWABLES

The Renewables Working Group (ReWG) will meet on January 16<sup>th</sup>. The ReWG plans to discuss the latest Renewable RFP proposals received from last month and any comments for the 2024 Renewables RFP. The new Chair and Vice-chair for the ReWG will be Anthony D'Aquila from Burbank and Mark Webster from Pasadena, respectively.

In February, the ReWG meeting will take place on the 20<sup>th</sup>.

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## RESOURCE PLANNING

The Resource Planning Working Group (RPWG) met on January 4<sup>th</sup>. The RPWG discussed the latest Standalone Energy Storage RFP proposals received last month. SCPPA Members

will begin presenting their Integrated Resource Plan (IRP) to the RPWG starting in April. We expect all Members who are required to submit an IRP to share their IRP with the group this year.

The next RPWG will be on February 1st.

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## **RISK MANAGEMENT**

The Risk Management Working Group (RMWG) did not meet this month. The next working group meeting will be held on February 7<sup>th</sup>.

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## **SAFETY**

The Safety Working Group (SWG) did not meet this month. The next meeting will be planned for Q1 of this year.

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## **TRANSPORTATION ELECTRIFICATION**

The Transportation Electrification Working Group (TEWG) met December 12, 2023 and welcomed Weave-Grid who presented on the subject of Electric Transportation expansion, and grant/funding opportunities to support continued growth in that sector. Weave-Grid also introduced and led a discussion on the Grip Grant that offers funding to support and expand the development of electric transportation.

The next meeting is scheduled for January 10,2024.

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## **TRANSMISSION & DISTRIBUTION ENGINEERING & OPERATIONS (T&D E&O)**

The Transmission & Distribution Engineering & Operation Working Group (T&D WG) met on January 3rd. The group discussed the planning for 2024 T&D Annual Conference. Glendale provided a presentation for their Biogas project to the group as well. The new Chair and Vice-chair for the T&D WG will be Hien Vuong from Azusa and Daniel Honeyfield from Riverside, respectively.

The next T&D WG meeting will be on February 6th.

### RECURRING/ROLLING SOLICITATIONS:

**NAME:** Request for Proposals: 2023 SCPPA Renewables Energy Resources and Energy Storage Solutions

**WORKING GROUP:** Renewables

**ISSUE DATE:** July 31, 2023      **CLOSE DATE:** December 28, 2023

**DESCRIPTION:**

SCPPA’s semi-annual rolling RFP to solicit proposals from developers for renewable resources with or without energy storage (Solar, Wind, Geothermal, Biomass, and Small Hydro) to meet Members’ IRP and RPS goals.

**NAME:** Request for Proposals: 2023 Stand-Alone Energy Storage Systems

**WORKING GROUP:** Resource Planning

**ISSUE DATE:** June 15, 2023      **CLOSE DATE:** December 29, 2023

**DESCRIPTION:**

SCPPA Members seek Stand-Alone Energy Storage Systems (ESS) to support Members’ procurement of renewable resources in meeting their Renewable Portfolio Standards (RPS) and procurement targets regarding Assembly Bill (AB) 2514. This RFP seeks proposals for stand-alone ESS in areas relevant to SCPPA Members’ territories (CAISO Balancing Authority (BA), IID BA, and at specific locations within the LADWP BA system).

### UPCOMING/RECENT SOLICITATIONS (NEW/CONTINUED SERVICES):

**NAME:** Web-based information, Email, and Newsletter Subscriptions focused on Residential Customer Engagement, Energy Efficiency Programs, Relationship-Building for Residential and Key Accounts Customers, and Energy Efficiency Education.

**WORKING GROUP:** Public Benefits Working Group

**ISSUE DATE:** May 25, 2023

**CLOSE DATE:** June 30, 2023

**DESCRIPTION:**

The agreement for these services is in the final stage of the contract negotiating process. This contract is tentatively scheduled to be presented to the Board for consideration, at the February 2024 Board meeting.

**NAME:** Electric Vehicle Supply Equipment and Services

**WORKING GROUP:** Transportation Electrification

**ISSUE DATE:** February 2024  
(Tentative)

**CLOSE DATE:** March 2024  
(Tentative)

**DESCRIPTION:**

Solicitation for the provision of EVSE Services (EV Charger Installation, Design and Build, Back Office Support Services, Operation and Maintenance, and EV Equipment Replacement Parts)

**NON-BOARD APPROVED CONTRACT EXTENSIONS:**

None

DocuSigned by:

*Michael S. Webster*

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Michael S. Webster, Executive Director  
Southern California Public Power Authority



# AGENDA ITEM STAFF REPORT

**MEETING DATE:**

January 18, 2024

**RESOLUTION NUMBER:**

2024-001

**SUBJECT:**

Amending SCPPA Employee Benefit Policy to include Juneteenth Holiday

**DISCUSSION:**



**OR**

**CONSENT:**



Select the appropriate box(es):

**FROM:**

- Finance
- Project Development
- Program Development
- Regulatory/Legislative
- Project Administration
- Legal
- Executive Director

**METHOD OF SELECTION:**

- Competitive
- Cooperative Purchase
- Sole Source
- Other

Other (Please describe):

N/A

**MEMBER PARTICIPATION:**

Sponsoring Member: N/A

Other Members Potentially Participating: N/A

**Approved by Executive Director:**

DocuSigned by:

*Michael S. Webster*

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**RECOMMENDATION:**

Staff recommends that the Board consider approving an amendment to SCPPA’s Employee Benefit Policy to include Juneteenth as a paid SCPPA holiday for 2024 and thereafter for all full-time employees, recognizing it as both a federal holiday and an important day of historical significance. This adjustment would reflect SCPPA’s commitment to diversity, inclusion, and acknowledgment of events that have shaped our nation.

## **BACKGROUND:**

In recent years, there has been a growing national awareness and recognition of Juneteenth, culminating in its designation on June 17, 2021 as a federal holiday. Celebrated on June 19th each year, Juneteenth marks a significant milestone in American history and serves as a reminder of the ongoing journey toward equality and justice.

## **DISCUSSION:**

By updating SCPPA's 2024 Holiday Schedule to include Juneteenth as a paid holiday, SCPPA would be acknowledging the historical importance of this day and aligning SCPPA's policies with the federal observance of this holiday. This proposed amendment reflects SCPPA's responsiveness to the evolving needs and expectations of SCPPA's workforce. The majority of SCPPA Member utilities either already observe Juneteenth as a holiday or the holiday is under negotiation during Memorandum of Understanding negotiations with Member labor organizations.

In addition to the proposed recognition of the Juneteenth holiday SCPPA plans to dedicate its staff training during the month of June to educating staff on cultural sensitivity, diversity, and equity. SCPPA fosters a workplace culture that embraces inclusivity and understanding.

## **SCPPA's AUTHORITY:**

SCPPA is authorized under Section 5 of the Joint Powers Agreement to employ agents and employees and to exercise any other power permitted by the Joint Powers Act. This power includes the power to establish and amend holiday schedules for SCPPA employees.

## **FISCAL IMPACT:**

There would be no dollar impact to SCPPA's fiscal year 2023-24 Administrative and General Expense budget in adding the holiday as all current SCPPA employees are full-time salaried employees. There would be a loss of one workday, which represents approximately \$12,000 in wages. The recognition of the holiday may boost morale and overall employee productivity.

## **ATTACHMENTS:**

1. Redlined markup of Employee Benefits Policy
2. Resolution No. 2024-001



**Southern California Public Power Authority  
Employee Benefits Policy**

**Adopted: (~~May 16, 2019~~ January 18, 2024)**

**RESOLUTION NO. ~~201924-037~~ 2024-037xxx**

SCPPA's Employee Benefits are established and modified by the SCPPA Board of Directors (Board) by Resolution. The Board shall retain full discretion to review, revise, repeal, or make changes to employee benefits to the fullest extent permitted by law. The Board has no intent to create any vested right to any employee benefit, including pension and retiree health benefits. New employees shall be required, as a condition of employment, to affirmatively acknowledge that they have been informed of the Board's rights and intent with respect to SCPPA's employee benefits.

**1-1. Benefits Eligibility**

Employee benefits described in this Policy are available only to full-time employees (Eligible Employees). As used herein, a full-time employee is an employee who regularly works 40 hours per week, or such shorter number of hours as may be prescribed by applicable law.

**1-2. Flexible Benefits Plan**

SCPPA's Flexible Benefits Plan (i.e., an IRC section 125 Cafeteria Plan) effective on January 1, 2015. The Flexible Benefits Plan allows Eligible Employees to choose from a variety of benefits to formulate a plan that best suits their needs. The Flexible Benefits Plan includes the following components:

**A. Medical Insurance**

SCPPA participates in the State of California Public Employees' Retirement System's (PERS) Health Benefits Program as a public agency under the Public Employees' Medical and Hospital Care Act (PEMHCA). Under the PERS Health Benefits Program, Eligible Employees may select an eligible health plan of their choice from Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), and traditional insurance plans.

The monthly health plan premiums for each calendar year are established by PERS, which publishes the costs in a report titled "Monthly Premiums for Contracting Agencies". SCPPA may pay for all or part of the monthly health plan premium for the employee's selected health plan. Should the premium cost of the PERS health plan selected by the employee exceed SCPPA's payment, the employee will be responsible for paying the difference through a payroll deduction.

SCPPA's contribution to fund employee health plan premiums may vary depending on certain circumstances, such as the selected health plan provider, geographic area, and/or coverage tier selected by the employee (i.e., employee only, employee plus one dependent, or employee plus two or more dependents). SCPPA's health plan premium contribution consists of two components that are subject to annual adjustment, as follows:

- **PEMHCA Minimum Contribution**

A PEMHCA minimum employer contribution as set annually by the PERS Board of Directors; and

- **Supplemental Contribution for Employees**

The Supplemental Contribution for Employees, which is the difference between the second-lowest cost PERS Basic Monthly Rate for the employee's selected coverage tier and geographic area; and the PEMHCA Minimum Contribution.

An employee may elect not to participate in (opt-out of) the SCPPA sponsored PERS Health Benefits Program. An employee who opts-out of health insurance coverage is eligible for a health plan allowance that can be: (i) used to enhance other benefit coverage, (ii) used to fund other benefits included in the Flexible Benefits Plan, and/or (iii) taken as a taxable cash payment.

The health plan allowance for employees who opt-out is equal to the difference between the second-lowest cost PERS monthly health plan premium (i.e., Basic Monthly Rate schedule) for employee only coverage in the "Los Angeles Area", and the PEMHCA Minimum Contribution.

Open enrollment for the PERS Health Benefits Program occurs once per year. Elections made will apply to the following calendar year, during which employees will not be able to change their election except in limited circumstances and qualified life events.

**B. Group Dental and Vision Insurance**

SCPPA provides a group dental and vision plan (Plan) open to all employees and their families. All employees are required to enroll in the Plan regardless of whether they elect to enroll family members. SCPPA will cover up to the cost of the Employee plus Family monthly premium if the employee elects to enroll in the family plan.

**C. Health Flexible Spending Account (HFSA)**

SCPPA offers a HFSA under which employees may elect to set aside part of their SCPPA pay each calendar year on a pre-tax basis, for reimbursement of certain medical, dental, and/or vision expenses that are not covered by the employees' medical, dental, and vision insurance plans.

This externally administered benefit enables employees to reduce the cost of allowable health-related expenses. SCPPA does not make or match any contributions to the HFSA.

**D. Dependent Care Flexible Spending Account (DFSA)**

SCPPA offers a DFSA under which employees may elect to set aside part of their SCPPA pay each calendar year on a pre-tax basis, for reimbursement of certain dependent day care expenses. Typically, these would be day care expenses for children, but may also be used to reimburse day care for other dependents, such as spouses, parents, or grandparents, who cannot care for themselves.

The DFSA is an externally administered benefit that enables employees to reduce the cost of allowable dependent care expenses. SCPPA does not make or match any contributions to the DFSA.

**1-3. Other Employee Benefits**

**A. Group Life Insurance**

SCPPA pays the premium costs for a group term-life, and accidental death and dismemberment (AD&D) insurance policy equal to an eligible employee's annual salary up to \$250,000.00 (or the maximum coverage

available, whichever is less). Coverage under SCPPA's life and AD&D group insurance policy is subject to certain age reductions set forth in the provider's policy.

## **B. Group Disability Insurance**

SCPPA's disability insurance program is integrated, thereby, eliminating overlapping coverage and providing a seamless transition from short- to long-term disability. SCPPA's disability insurance program is designed such that benefits paid to employees are not subject to income taxes.

SCPPA's short-term disability (STD) group insurance policy pays 60% of an employee's monthly salary (or the maximum coverage available, whichever is less), less income from other sources such as social security, state disability, workers' compensation, or government retirement systems. There is a 7-day elimination period. The employee shall exhaust all accrued Universal Leave prior to receiving any disability benefit for the remainder of the STD benefit elimination period.

SCPPA's long-term disability (LTD) group insurance policy pays 60% of an employee's monthly salary (or the maximum coverage available, whichever is less), less income from other sources such as social security, state disability, workers' compensation, or government retirement systems. There is a 90-day elimination period.

Coverage under SCPPA's disability insurance program is subject to certain age restrictions set forth in the policy. SCPPA employees are responsible for paying the insurance premium cost for STD insurance, but not LTD insurance.

## **C. Deferred Compensation Plan**

SCPPA offers a deferred compensation plan (i.e., 457(b) Plan), under which Eligible Employees may elect to contribute part of their SCPPA salary on a pre-tax basis. The plan thereby enables employees to accumulate retirement savings on a pre-tax basis. SCPPA will match employee contributions at an amount approved by the SCPPA Board as part of the annual budgeting process.

## **D. Tuition Reimbursement**

Eligible Employees will be reimbursed after completion of the course with a letter grade of "C" or numerical grade of 2.0, or better, for costs of tuition and books for pre-approved courses of study at the rate equal to 75%, up to a maximum of \$3,500.00 per year. This benefit is at the discretion of SCPPA's Executive Director.

# **1-4. Retirement Benefits**

## **A. Pension Plan**

SCPPA provides Eligible Employees with retirement benefits under the State of California's pension plan, the California Public Employees' Retirement System (PERS). The terms and conditions of these benefits are set out in a contract between SCPPA and PERS.

Both SCPPA and Eligible Employees contribute toward the cost of the PERS benefit. Employee contributions are deducted from employees' base pay through bi-weekly payroll deductions, which are exempt from income taxes (but are subject to Medicare taxes).

An employee's contributions and benefit levels under PERS depend on whether the employee is a "Classic Member" or "PEPRA Member" as defined below.

- **Classic Member**

"Classic Member" means any PERS-covered SCPPA employee who either: (i) before 2013, was an active member in PERS while employed by SCPPA, or (ii) becomes a SCPPA employee on or after January 1, 2013, and has, within the six months preceding the employment date, received service credit under PERS or under a reciprocal retirement system.

Classic Members are covered by PERS's 2.5% @ 55 formula. The benefit for SCPPA service is calculated using the employee's highest 12 consecutive months of pensionable compensation. Classic Members shall pay employee contributions toward their PERS benefit equal to 8.0% of the employee's pensionable compensation.

- **PEPRA Member**

"PEPRA" refers to the Public Employees Pension Reform Act of 2013. "PEPRA Member" means any PERS-covered SCPPA employee who is not a Classic Member. PEPRA Members are covered by PERS's 2.0% @ 62 formula. The benefit for SCPPA service is calculated using the highest 36 consecutive months of pensionable compensation.

PEPRA Members must pay employee contributions toward their PERS benefit. Under PEPRA, the required contribution amounts are generally tied to the annual actuarial cost associated with the benefits earned. PERS establishes the required contribution annually.

PEPRA also establishes a cap on pensionable compensation which is subject to annual adjustment by the PERS Board.

SCPPA does not withhold or contribute Social Security tax on behalf of its employees.

## **B. Retiree Medical Insurance**

Active employees who retire from SCPPA and receive a PERS pension are eligible to participate in the PERS Health Benefits Program described above. The monthly premium costs for each calendar year are established by PERS, which publishes the costs in a report titled "Monthly Premiums for Contracting Agencies". Premiums may differ for retirees and active employees, especially if the retiree is eligible to receive Medicare.

SCPPA may pay for all or part of the monthly health plan premium of the retiree's selected health plan for the single-individual only coverage tier. Should the premium cost of the PERS health plan selected by the retiree exceed SCPPA's payment, the retiree will be responsible for paying the difference.

SCPPA's contribution to fund retiree medical insurance premiums may vary depending on certain circumstances, such as the health plan provider, geographic area, and/or age. SCPPA's health plan premium contribution consists of two components which are subject to annual adjustment, as follows:

- **PEMHCA Minimum Contribution**

A PEMHCA minimum employer contribution as set annually by the PERS Board of Directors; and

- **Supplemental Contribution for Eligible Retired Employees**

SCPPA provides a Supplemental Contribution for Eligible Retired Employees. For this purpose, "Eligible Retired Employee" means an employee who (i) retires within 120 days after his or her last day of SCPPA employment, and (ii) who was either hired by SCPPA before December 18, 2014, or has completed at least ten (10) years of employment with SCPPA at the time of retirement.

The Supplemental Contribution is an amount approved by the SCPPA Board as part of the annual budgeting process. The monthly Supplemental Contribution for Eligible Retired Employees ("Supplemental Contribution") for those who retire on or after January 1, 2015 is the difference between an amount not exceeding the lowest cost PERS Basic Monthly Rate (or Supplemental/Managed Medicare Monthly Rate for retirees 65 years of age or older) for the single-individual only coverage tier applicable to the geographic region in which the retiree resided immediately prior to retirement and the PEMHCA Minimum Contribution.

The monthly Supplemental Contribution for employees who retired from SCPPA prior to January 1, 2015 is equal to the lesser of the applicable PERS Basic Monthly Rate (i.e., retirees less than 65 years of age) or Supplement/Managed Medicare Monthly Rate (i.e., retirees 65 years of age or older) for their current health plan for the retiree only coverage tier; and the PEMHCA Minimum Contribution.

The SCPPA Board, in its sole discretion, (i) may elect to use the same methodology currently used for determining the amount of SCPPA's Supplemental Contribution, with or without modification; (ii) may elect to change the current methodology and instead make the Supplemental Contribution in the form of a fixed dollar amount that may be more or less than the amount paid in previous years, or (iii) may reduce the amount of the Supplemental Contribution to zero.

Eligible Retired Employees that elect not to participate in the SCPPA-sponsored PERS Health Benefits Plan will not be entitled to any SCPPA health premium contributions (i.e., the PEMHCA Minimum Contribution and the Supplemental Contribution).

## **1-5. Paid Time Off**

### **A. Universal Leave**

Time-off (i.e., including sick and vacation time) taken by an employee regardless of the reason is considered to be "Universal Leave". Employees accrue Universal Leave hours based on the employees' years of service with SCPPA or as otherwise approved by the SCPPA Board, as set forth in the following table:

<b>Service Year</b>	<b>1 - 5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>Universal Leave Hours</b>	176	184	192	200	208	216	224	232	240	248	256

- **Maximum Accrual**

Each employee shall be allowed to accrue a maximum of 1,000 hours of Universal Leave at any time. If an employee's accrued balance exceeds 1,000 hours, they will stop accruing universal leave until such time that their balance falls below 1,000 hours.

- **Cash-Out Option**

With the approval of the Executive Director, employees may cash-out Universal Leave at 100% of the current value, up to 200 hours at any time once each calendar year, provided that their Universal Leave balance does not fall below 400 hours following the cash-out and the employee must also have used at least 80 hours of Universal Leave in the last twelve (12) consecutive calendar months.

- **Payout Upon Separation or Death**

Accrued, unused Universal Leave shall be paid to an active employee upon separation at 100% of the cash-out value, unless otherwise required by law.

Upon the death of an active employee, the accrued unused Universal Leave shall be paid to the employee's beneficiary at 100% of the cash-out value, regardless of service time.

- **Universal Leave Donations**

In limited circumstances, an employee may elect to donate part of his or her Universal Leave balance to another employee. A donation is only permitted to provide additional Universal Leave to an employee who becomes ill and requires leave for an extended period of time that exceeds his or her Universal Leave balance. Universal Leave may be donated to such employee's Universal Leave bank on a per dollar equivalency equal to the time donated by the other employee(s).

## **B. Holidays**

Employees will be paid for the following holidays:

New Year's Day (January 1st)  
Martin Luther King, Jr. Day (3rd Monday in January)  
President's Day (3rd Monday in February)  
Memorial Day (Last Monday in May)  
Juneteenth (June 19<sup>th</sup>)  
Independence Day (July 4th)  
Labor Day (1st Monday in September)  
Columbus Day (2nd Monday in October)  
Veterans' Day (November 11th)  
Thanksgiving Day (4th Thursday in November)  
Day after Thanksgiving (Friday after 4th Thursday in November)  
Christmas Day (December 25th)  
One (1) Floating Holiday

When holidays fall or are celebrated on a regular workday, eligible full-time employees shall receive one (1) day's pay at their regular straight-time rate. Full-time employees who are exempt from the Fair Labor Standard Act who are called into work on a holiday will receive one (1) day's pay at their regular straight-time rate, and an additional payment of straight time for the actual time they work that day.

For holidays that fall on a scheduled day-off, SCPPA will post a schedule each calendar year showing which days such holidays will be observed in lieu by employees.

The Executive Director shall establish the floating holiday each calendar year.

### **C. Administrative Leave**

At the discretion of the Executive Director, up to five days of paid Administrative Leave may be granted annually.

### **D. Bereavement Leave**

An employee shall be entitled to be absent from work with pay in the event of the death of a member of his or her immediate family. Pay shall be authorized for all or any portion not to exceed three (3) days of such leave provided a written request for such pay is filed. Any absence in excess of three (3) days shall be in accordance with the existing provisions.

For purpose of this Section the term "member of the immediate family" is limited to any relative by blood or marriage who is a member of the employee's household; and parents, step-parents, spouse, registered domestic partner, children, step-children, brother, sister, grandparents, grandchildren, great grandparent, great grandchild, son/daughter-in-law, father/mother-in-law, sister/brother-in-law, grandfather/grandmother-in-law or responsible guardian or person who has acted in that capacity, regardless of place of residence.

### **E. Jury Duty**

Employees ordered to perform jury service or subpoenaed to court or any legislative body shall be entitled to a leave of absence with pay for the entire day for each day served, and without deduction from Universal Leave, at an amount equal to the employee's regular daily earnings. In the case of subpoena leave, the employees are eligible if the appearance time occurs during their normal working hours, and they are not a party to the suit.

The term regular earnings means full pay for regularly scheduled work, which the employees would have received had they not been called to jury service or subpoenaed.

Employees shall account for all time spent on jury duty or subpoena leave. If employees are excused from jury service or subpoena on a normal workday, they are expected to report for work. Employees must account to their departments for any time off for illness or other reasons, while on jury duty or subpoena leave.

Upon completion of jury service or subpoenaed time, the employees upon receipt, shall submit to SCPPA the jury fees, witness fees and/or mileage fees and a copy of the court report of jury time served. When employees are served with a subpoena, the employees shall request witness fees. The employees shall retain or be reimbursed the amount paid by the court for mileage and jury fees representing jury service performed by the employees on their regular day off.

## **1-6. Leave Without Pay**

### **A. Protected Leave**

If an Eligible Employee has no other leave available, SCPPA will grant a personal leave of absence without pay consistent with Federal and State Law as required under the Family and Medical Leave Act, California Family Rights Act, Pregnancy Disability Leave Law, or Americans with Disabilities Act.

SCPPA will continue health insurance coverage during the protected leave if the employee pays the employee share of the monthly premium and payments are submitted to SCPPA in a timely manner.

Universal Leave will not be accumulated, and Holidays will not be paid.

SCPPA is not obligated to reinstate the employee to the same position, only an equivalent position upon return to work.

Protected leave runs concurrently with any STD and LTD Leave of Absence.

## **B. Unprotected Personal Leave**

If an Eligible Employee has a need to be absent from work and who is not eligible for leave with pay, SCPPA's Executive Director may grant a personal leave of absence without pay up to 120 days. A written request for a personal leave is required at least two (2) weeks before the anticipated start of the leave. Leave approval is subject to consideration of staffing requirements, the reasons for the requested leave, and employee performance, and attendance. The SCPPA Executive Director may require supporting documentation from the employee before granting the request. Leaves of absence greater than 120 days require SCPPA Board approval. Personal leave may be extended if prior to the end of the leave a written request for an extension is submitted and approved by the Executive Director or SCPPA Board, as applicable. During personal leave,

Universal Leave will not be accumulated, and Holidays will not be paid.

During personal leave, SCPPA will continue health insurance coverage if the employee pays the full monthly premium and payments are submitted to SCPPA in a timely manner.

SCPPA is not obligated to reinstate the employee to the same position, only an equivalent position upon return to work.

Failure to advise management of availability to return to work, failure to return to work when notified, or continued absence from work beyond the time approved by SCPPA, will be considered a voluntary resignation of employment.

Personal leave runs concurrently with any STD and LTD.





# AGENDA ITEM STAFF REPORT

**MEETING DATE:**

January 18, 2023

**RESOLUTION NUMBER:**

2024-002

**SUBJECT:**

Power Purchase Agreement with Bonanza Solar, LLC for the Bonanza Solar and Storage Project and finding such action exempt from the California Environmental Quality Act

**DISCUSSION:**



**OR**

**CONSENT:**



Select the appropriate box(es):

**FROM:**

- Finance
- Project Development
- Program Development
- Regulatory/Legislative
- Project Administration
- Legal
- Executive Director

**METHOD OF SELECTION:**

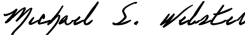
- Competitive
- Cooperative Purchase
- Sole Source
- Single Source
- Other (Please describe):

**MEMBER PARTICIPATION:**

Sponsoring Member: Pasadena Water and Power and Azusa Light and Water

Other Members Potentially Participating: None

**Approved by Executive Director:**

DocuSigned by:  
  
 B6AA32131A0046E...

**RECOMMENDATION:**

Authorize the negotiation, execution, and delivery of the Power Purchase Agreement (PPA) with Bonanza Solar, LLC for the Bonanza Solar and Storage Project (Bonanza) to provide long term Solar and Energy Storage System of renewable energy through the Southern California Public Power Authority (SCPPA) to two Participating Members: Pasadena Water and Power (PWP) and Azusa Light and Water (ALW) for the purpose of satisfying the utility's renewable resource goals. Find such action exempt from the California Environmental Quality Act.

**BACKGROUND:**

In pursuit of complying with the Renewable Portfolio Standard (RPS) mandate of 60 percent of Renewable Energy by 2030, SCPA issued a Request for Proposals for Renewable Energy Resources and Energy Storage Solutions to address the renewable electrical energy needs of its Members.

Bonanza is a 300 MW solar facility plus energy storage system that will be located in Clark County, Nevada, of which SCPA is a partial offtaker of the facility energy products. The facility includes both PV Solar and a Battery Energy Storage System (BESS) with a 4-hour duration.

**DISCUSSION:**

- **Scope of Contract Services:**

PWP and ALW will add an additional capacity of 125 MW of Solar and 65 MW of Energy Storage to their RPS with the PPA. The point of delivery is at Innovation Substation and will have a guaranteed commercial operation date of December 31, 2028. The term for the PPA is twenty (20) years. The price of the energy plus storage products under the PPA will be set as follows:

- \$47.76/MWh for PV Delivered Energy and \$16.84/kW-Month for BESS

<b>Member</b>	<b>MW (AC) of PV</b>	<b>MW (AC) of BESS</b>
<b>Pasadena</b>	115	50
<b>Azusa</b>	10	15
<b>Total</b>	<b>125</b>	<b>65</b>

- **Selection Method:**

The Bonanza Project was selected from fifteen proposals received in response to the rolling Request for Proposals for Renewable Energy Resources and Energy Storage Solutions issued on February 7, 2023.

The RFP solicited competitive proposals for renewable energy projects or products consistent with the California Renewable Energy Resources Program (Public Resources Code sec. 25740 et seq.) and the California Renewables Portfolio Standard Program (Public Utilities Code sec. 399.11 et seq.), including amendments enacted by passage of SB 100 (De Leon 2018). SCPA is targeting proposals for renewable resources with commercial operation or delivery starting in 2023 and beyond.

Bonanza was selected by the participating Members as a viable Solar and Energy Storage project to be delivered to the Innovation Substation, which will help further their Renewable Portfolio Standards goals and needs.

- **Environmental Review:**

The proposed Board Action is exempt from the California Environmental Quality Act (CEQA) under Section 15277 of the State CEQA Guidelines, "Projects Located Outside the State of California." The Bonanza Solar and Storage Project is located in the State of Nevada and will be subject to environmental review under the National Environmental Policy Act (NEPA). Final, non-appealable NEPA approval is a condition precedent to commercial operation of the project.

- **SCPPA's Authority:**

In accordance with the Joint Powers Agreement, SCPPA may facilitate contracts for the transaction involving procurement of electric generation capacity for SCPPA Members. Approval of the PPA will have a condition precedent based upon the approval of the PSAs from the Participating Members' respective Boards and City Councils.

**FISCAL IMPACT:**

There is a de minimis impact on SCPPA's Administrative and General Budget outside of staff time to administer the PPA.

SCPPA and the participating Members are finalizing a Power Sales Agreement, pursuant to which SCPPA will sell all of the energy products and services from Bonanza over the term of the PPA to PWP and ALW. PWP and ALW are currently planning to present the project Power Sales Agreements to their City Councils for approval in February. If PWP's and ALW's City Councils do not approve the Power Sales Agreements for the project, the Power Purchase Agreement will be terminated.

**ATTACHMENTS:**

1. Resolution 2024-002
2. Bonanza Solar and Storage Power Purchase Agreement

## RESOLUTION NO. 2024-002

### **RESOLUTION RELATING TO THE BONANZA SOLAR AND STORAGE PROJECT: AUTHORIZING THE NEGOTIATION, EXECUTION, AND DELIVERY OF A POWER PURCHASE AGREEMENT, AND SUCH OTHER DOCUMENTS, INSTRUMENTS, AND AGREEMENTS AS MAY BE NECESSARY OR APPROPRIATE TO ACHIEVE THE FULL UTILIZATION OF THE RESOURCES OF THE PROJECT AND AS SHALL BEST CARRY FORWARD THE INTERESTS AND OBJECTIVES OF THE AUTHORITY; AND FINDING THAT SUCH ACTION IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

WHEREAS, the Southern California Public Power Authority ("SCPPA" or "the Authority") has issued Requests for Proposals for potential renewable electric resources to address SCPPA member renewable energy needs as part of that process the Authority, and as part of that process, the Authority, together with the City of Pasadena and the City of Azusa ("Project Participants") have expressed an interest in receiving energy generated from a resource denominated as the Bonanza Solar and Storage Project and located in Clark County, Nevada (the "Project"); and

WHEREAS, SCPPA and the Project Participants have negotiated with Bonanza Solar, LLC (the "Power Purchase Provider") and developed in substantial final form a power purchase agreement (the "Power Purchase Agreement") whereby the Power Purchase Provider will sell and SCPPA will purchase geothermal renewable energy and associated environmental rights and benefits; and

WHEREAS, the Authority and the Project Participants desire to enter into power sales agreements (each, a "Power Sales Agreement"), whereby the Authority will provide to the Project Participants the full output of the Project, and the Project Participants will pay all costs, liabilities, and obligations of the Authority in connection with the Project; and

WHEREAS, under the terms of the Power Purchase Agreement, SCPPA may terminate the Power Purchase Agreement if SCPPA and Project Participants are unable to negotiate and approve the Power Sales Agreements; and

WHEREAS, SCPPA and the Project Participants desire to provide for, and authorize, the further development, negotiation, entering into, execution, and delivery of such other documents, instruments, agreements, and arrangements with respect to the resources of the Project so as to facilitate the generation, transmission, and delivery of energy associated with the Project and to provide for the negotiation and approval of those terms and conditions with respect to such agreements and arrangements as shall best carry forward the interests of the Authority and the Project Participants and as shall best achieve the Authority's and the Project Participants' objectives; and

WHEREAS, the Board's action is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Section 15277 of Title 14 of the California Code of Regulations ("State CEQA Guidelines") as the proposed Bonanza Solar and Storage Project is located outside of California and is subject to environmental review under the National Environmental Policy Act.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority as follows:

1. This action is exempt from the requirements of CEQA pursuant to Section 15277 of the State CEQA Guidelines.
2. The Executive Director is hereby delegated all right, power, and authority to negotiate and finalize, and each of the President, Vice President, and Executive Director of the Authority is hereby authorized and directed upon the successful negotiation thereof, to execute and deliver the Power Purchase Agreement, in substantial form as presented to the Board of Directors, and each of such other agreements, documents, and instruments, the substance or form of which are referenced in or otherwise attached to the Power Purchase Agreement or which may be contemplated by the terms of the Power Purchase Agreement and to which the Authority is to be a party or is to sign, each with such changes, insertions, and omissions as shall be approved by said President, Vice President, or Executive Director (such approval to be conclusively evidenced by her or his execution and delivery thereof), and each of the Secretary and any Assistant Secretary is hereby authorized to attest to such signature.
3. In addition to the foregoing, in order to facilitate the negotiation and consummation of the contemplated arrangements for the generation and delivery of energy from the Project and to carry forward other necessary or appropriate agreements associated with the acquisition of energy and solar generation resources of the Project and the delivery of the energy and environmental attributes of the Project to Southern California, and to achieve the full utilization of the resources of the Project, the Board of Directors hereby delegates to the Executive Director of the Authority all right, power, and authority to negotiate, approve, and execute agreements and arrangements with respect to the resources of the Project to facilitate the generation, transmission, and delivery of energy associated with the Project and to negotiate and approve those terms and conditions with respect to such agreements and arrangements as shall best carry forward the interests of the Authority and the Project Participants and as shall best achieve the Authority's and the Project Participants' objectives, including the negotiation, development, and execution of any consent agreement or other agreement pursuant to a change in control, project-related financing, or as otherwise necessary or appropriate to carry forward the interests of the Authority and the Project Participants which does not require a material modification to or material change to the Power Purchase Agreement.
5. Each of the President, Vice President, Secretary, any Assistant Secretary, the Executive Director and any other officer of the Authority is hereby authorized to execute and deliver any and all agreements, documents, and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution (including, but not limited to, making such changes to the agreements, documents, and instruments referred to in this Resolution if such changes are determined by the President, Vice President, or Executive Director to be necessary or advisable). Each reference in this Resolution to the President, Vice President, Secretary, Assistant Secretary, or Executive

Director shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, employees, and agents of the Authority in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified, and confirmed.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 18<sup>th</sup> day of January, 2024 and is effective immediately.

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PRESIDENT  
Southern California Public  
Power Authority

ATTEST:

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ASSISTANT SECRETARY  
Southern California Public  
Power Authority

**POWER PURCHASE AGREEMENT**

**BETWEEN**

**BONANZA SOLAR, LLC**

**AND**

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

**DATED AS OF JANUARY \_\_, 2024**

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# POWER PURCHASE AGREEMENT

## PARTIES

THIS POWER PURCHASE AGREEMENT (this “*Agreement*”), dated as of this \_\_\_ day of January \_\_\_, 2024, is being entered into by and between the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY (“*Buyer*”), a public entity and joint powers authority formed and organized pursuant to the California Joint Exercise of Powers Act (California Government Code Section 6500, et seq.), and Bonanza Solar, LLC, a limited liability company organized and existing under the laws of the State of Delaware (“*Seller*”). Each of Buyer and Seller is referred to individually in this Agreement as a “*Party*” and together as the “*Parties*.”

## RECITALS

WHEREAS, Buyer’s members have adopted or are adopting policies that are designed to increase the amount of energy that they provide to their retail customers from eligible renewable energy resources and to comply with the California Renewable Energy Resources Act; and

WHEREAS, on February 7, 2023, Buyer issued a request for proposals (“*RFP*”) to acquire renewable energy resources; and

WHEREAS, on February 10, 2023, an initial response was submitted on behalf of Seller to Buyer’s RFP and, following negotiation, Seller has agreed to sell to Buyer, and Buyer has agreed to purchase, certain renewable energy, capacity rights, and associated environmental attributes; and

WHEREAS, the Parties desire to set forth the terms and conditions pursuant to which such sales and purchases shall be made.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, the mutual covenants and agreements herein set forth, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

### ARTICLE I DEFINITIONS AND INTERPRETATION

**Section 1.1 Definitions.** The following terms in this Agreement and the appendices hereto shall have the following meanings when used with initial capitalized letters:

“**AC**” means alternating current.

“**Acceptable Form of Performance Assurance**” means, at the option of Seller, any of (a) cash to be held in escrow by Buyer, (b) cash held in an escrow account and subject to an escrow agreement in form and substance satisfactory to Buyer in its sole discretion (an “*Escrow Account*”), or (c) a separate letter of credit substantially in the form of Appendix E from a Qualified Issuer.

“**ADS**” has the meaning set forth in Section 9.6(b)(vii).

“**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or is a director or officer of such Person or of an Affiliate of such Person. As used in this Agreement, “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise.

“**Agreement**” has the meaning set forth in the preamble of this Agreement, and includes the Appendices and Schedules attached hereto.

“**Agreement Term**” has the meaning set forth in Section 2.2(a).

“**Ancillary Documents**” means all instruments, agreements, certificates and documents executed, delivered, or required to be executed or delivered by or on behalf of Buyer or Seller or any Affiliate of Seller pursuant to this Agreement.

“**Ancillary Services**” has the meaning set forth in the CAISO Tariff.

“**Annual Contract Quantity**” means, for the applicable Contract Year, the number of MWh set forth on Appendix C, which is the quantity of expected PV Delivered Energy for each Contract Year.

“**Annual Cycle Limit**” has the meaning set forth on Appendix Q.

“**Anti-Corruption Laws**” means any U.S. anticorruption or antibribery law applicable to any Party, including those laws that prohibit the promise, offer, authorization, receipt, or provision of anything of value to any person, including employees, officials, or agents of any Governmental Authority or government-owned or controlled entity; employees, members, or officials of a political party or public international organization; or, anyone else that may be considered a government official under applicable law, for an illegal, improper, or corrupt purpose, such as to influence the official act (or lack of action) of the recipient of things of value in order to gain an advantage, obtain or retain business, or direct business to any person.

“**Anti-Terrorism Laws**” means any U.S. laws relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act.

“**ASC**” has the meaning set forth in the definition of “*Facility Debt*”.

“**ASME**” means American Society of Mechanical Engineers.

“**Assumed Daily Deliveries**” has the meaning set forth in Section 13.4(c).

“**ASTM**” means American Society for Testing and Materials.

**“Authorized Auditors”** means representatives of Buyer or Buyer’s Authorized Representative who are authorized to conduct audits on behalf such Buyer.

**“Authorized Representative”** means, with respect to each Party, the Person designated as such Party’s authorized representative pursuant to Section 14.1.

**“Availability Standards”** means the program set forth in Section 40.9 of the CAISO Tariff, as it may be amended, supplemented or replaced (in whole or in part) from time to time, setting forth certain standards regarding the desired level of availability for Resource Adequacy (as defined in the CAISO Tariff) resources and possible charges and incentive payments for performance thereunder.

**“AWS”** means American Welding Society.

**“Bankruptcy”** means any case, action or proceeding under any bankruptcy, reorganization, debt arrangement, insolvency or receivership law or any dissolution or liquidation proceeding commenced by or against a Person and, if such case, action or proceeding is not commenced by such Person, such case, action or proceeding shall be consented to or acquiesced in by such Person or shall result in an order for relief or shall remain undismissed for ninety (90) days.

**“Bankruptcy Code”** means Title 11 of the United States Code entitled “Bankruptcy”, as now and hereafter in effect.

**“BESS”** means the lithium-ion battery energy storage system to be included in the Facility as provided in Appendix B unless otherwise modified pursuant to the terms of this Agreement , consisting of battery storage modules and racks, power conversion and transformation equipment, battery management systems, equipment for communication, thermal regulation, environmental conditioning and safety, control systems and related software, enclosures, and such other incidental or ancillary equipment or components as may be necessary or appropriate, in each case, charged by PV System Energy or Grid-Charging Energy, as outlined in Appendix K-1 and Section 4.3(b).

**“BESS Capacity Cure Period”** has the meaning set forth in Section 3.11(b).

**“BESS Capacity Damages”** has the meaning set forth in Section 3.11(b).

**“BESS Capacity Payment”** means commencing on the first full month after the Commercial Operation Date and each full month during the Delivery Term thereafter, the product of the BESS Capacity Price or Modified BESS Capacity Price, as applicable, multiplied by the BESS Contract Capacity (measured in kW).

**“BESS Capacity Price”** means Sixteen Dollars and Eighty Four Cents (\$16.84) per kW-month.

**“BESS Communication Protocol”** has the meaning set forth in Section 7.3(e).

**“BESS Contract Capacity”** means the net nameplate capacity of the BESS equal to sixty-five (65) MW AC as of the Effective Date, as may be reduced in accordance with this Agreement.



“**BESS Energy Meter**” means the CAISO-approved and CAISO-poled Electric Metering Device at the BESS dedicated solely to the BESS, depicted on Appendix O.

“**BESS Excused Conditions**” means (a) any period during which Seller is unable charge or discharge the BESS as a result of an event of Force Majeure, System Emergency or a Curtailment Period, (b) any period during which Seller is unable to deliver energy to the Point of Delivery to the extent caused by (i) the Operating Restrictions in Appendix Q, or (ii) a Storage Capacity Test (as described in Appendix K-1 and Appendix K-3), and/or (c) any Permitted Scheduled Outage Period.

“**BESS Instructions**” means the instructions, and any subsequent updates, in either case directed by Buyer or the CAISO via the BMS or another method of communication, to charge or discharge the BESS, in each case in a manner consistent with the BESS Communication Protocol, Operating Restrictions, and the terms and conditions of this Agreement.

“**BESS Metered Input**” means all Energy delivered to the BESS, as measured in MWh by the BESS Energy Meter in compliance with CAISO metering rules.

“**BESS Metered Output**” means all Energy delivered to the Point of Delivery from the BESS (net of all auxiliary loads, station electrical uses and electrical losses from the BESS to the Point of Delivery), as measured in MWh by the BESS Energy Meter in compliance with CAISO metering rules.

“**BESS Performance Guarantees**” means, collectively, the Dischargeable Energy Performance Guarantee, the Round Trip Efficiency Performance Guarantee, the Peak Season BESS Availability Guarantee and the Off-Peak Season BESS Availability Guarantee.

“**BESS Shortfall Adjustments**” has the meaning set forth in Section 3.11(b).

“**BMS**” means the battery control and management system for the BESS.

“**Brown Act**” has the meaning set forth in Section 14.21(e).

“**Business Day**” means any day that is not a Saturday, a Sunday, or a day on which commercial banks are authorized or required to be closed in Los Angeles, California or New York, New York.

“**Buyer**” has the meaning set forth in the preamble of this Agreement.

“**Buyer Approvals**” has the meaning set forth in Section 2.5.

“**CAISO**” means the California Independent System Operator.

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

“**CAISO COD**” means “commercial operation” under the Generator Interconnection Agreement; *provided that* any applicable Permits required to operate the Facility under the Generator Interconnection Agreement and that are required to achieve “commercial operation”

under the Generator Interconnection Agreement are obtained, and any Requirements of Law that are required to achieve “commercial operation” under the Generator Interconnection Agreement are satisfied.

“**CAISO Tariff**” means the CAISO FERC Electric Tariff, Fifth Replacement Volume, including the rules, protocols, procedures and standards attached thereto and any replacement thereof or successor thereto in effect.

“**Cal-OSHA**” means the California Occupational Safety & Health Administration.

“**CAMD**” means the Clean Air Markets Division of the EPA and any other state, regional or federal or intergovernmental entity or Person that is given authorization or jurisdiction or both over a program involving the registration, validation, certification or transferability of Environmental Attributes.

“**Capacity Rights**” means the rights, whether in existence as of the Effective Date or arising thereafter during the Agreement Term, to capacity, Resource Adequacy Attributes, Local Capacity Requirement Attributes, System Capacity Requirement Attributes, Flexible Capacity Requirement Attributes, RA Capacity, associated attributes or reserves, or any of the foregoing as may in the future be defined by the CAISO, or any other balancing authority, reliability entity or Governmental Authority associated with the electric generating capability of the Facility, including the right to resell such rights.

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

“**CEC Certified**” means that the CEC has certified (or, with respect to periods before the date that is one hundred eighty (180) days following the Commercial Operation Date, that the CEC has pre-certified) that the PV System (or, if applicable and required under RPS Law, the Facility) is an eligible renewable energy resource in accordance with RPS Law.

“**CEC Compliant**” means, when used with respect to the PV System and, only if applicable and required under RPS Law, the Facility, that the PV System and, only if applicable and required under RPS Law, the Facility, is CEC Certified and in compliance with the CEC Performance Standard and any other applicable CEC requirements to which it is subject.

“**CEC Performance Standard**” means, at any time, the applicable greenhouse gas emissions performance standard in effect at such time for baseload electric generation facilities and storage facilities that are owned or operated (or both) by local publicly owned electric utilities, or for which a local publicly owned electric utility has entered into a contractual agreement for the purchase of power and services from such facilities, as established by the CEC or other Governmental Authority having jurisdiction over Buyer.

“**CEC RPS Guidebook**” means the guidebook that describes the eligibility requirements and processes for certifying renewable resources as eligible for the RPS Law and describes how the CEC tracks and verifies compliances with the RPS Law.

“**CEQA**” means the California Environmental Quality Act, California Public Resources

Code §§ 21000, et seq.

**“CEQA Determinations”** means that: (a) The lead agency conducting the review of the Facility as required under CEQA shall have (i) determined that the Facility is exempt from CEQA or has reviewed and approved the CEQA Documents and issued a negative declaration or mitigated negative declaration, and (ii) filed a notice of exemption or notice of determination (as applicable) in compliance with CA Public Resources Code §21152 CEQA; and (b) The applicable period for any legal challenges to any action by either the lead agency or any responsible agency under CEQA shall have expired without any such challenge having been filed or, in the event of any such challenge, the challenge shall have been determined adversely to the challenger by final judgment or settlement.

**“CEQA Documents”** means CEQA documents (such as an initial study or environmental impact report or equivalent document) prepared by or relied upon by the lead agency in a CEQA Determination for the Facility.

**“CEQA NOE Completion”** means Buyer, and any Participating Member of Buyer (as applicable), has filed a notice of exemption pursuant to Title 14, California Code of Regulations, Section 15277 in the applicable county, and at least thirty-five (35) days shall have expired since such filing without legal challenge (or, in the event of a challenge, the challenge shall have been concluded by fully and finally determined adverse to the challenger by final judgment or by settlement).

**“CFTC”** has the meaning set forth in Section 14.26.

**“Change in Control”** means the occurrence, whether voluntary or by operation of law and whether in a single transaction or in a series of related transactions at any time during the Agreement Term of any one or more of the following events:

(i) a merger or consolidation of Seller, any Upstream Equity Owner or Seller’s Ultimate Parent, with or into any other Person or any other reorganization in which the members of Seller or any such Upstream Equity Owner or Seller’s Ultimate Parent immediately prior to such consolidation, merger, or reorganization, own less than fifty percent (50%) of the equity ownership of the surviving entity or cease to have the power to manage day-to-day operations and influence the management and policies of the surviving entity immediately after such consolidation, merger, or reorganization;

(ii) any transaction or series of related transactions in which in excess of fifty percent (50%) of the equity ownership of Seller or any Upstream Equity Owner or the power to manage day-to-day operations and influence the management and policies of Seller or any Upstream Equity Owner is transferred to another Person;

(iii) a sale, lease, or other disposition of all or substantially all of the assets of any Upstream Equity Owner or Seller’s Ultimate Parent;

(iv) the dissolution or liquidation of any Upstream Equity Owner or Seller’s Ultimate Parent; or

(v) any transaction or series of related transactions that has the substantial effect of any one or more of the foregoing;

*provided, however*, that a Change in Control shall not include (1) any transaction or series of transactions in which the membership interests in Seller or an Upstream Equity Owner are issued or transferred to another Person solely as part of a Tax Monetization Financing, and (ii) a transfer of the rights, interests and title to the equity ownership in Seller from EDF Renewables Development, Inc. to EDF Renewable Asset Holdings, Inc. or another subsidiary of Seller's Ultimate Parent, on the condition that EDF Renewable Asset Holdings, Inc. or such other subsidiary of the Seller's Ultimate Parent, as applicable, is at the time of the transfer and immediately thereafter a wholly-owned subsidiary of Seller's Ultimate Parent; *provided that*, for the avoidance of doubt, any future transfer by the Seller's Ultimate Parent or its interest in EDF Renewable Asset Holdings, Inc. or such other subsidiary to whom the equity interests of Seller were transferred, shall be governed by the terms and conditions of Section 14.7(f). Seller shall provide written notice to Buyer prior to the occurrence of any Change in Control in accordance with Section 14.7.

**“Change in Law”** means a change to any federal, state, local or other law (including any environmental law, EPS Law or RPS Law), resolution, standard, code, rule, ordinance, directive, regulation, order, judgment, decree, ruling, determination, permitting conditions, certification conditions, authorization, or approval of a Governmental Authority or WREGIS, including the adoption of any new law, resolution, standard, code, rule, ordinance, directive, regulation, order, judgment, decree, ruling, determination, permit, certificate, authorization, or approval or the issuance of any replacement or substitute law, resolution, standard, code, rule, ordinance, directive, regulation, order, judgment, decree, ruling, determination, permit, certificate, authorization, or approval, including for avoidance of doubt any change in the CAISO Tariff and the CEC RPS Guidebook, in any case, which occurs after the Effective Date and is binding on a Party, the Parties, or the Facility or any of the products sold therefrom.

**“Charging Energy”** means all Energy delivered into the BESS (as measured at the BESS Energy Meter), after subtracting auxiliary load and station electrical use.

**“COD Delay Damages Start Date”** means July 4, 2028, as such date may be extended pursuant to Section 3.5(b)(i).

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

**“Commercial Operation”** means, with respect to the Facility, that: (1) (a) Seller has demonstrated and the Independent Engineer has confirmed in writing, that the conditions set forth in the Independent Engineer certificate and the Installed Capacity certificate attached to Appendix L-2 have been met with respect to the PV System, the BESS, and the Facility as a whole, and (b) Seller has demonstrated to the reasonable satisfaction of Buyer, that any Appendix L-2 conditions not certified by the Independent Engineer have been met with respect to the PV System, the BESS and the Facility, and in the case of both (a) and (b), the certificates associated therewith have been (i) accepted by Buyer and Buyer has provided notice of such acceptance to Seller confirming the Commercial Operation Date, or (ii) deemed accepted by Buyer in accordance with Section 3.4; and (2) Seller has obtained all Permits required for the construction, operation and

maintenance of such portion of the Facility in accordance with this Agreement (including NEPA Approval, and those identified in Appendix B-1), and the NEPA Approval is final and non-appealable.

“**Commercial Operation Date**” means the date on which Commercial Operation of the Facility occurs, as determined pursuant to Section 3.4.

“**Commercial Operation Date Deadline**” means December 26, 2029, which date may not be extended for any reason.

“**Commodity Exchange Act**” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended, supplemented or otherwise modified from time to time, and any successor statute.

“**Compensable Curtailment**” means any curtailment of (i) PV Delivered Energy, (ii) PV System Energy or (iii) BESS Metered Output that results in curtailment of PV System Energy due to (a) Buyer’s failure to schedule PV System Energy available for scheduling hereunder, except during any Curtailment Period and unless excused by Seller’s failure to perform or Seller’s Default, (b) the manner in which Buyer or the Scheduling Coordinator causes the Delivered Energy, BESS Metered Output or PV System Energy to be (or not to be) bid, offered or Scheduled into CAISO, including as a result of Buyer or the Scheduling Coordinator Scheduling BESS Metered Output in a manner that gives rise to a curtailment of PV System Energy or PV Delivered Energy, or (c) a request by Buyer to curtail PV Delivered Energy for any economic, preferential or discretionary reasons, which in any of the foregoing cases (a) – (c) shall be paid by Buyer at the applicable Contract Price in accordance with Section 7.4.

“**Compliance Expenditure Cap**” means Fifty Thousand Dollars (\$50,000) per MW AC of PV Contract Capacity in the aggregate throughout the Delivery Term, as may be adjusted in accordance with Section 7.7(f).

“**Compliant**” has the meaning set forth in Section 7.7(a).

“**Confidential Information**” has the meaning set forth in Section 14.21(a).

“**Consent and Agreement**” has the meaning set forth in Section 13.3.

“**Construction Start Date**” means the date on which Seller delivers to Buyer a written certification substantially in the form attached hereto as Appendix L-1.

“**Construction Start Milestone**” means July 31, 2027, as such date may be extended pursuant to Section 3.5(b)(i).

“**Contract Price**” means the PV Contract Price, as may be adjusted downwards in accordance with Appendix A-1 of this Agreement.

“**Contract Year**” means each of the following consecutive periods: (i) the Initial Stub Year plus the first full calendar year following the Commercial Operation Date; (ii) each of the following seventeen (17) full calendar years (each of which shall be a Contract Year); and (iii) the nineteenth full calendar year following the Commercial Operation Date plus the Final Stub Year.

“**Costs**” has the meaning set forth in Section 13.4(f)(iii).

“**CPRA**” has the meaning set forth in Section 14.21(e).

“**Curtailed Period**” means a period of time during the Delivery Term during which the generation of Delivered Energy is required to be curtailed or reduced (in whole or part) as a result of an order, direction, alert, request, notice, instruction or directive from a Transmission Provider, the CAISO, WECC, NERC, or any other reliability entity due to (a) a System Emergency, (b) system improvements, curtailments, or scheduled and unscheduled repairs or maintenance at or downstream from the Point of Delivery, (c) an event of Force Majeure at or downstream from the Point of Delivery, (d) any reason adversely affecting the normal function and operation of the CAISO grid or a Transmission Provider’s system, as may from time to time be identified by the CAISO, the Transmission Provider, WECC, NERC, or any other reliability entity; *provided*, that the term “**Curtailed Period**” shall not include any Compensable Curtailments or any periods of time during which Delivered Energy or PV System Energy is reduced due to any Compensable Curtailment.

“**Cycle**” has the meaning set forth on Appendix K-1.

“**Daily Delay Damages**” means the liquidated damages specified in Section 3.5(b).

“**Day**” means each day commencing at 12:01 a.m. Pacific Prevailing Time on such day and ending at 12:00 p.m. Pacific Prevailing Time on such day.

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

“**Deemed Generated Energy**” has the meaning set forth in Section 7.4(c).

“**Default**” has the meaning set forth in Section 13.1.

“**Defaulting Party**” has the meaning set forth in Section 13.1.

“**Delivered Energy**” means, for any period, PV Delivered Energy and BESS Metered Output.

“**Delivery Term**” has the meaning set forth in Section 2.2(b).

“**Delivery Term Security**” has the meaning set forth in Section 5.7(b).

“**Dischargeable Energy**” has the meaning set forth on Appendix K-1.

“**Dischargeable Energy Adjustment Factor**” has the meaning set forth on Appendix K-2.

“**Dischargeable Energy Performance Guarantee**” has the meaning given in Section 9.6(a).

“**Dispute**” has the meaning set forth in Section 14.3(a).

“**Dispute Notice**” has the meaning set forth in Section 14.3(a).

“**DNP3**” has the meaning set forth in Section 11.7(a).

“**Downgrade Event**” means, with respect to the Person providing Project Development Security or Delivery Term Security hereunder, any event that results in (a) the failure of such Person to maintain the credit rating or organizational status of a Qualified Issuer, as applicable, (b) the commencement by such Person of involuntary or voluntary bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar proceeding (whether under any present or future statute, law or regulation) or (c) Buyer or any Participating Member terminating any relationship with such Person pursuant to directives from any Governmental Authorities applicable to Buyer or such Participating Member.

“**Early Termination Date**” has the meaning set forth in Section 13.4(a).

“**Economic Sanctions Laws**” means all laws administered by OFAC or any other Governmental Authority of the United States of America imposing economic sanctions and trade embargoes against Embargoed Targets.

“**EI**” mean Edison Electric Institute.

“**Effective Date**” means the first date that both Seller and Buyer have executed this Agreement.

“**Electric Metering Devices**” means all meters, metering equipment, and data processing equipment conforming to the requirements set forth in Section 11.7 and used to measure, record, or transmit data relating to the Energy output from the Facility, including the quantities of PV Delivered Energy, BESS Metered Input and BESS Metered Output, which shall all comply with the CEC RPS Guidebook.

“**Eligible Intermittent Resources Protocol**” or “**EIRP**” means the Eligible Intermittent Resource Protocol, as may be amended from time to time, as set forth in the CAISO Tariff.

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

“**Embargoed Targets**” means countries or Persons designated by Economic Sanctions Laws on which economic sanctions or trade embargoes have been imposed and that prohibit dealings with such countries or Persons.

“**Energy**” means electrical energy.

“**Energy In**” has the meaning set forth on Appendix K-3.

“**Energy Out**” has the meaning set forth on Appendix K-3.

“**Environmental Attribute Reporting Rights**” means all rights to report ownership of the Environmental Attributes to any Person, including under Section 1605(b) of the Energy Policy Act

of 1992, as amended from time to time or any successor statute, or any other current or future international, federal, state or local law, regulation or bill, or otherwise.

**“Environmental Attributes”** means RECs, and any and all other current or future credits, benefits, emissions reductions, offsets or allowances, howsoever entitled, named, registered, created, measured, allocated or validated (A) that are at any time recognized or deemed of value (or both) by Buyer, applicable law, or any voluntary or mandatory program of any other Governmental Authority or other Person and (B) that are attributable to (i) generation of PV System Energy during the Delivery Term or Replacement Energy required to be delivered by Seller to Buyer during the Delivery Term, (ii) storage of Energy or other services in connection with the BESS and (iii) the emissions or other environmental characteristics of PV System Energy or Replacement Energy or its displacement of conventional or other types of Energy generation. Environmental Attributes include any of the aforementioned arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, carbon, or any other greenhouse gas or chemical compound, particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the “*UNFCCC*”), the Kyoto Protocol to the UNFCCC, California’s greenhouse gas legislation (including RPS Law and California Assembly Bill 32 (Global Warming Solutions Act of 2006) and any regulations implemented pursuant to that act, including any compliance instruments accepted under the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations of the California Air Resources Board or any successor regulations thereto) or any similar international, federal, state or local program or crediting “early action” with a view thereto, laws or regulations involving or administered by the CAMD and all Environmental Attribute Reporting Rights, including all evidences (if any) thereof such as renewable energy certificates of any kind. Environmental Attributes for purposes of this definition are separate from the PV System Energy and do not include (a) any federal, state or local investment tax credits (including ITCs), any federal, state or local production tax credits (including PTCs) or other tax credits providing a tax benefit to Seller or any other Person based on an ownership or security interest in the Facility or PV System Energy, (b) any depreciation deductions or similar benefits, and any other tax benefits arising from ownership or operation of the Facility and (c) cash grants or other financial incentives from any federal, state or local government available to Seller with respect to the Facility (including cash payments or grants of money in lieu of tax credits).

**“EPA”** means the United States Environmental Protection Agency.

**“EPC Contractor”** means one or more engineering, procurement, and construction contractors, or if not utilizing an engineering, procurement and construction contractor, one or more entities having lead responsibility for the management of overall construction activities, selected by Seller, with substantial experience in the engineering, procurement, and construction of power plants of the same type as the PV System and battery energy storage facilities of the same type as the BESS.

**“EPS Compliance”** or **“EPS Compliant”** when used with respect to the Facility or any other facility providing Replacement Energy at any time, means that the Facility or facility, as applicable, satisfies both the PUC Performance Standard and the CEC Performance Standard in effect at the time for baseload electric generation facilities and storage facilities; *provided*, if it is impossible for the Facility or facility, as applicable, to satisfy both the PUC Performance Standard



and the CEC Performance Standard in effect at any time, the Facility or facility, as applicable, shall be deemed EPS Compliant if it satisfies the CEC Performance Standard in effect at the time and those portions of the PUC Performance Standard in effect at the time that it is possible for the Facility or facility, as applicable, to satisfy while at the same time satisfying the CEC Performance Standard in effect at the time.

“**EPS Law**” means Sections 8340 and 8341 of the California Public Utilities Code or its successor or comparable state or federal programs.

“**Escrow Account**” has the meaning set forth in the definition of “*Acceptable Form of Performance Assurance*”.

“**Excess Compliance Cost**” has the meaning set forth in Section 7.7(b).

“**Excess Energy**” means, in any Contract Year, PV Delivered Energy in excess of one hundred fifteen percent (115%) of the Annual Contract Quantity for such Contract Year, which deliveries shall be verified in invoices provided by Seller as set forth in Section 11.3(a).

“**Excess Expenditure Notice**” has the meaning set forth in Section 7.7(b).

“**Excused Conditions**” means: (a) any period during which Seller is unable to generate or deliver energy to the Point of Delivery to the extent caused by (i) an event of Force Majeure, (ii) a Compensable Curtailment, or (iii) System Emergency, (b) any Curtailment Period, or (c) any Permitted Scheduled Outage Period.

“**Excused Delay Extension**” means a day-for-day extension of the Guaranteed Commercial Operation Date, Construction Start Milestone, COD Delay Damages Start Date, the Executed Site Control Documents Milestone set forth in Appendix I and/or the NEPA Notice Deadline arising out of any of the following circumstances that are not the result of Seller’s failure to take all diligent and commercially reasonable actions to meet its requirements and deadlines: (i) Force Majeure; (ii) Interconnection Delay; and/or (iii) a Permitting Delay; *provided*, that the total permitted day-for-day extensions cannot exceed three hundred sixty (360) days in aggregate.

“**Expected RA Capacity**” means, for each Contract Year and each month during the applicable Contract Year, the expected RA Capacity allocated to Buyer, as set forth in Appendix C for such Contract Year.

“**Facility**” means the co-located PV System and BESS to be located on the Site, including the structures, facilities, equipment, fixtures, appurtenances, improvements and associated real and personal property, physical and intangible property, and other rights and interests as further described in Appendix B-1 and depicted on Appendix B-2, including all property interests and related transmission and other facilities.

“**Facility Cost**” means as of the applicable measurement date, the aggregate amount of all costs and expenses incurred by Seller for the development, design, engineering, equipping, procuring, constructing, installing, starting up and testing of the Facility, including (a) the cost of all labor, services, materials, supplies, equipment, tools, transportation, supervision, storage, training, demolition, site preparation, civil works, and remediation in connection therewith, (b) the

cost of acquiring the leasehold interest and any other property, easement or other interest in the Site, (c) the cost of acquiring the Permits for the Facility and (d) the cost of establishing a spare parts inventory for the Facility, if any, net of any revenue from Startup and Test Energy.

**“Facility Debt”** means any senior or subordinated construction, interim or long-term debt financing (not including any back leverage debt, tax monetization or other subsidy-related financing, or any liabilities with respect to hedge accounting under the Financial Accounting Standards Board’s Accounting Standards Codification (“ASC”) Topic 815, or lease accounting under ASC Topic 842) or refinancing for or in connection with the development, construction, purchase, ownership, installation or operation of the Facility.

**“Facility Lender”** means (a) any financing party providing any Facility Debt (or any refinancing thereof) or any trustee or agent acting on behalf of any such financing party or parties and (b) any Tax Investor providing any financing or refinancing for or in connection with the development, construction, purchase, ownership, installation or operation of the Facility, including in connection with any Tax Monetization Financing or Sale Leaseback Financing or refinancing, and (c) any Person engaged by Seller to provide a financial or interest rate hedge associated with the Facility or any Facility Debt.

**“Fair and Reasonable”** has the meaning set forth in the definition of *“Special Purpose Entity”*.

**“FERC”** means the Federal Energy Regulatory Commission.

**“Final Stub Year”** means the period beginning on the first day of January following the nineteenth (19<sup>th</sup>) full calendar year following the Commercial Operation Date and ending at 24:00 hours on the date that, together with the number of days in the Initial Stub Year, would be equal to three hundred sixty-five (365) days.

**“Flexible Capacity Requirement Attributes”** means the benefits or attributes now or existing in the future based on the procurement obligations of Buyer with respect to flexible resource capacity requirements as prescribed by the PUC, the CAISO or other regional entity, and that are associated with the electric generating capability of the Facility.

**“Force Majeure”** has the meaning set forth in Section 14.6(b).

**“Force Majeure Notice”** has the meaning set forth in Section 14.6(a).

**“Forced Outage”** means the removal of service availability of the Facility, or any portion of the Facility, for reasons or conditions in which the Facility, or any portion thereof, is unavailable due to unanticipated failure, including as a result of Force Majeure.

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

**“Gains”** has the meaning set forth in Section 13.4(f)(i).

**“Generator Interconnection Agreement”** means the agreement and associated documents (or any successor agreement and associated documentation approved by FERC) by and among Seller, the Transmission Provider, and the CAISO governing the terms and conditions of Seller’s interconnection with the CAISO grid, including any description of the plan for interconnecting to the CAISO grid.

**“Governmental Authority”** means any federal, state, regional, city or local government, any intergovernmental association or political subdivision thereof, or other governmental, regulatory or administrative agency, court, commission, administration, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority with jurisdiction over the Parties, the Facility, or this Agreement, or any Person acting as a delegate or agent of any Governmental Authority; *provided* that “Governmental Authority” specifically excludes Buyer and the Participating Members.

**“Green Value”** consists of the market value of (a) avoided greenhouse gas emissions and/or credits associated with RPS Compliant energy, and (b) all other Environmental Attributes and avoided emissions related attributes and benefits that would otherwise have been realized had Seller generated the PV Delivered Energy for the applicable Contract Year, and shall be calculated as an amount equal to the time weighted average of the prices of greenhouse gas emissions reduction and other Environmental Attributes (as published in commercial indices related to California energy markets) that would have been realized for each MWh of the Shortfall Energy; *provided*, that if for any Contract Year there does not exist a liquid trading market that is mutually agreeable to the Parties to determine such Green Value, the Green Value will be equal to the replacement cost for the attributes described in clauses (a) and (b) above, expressed in \$/MWh, as of the final day of the Contract Year representing the average for such Contract Year in which the applicable Shortfall Energy accrues.

**“Grid-Charging Energy”** means all Charging Energy used to charge the BESS other than PV System Energy.

**“Guaranteed Commercial Operation Date”** means December 31, 2028, as may be extended pursuant to Section 3.5(b)(i), but in no event beyond the Commercial Operation Date Deadline.

**“Guaranteed Delivered Energy”** means, with respect to each Contract Year, eighty percent (80%) of the Annual Contract Quantity for such Contract Year as specified on Appendix C.

**“Guaranteed Dischargeable Energy”** has the meaning set forth on Appendix K-1.

**“ICCP”** has the meaning set forth in Section 11.7(a).

**“IEEE”** means the Institute of Electrical and Electronics Engineers.

**“Indemnitees”** has the meaning set forth in Section 14.19(a).

**“Independent Engineer”** means (a) DNV GL, AWS Trupower, UL, and Intertek, or (b) if none of the firms identified in clause (a) are selected by Seller, then a Person mutually acceptable to both Parties.

“**Inflation Reduction Act**” means U.S. federal public law 117-169 and all regulations and guidance promulgated thereunder.

“**Initial Stub Year**” means the period beginning on the Commercial Operation Date and ending at 24:00 hours on December 31 in the year during which the Commercial Operation Date occurs.

“**Installed Capacity**” has the meaning set forth on Appendix 1 to Appendix L-2.

“**Installed PV Capacity**” has the meaning set forth on Appendix 1 to Appendix L-2.

“**Installed Storage Capacity**” has the meaning set forth on Appendix 1 to Appendix L-2.

“**Insurance**” means the policies of insurance as set forth on Appendix F.

“**Interconnection Delay**” means the Transmission Provider’s Interconnection Facilities, Distribution Upgrades, and Network Upgrades (each as defined in the Generator Interconnection Agreement) are not complete by June 1, 2027 or the Transmission Provider has given notice to Seller that the expected in service date of the Interconnection Facilities, Distribution Upgrades, or Network Upgrades are not expected to be completed on such date, for reasons not caused by Seller or any Affiliate of Seller.

“**Interest Rate**” has the meaning set forth in Section 11.4.

“**ISA**” means the Instrument Society of America.

“**ITC**” means the federal investment tax credit under Section 48 of the Code or Section 48E of the Code, as applicable.

“**Key Milestone**” means each of the Construction Start Milestone and the Guaranteed Commercial Operation Date Milestone.

“**kW**” means kilowatt in AC.

“**kWh**” means kilowatt-hours.

“**Legal Opinion**” means an executed original of a written legal opinion of Seller’s legal counsel, Orrick, Herrington & Sutcliffe LLP, dated as of the Effective Date, addressed to Buyer and in form and substance reasonably acceptable to Buyer, concerning, among others, the legal enforceability and due authorization of this Agreement.

“**Licensed Professional Engineer**” means an independent, professional engineer reasonably acceptable to Buyer, licensed in the States of California and/or Nevada (as applicable), and otherwise qualified to perform the work required hereunder.

“**Lien**” means any mortgage, deed of trust, lien, security interest, retention of title or lease for security purposes, pledge, charge, encumbrance, equity, attachment, claim, easement, right of

way, covenant, condition or restriction, leasehold interest, purchase right or other right of any kind, including any option, of any other Person in or with respect to any real or personal property.

**“Local Capacity Requirement Attributes”** means the benefits or attributes now or existing in the future based on the procurement obligations of Buyer with respect to local resource capacity requirements as prescribed by the PUC, the CAISO or other regional entity, and that are associated with the electric generating capability of the Facility.

**“Locational Marginal Price”** or **“LMP”** has the meaning set forth on Appendix C of the CAISO Tariff.

**“Losses”** has the meaning set forth in Section 13.4(f)(ii).

**“Major Maintenance Blockout”** has the meaning set forth in Section 4.4(b).

**“Market Price Index”** means the weighted average of the Integrated Forward Market hourly price for all the Reference Hours in the Contract Year, as published by the CAISO, for the SP-15 Existing Zone Generation Trading Hub (as defined in the CAISO Tariff) weighted by hourly and monthly volumes in the forecast most recently delivered by Seller pursuant to Section 7.3(c); *provided*, that in the event there are no longer market prices for SP-15 Existing Zone Generation Trading Hub, the Parties will mutually agree to a replacement market price index that most closely reflects the geographic location of the SP-15 Existing Zone Generation Trading Hub at the Effective Date; and, *provided*, further, that if a market price index for solar energy that would more accurately track the price of the PV Delivered Energy is created, the Parties may mutually agree to adapt such index price as the “Market Price Index” at such time.

**“Maximum Delivery Rate”** means the maximum hourly rate of delivery of PV Delivered Energy in MWh, which shall be one hundred twenty-five (125) MWh.

**“MESA”** means the Modular Energy Storage Architecture Standards Alliance.

**“Milestone”** has the meaning set forth in Section 3.5(a).

**“Milestone Date”** has the meaning set forth in Section 3.5(a).

**“Minimum BESS Ancillary Services”** means those Ancillary Services for the BESS specifically identified in Appendix Q, as each such Ancillary Service is defined in the CAISO Tariff as of the Effective Date.

**“Minimum Dischargeable Energy Performance Guarantee”** has the meaning set forth on Appendix K-1.

**“Minimum Round Trip Efficiency Performance Guarantee”** has the meaning set forth on Appendix K-1.

**“Modified BESS Capacity Price”** is an amount less than the BESS Capacity Price and has the meaning set forth in Section 9.6(b).

“**Month**” means a calendar month commencing at 12:01 a.m. Pacific Prevailing Time on the first day of such month and ending at 12:00 p.m. Pacific Prevailing Time on the last day of such month.

“**Moody’s**” means Moody’s Investor Services, Inc.

“**MW**” means megawatt in AC.

“**MWh**” means megawatt-hours.

“**NEPA**” means the National Environmental Policy Act, 42 U.S.C. §§ 4321-4370c, as amended for time to time, and any successor statute and applicable regulations.

“**NEPA Approval**” means a Record of Decision signed by the United States Bureau of Land Management that responds to Seller’s right-of-way application number N-100224 by authorizing the issuance of a Federal Land Policy and Management Act Title V right-of-way grant to construct, operate, maintain, and decommission a solar and battery facility at the Site.

“**NEPA Notice Deadline**” has the meaning set forth in Section 2.6.

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

“**Network Upgrades**” has the meaning set forth in the Generator Interconnection Agreement.

“**Nev-OSHA**” means the Nevada Occupational Safety & Health Administration.

“**New Resource Implementation Process**” or “**NRIP**” means the process and requirements for new resource implementation, as amended from time to time, as set forth in the CAISO Tariff.

“**Non-Compensable Curtailment**” has the meaning set forth in Section 7.4(a).

“**Non-Defaulting Party**” has the meaning set forth in Section 13.4(a).

“**Notification Deadline**” has the meaning set forth in Section 10.3(a).

“**Notifying Party**” has the meaning set forth in Section 14.3(a).

“**O&M Agreement**” means the agreement for the provision of operation and maintenance services for the Facility entered into or to be entered into by and between Seller and a Qualified Operator.

“**OFAC**” means the U.S. Department of Treasury’s Office of Foreign Assets Control.

“**Off-Peak Season**” means each period during the Delivery Term including solely the consecutive calendar months of November through April.

“**Off-Peak Season BESS Availability**” has the meaning set forth on Appendix K-1.

**“Off-Peak Season BESS Availability Adjustment Factor”** has the meaning set forth on Appendix K-2.

**“Off-Peak Season BESS Availability Guarantee”** has the meaning set forth in Section 9.6(a).

**“Operating Restrictions”** means the restrictions set forth on Appendix Q.

**“OSHA”** means the Occupational Safety and Health Administration of the United States Department of Labor.

**“Pacific Prevailing Time”** means the local time in the State of California.

**“Participating Members”** means the City of Azusa and the City of Pasadena.

**“Party”** or **“Parties”** has the meaning set forth in the preamble of this Agreement.

**“Peak Season”** means each period during a Contract Year including solely the calendar months of May through October in any Contract Year, including in the Initial Stub Year or Final Stub Year, to the extent a full Peak Season occurs during a stub year.

**“Peak Season BESS Availability”** has the meaning set forth on Appendix K-1.

**“Peak Season BESS Availability Adjustment Factor”** has the meaning set forth on Appendix K-2.

**“Peak Season BESS Availability Guarantee”** has the meaning set forth in Section 9.6(a).

**“Performance Security”** means the Project Development Security and/or Delivery Term Security for the Facility, together or individually, as applicable.

**“Period Hours”** has the meaning set forth on Appendix K-1.

**“Permits”** means all permits, licenses, franchises, certificates, concessions, consents, authorizations, certifications, self-certifications, approvals, registrations, orders, filings, entitlements and similar requirements of whatever kind and however described that are required to be filed with, submitted to or obtained from any Governmental Authority by any Person with respect to the development, siting, design, acquisition, construction, equipping, financing, ownership, possession, shakedown, start-up, testing, operation or maintenance of the Facility, the production, sale and delivery of Products from the Facility, including Energy, Capacity Rights and Environmental Attributes, or any other transactions or matter contemplated by this Agreement (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements), including the NEPA Approval, Nevada DOT Approval, and the other Permits described in Appendix B-1.

**“Permitted Encumbrances”** means (a) the Lien in favor of the Facility Lender, (b) any Lien approved by Buyer in a writing separate from this Agreement that expressly identifies the Lien as a Permitted Encumbrance, (c) Liens for Taxes not yet due or for Taxes being contested in

good faith by appropriate proceedings, so long as such proceedings do not involve a material risk of the sale, forfeiture, loss or restriction on the use of the Facility or any part thereof, *provided* that such proceedings end by the expiration of the Agreement Term, (d) suppliers', vendors', mechanics', workman's, repairman's, employees' or other like Liens arising in the ordinary course of business for work or service performed or materials furnished in connection with the Facility for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings so long as such proceedings do not involve a material risk of the sale, forfeiture, loss or restriction on use of the Facility or any part thereof, and (e) easements, rights-of-way, reservations, restrictions, defects in title, encroachments and other similar non-monetary encumbrances that have been identified to Buyer in writing prior to the Commercial Operation Date and that do not interfere with or impair the operation of the Facility or performance of Seller's obligations as contemplated by this Agreement.

**"Permitted Scheduled Outage Period"** means eighty-eight (88) hours per Contract Year (increased pro rata for any Contract Year exceeding 365 days) in which Seller performs Scheduled Outages for the Facility meeting the requirements of Section 4.4. Seller's use of such eighty-eight (88) hours shall be pro-rated by multiplying the number of hours during which the Facility is subject to a Scheduled Outage by the percentage that the Installed Capacity is reduced for such outage.

**"Permitting Delay"** means any delay in obtaining or maintaining any Permit for reasons not objectively within the control of Seller or any Affiliate of Seller, provided that Seller conducts diligent and commercially reasonable efforts.

**"Person"** means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.

**"Pnode Price"** means the Locational Marginal Price of the Facility's Pnode at the Point of Delivery, as determined by CAISO, which, for the avoidance of doubt, shall not include the value of any Environmental Attributes or Capacity Rights, if any.

**"Point of Delivery"** means the Innovation Substation 230kV bus within the CAISO Balancing Authority Area in Nye County, Nevada, or such other substantially similar point agreed to by the Parties prior to the Commercial Operation Date.

**"Point of Interconnection"** means the Innovation Substation 230kV bus within the CAISO Balancing Authority Area in Nye County, Nevada.

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

**"Pre-COD Liability Cap"** has the meaning set forth in Section 14.19.



**“Present Value Rate”** means, at any date, the sum of one half percent (0.50%) plus the yield reported on page “USD” of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally-recognized trading screen reporting on-line intraday trading in United States government securities) at 11:00 a.m. (New York City, New York time) for the United States government securities having a maturity that most nearly matches the Remaining Term at that date.

**“Products”** means any and all Delivered Energy, Capacity Rights, Environmental Attributes, Ancillary Services, and ancillary products, services or attributes similar to the foregoing that are or can be produced by, or are associated with, the Facility, whether now attainable or established in the future, including, without limitation, delivered energy, renewable attributes, renewable energy credits, capacity value, resource adequacy value, including newly defined attributes from regulatory bodies, excluding all tax-related benefits (including ITC and PTC benefits). The REC Products shall meet the standard of “Portfolio Content Category 1” as defined by RPS Law.

**“Project Development Security”** has the meaning set forth in Section 5.7(a).

**“Property”** those certain parcels of real property located at the address of the Facility, as more particularly described on Appendix B-1.

**“Prudent Utility Practices”** means those practices, methods, and acts, that are commonly used by a significant portion of the solar-power generation industry and the battery energy storage industry, (including, if applicable, the co-located solar power generation and battery storage industry), in each case, in prudent engineering and operations to design, construct, and operate and maintain electric equipment (including solar-powered facilities and battery energy storage facilities) lawfully and with safety, dependability, reliability, efficiency, and economy, including any applicable practices, methods, acts, guidelines, standards and criteria of the CAISO, FERC, NERC, WECC, as each may be amended from time to time, and all applicable Requirements of Law. Prudent Utility Practices are not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather is intended to include a range of acceptable practices, methods, and acts generally accepted in the industry.

**“PTC”** means the federal production tax credit under Section 45 of the Code or Section 45Y of the Code, as applicable.

**“Public Utilities Code”** means the Public Utilities Code of the State of California, as may be amended from time to time.

**“PUC”** means the California Public Utilities Commission and any successor thereto.

**“PUC Performance Standard”** means, at any time, the greenhouse gas emission performance standard in effect at such time for electric generation facilities owned or operated (or both) by load-serving entities and not local publicly-owned electric utilities, or for which a load-serving entity and not a local publicly owned electric utility has entered into a contractual agreement for the purchase of power from such facilities, as established by the PUC or other Governmental Authority under the EPS Law.

**“PV Capacity Cure Period”** has the meaning set forth in Section 3.12(a).

**“PV Capacity Damages”** has the meaning set forth in Section 3.12(a).

**“PV Contract Capacity”** means one hundred twenty-five (125) MWac, as measured by the sum of inverter nameplate capacity.

**“PV Contract Price”** means Forty-Seven Dollars and Seventy-Six Cents (\$47.76) per MWh.

**“PV Delivered Energy”** means PV System Energy (net of all auxiliary and parasitic loads, station electrical uses, and electrical transmission and transformation losses, all in conformance with the CEC RPS Guidebook, from the PV System to the Point of Delivery), as measured in MWh by the PV Energy Meter in compliance with CAISO metering rules.

**“PV Energy Meter”** means CAISO-approved and CAISO-polled Electric Metering Device located at the PV System dedicated solely to the PV System as depicted on Appendix O.

**“PV Shortfall Adjustments”** has the meaning set forth in Section 3.11(a).

**“PV System”** means the solar photovoltaic electric generating facility to be developed, constructed, owned and operated by Seller (as further described on Appendix B-1).

**“PV System Energy”** means Energy generated by the PV System.

**“QRE”** has the meaning set forth in Section 8.4.

**“Qualified Buyer Assignee”** means any (a) Participating Member or (b) any other non-participating member of Buyer that, in each case of (a) and (b), (i) executes a written assumption agreement in favor of Seller pursuant to which such Person assumes all of the obligations of Buyer under this Agreement and the Ancillary Documents, (ii) is rated (A) “Baa2” or higher by Moody’s and “BBB” or higher by S&P, if such Person is rated by both Moody’s and S&P, (B) “Baa2” or higher by Moody’s or “BBB” or higher by S&P if such Person is rated by either S&P or Moody’s, or (C) equivalent ratings by any other credit rating agency of recognized national standing, and (iii) is a load serving entity purchasing Energy for resale.

**“Qualified Issuer”** means a Person (a) acceptable to Buyer or (b) that maintains a United States domestic branch, and a current long-term credit rating (corporate or long-term senior unsecured debt) of (1) “A2” or higher by Moody’s and “A” or higher by S&P, if such Person is rated by both Moody’s and S&P or (2) “A2” or higher by Moody’s, or “A” or higher by S&P if such Person is rated by either S&P or Moody’s.

**“Qualified Operator”** means (a) with respect to the PV System portion of the Facility, a Person reasonably acceptable to Buyer that has at least three (3) years of operating experience with photovoltaic solar powered generation facilities that are in excess of one hundred and twenty-five (125) MW AC in capacity and (b) with respect to the BESS, a Person reasonably acceptable to Buyer that has operating experience with battery energy storage systems that are comparable in

size, configuration and capabilities to the BESS, including being connected to, or feeding Energy to, a high voltage transmission level.

**“Qualified Transferee”** means a Person that (a) maintains, or whose direct or indirect parent maintains, a current long-term credit rating (corporate or long-term senior unsecured debt) of (i) “A2” or higher by Moody’s and “A” or higher by S&P, if such Person is rated by both Moody’s and S&P or (ii) “Aa2” or higher by Moody’s, or “AA” or higher by S&P if such Person is rated by either S&P or Moody’s, or (iii) equivalent ratings by any other credit rating agency of recognized national standing, (b) has a tangible net worth of at least One Hundred Fifty Million Dollars (\$150,000,000.00), or (c) is reasonably acceptable to Buyer, and in each case (d) (i) retains, or causes Seller to retain, a Qualified Operator to operate the Facility (or otherwise agrees not to interfere with the existing Qualified Operator for the Facility) and (ii) executes a written assumption agreement in favor of Buyer pursuant to which any such Qualified Transferee shall assume all the obligations of Seller under this Agreement.

**“Quality Assurance Program”** or **“Q/A Program”** has the meaning set forth in Section 5.5.

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

**“RA Capacity”** means for any given period of time, the transferrable qualifying and deliverable capacity of the Facility for RAR purposes allocated to Buyer for such period of time, as determined by the CAISO or other Governmental Authority authorized to make such determination under Requirements of Law.

**“RA Replacement Price”** means, with respect to each MW of RA Shortfall, (a) if Buyer purchases replacement RA Capacity from a generating facility other than the Facility prior to the applicable CAISO submission deadline, an amount equal to the actual amount paid by Buyer to purchase such replacement RA Capacity, and (b) if Buyer does not purchase replacement RA Capacity as contemplated by the preceding clause, an amount equal to the average of no less than three broker quotes obtained by Buyer stating the value of the applicable portion of the Expected RA Capacity; *provided, however*, that if three broker quotes are not available to Buyer after making commercially reasonable efforts to obtain such quotes, then the RA Replacement Price will be equal to the average of any available broker quotes.

**“RA Shortfall”** means (a) the quantity of Expected RA Capacity not provided by Seller for the applicable time period, minus (b) the quantity of Replacement RA Capacity provided by Seller for such time period, minus (c) the quantity of Expected RA Capacity that Seller was unable to provide solely as a result of Force Majeure, Excused Conditions or BESS Excused Conditions.

**“RA Shortfall Month”** means any Month in which an RA Shortfall exists, commencing on the Commercial Operation Date.

**“RAAIM Program”** means CAISO’s Resource Adequacy Availability Incentive Mechanism.

“**RAR**” means the resource adequacy requirements established for load-serving entities by the PUC pursuant to Requirements of Law and PUC decisions, the CAISO pursuant to the CAISO Tariff, or any other Governmental Authority having jurisdiction.

“**Real-Time LMP**” means the LMP for the Real-Time Market for the applicable Settlement Interval.

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

“**REC**” or “**Renewable Energy Credit**” means a certificate of proof associated with the generation of electricity from an Eligible Renewable Energy Resource, which certificate is issued through the accounting system established, used or approved by the CEC pursuant to the RPS Law, evidencing that a stated quantity of energy (of at least one (1) MWh and in whole units only) was generated and delivered from such Eligible Renewable Energy Resource. Such certificate is a tradable environmental commodity (also known as a “green tag” or “renewable energy certificate”) for which the owner of the REC can evidence that it has purchased Energy that is CEC Certified.

“**Recipient Party**” has the meaning set forth in Section 14.3(a).

“**Reference Hour**” means any hour from hour-ending 0700 to hour-ending 2200 (i.e., 7:00 a.m. to 9:59 p.m.) on Monday through Sunday, Pacific Prevailing Time, excluding NERC holidays.

“**Remaining Term**” means, at any date, the remaining portion of the Delivery Term at that date without regard to any early termination of this Agreement.

“**Remedial Action Plan**” has the meaning set forth in Section 3.5(a).

“**Replacement Capacity Rights**” means Capacity Rights, if any, equivalent to those that would have been provided by the Facility during the Contract Year for which the Replacement Product is being provided.

“**Replacement Energy**” means Energy that is produced by a facility (or facilities) other than the Facility that, at the time delivered to Buyer, (a) is both RPS Compliant and, if applicable, EPS Compliant, and (b) qualifies under California Public Utilities Code Section 399.16(b)(1).

“**Replacement Price**” has the meaning set forth in Section 7.7(c).

“**Replacement Product**” means (a) Replacement Energy, and (b) Replacement Capacity Rights.

“**Replacement RA Capacity**” has the meaning set forth in Section 10.3(a).

“**Requirement of Law**” means any federal, state, local or other law (including Anti-Corruption Laws, Anti-Terrorism Laws, Economic Sanctions Laws and any environmental law, EPS Law or RPS Law), resolution, standard, code, rule, ordinance, directive, regulation, order, judgment, decree, ruling, determination, permit, certificate, authorization, or approval of a

Governmental Authority, including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements.

**“Requirements”** means, collectively, (a) any standards or requirements of ASTM, ASME, AWS, EPA, EEI, IEEE, ISA, MESA, National Electrical Code, National Electric Safety Code, OSHA, Cal-OSHA (as applicable), Nev-OSHA, Uniform Building Code, or Uniform Plumbing Code applicable to the design or construction of the Facility, (b) any applicable local county fire department standards or codes, (c) Prudent Utility Practices, (d) all applicable Requirements of Law, including the UCC, (e) Seller’s Quality Assurance Program, and (f) all other requirements of this Agreement.

**“Resource Adequacy Attributes”** means the benefits or attributes, if any, now or existing in the future based on the procurement obligations of Buyer with respect to Resource Adequacy as prescribed by the PUC, the CAISO or any other regional entity, and that are associated with the electric generating capability of the Facility. Buyer will be entitled to all Resource Adequacy Attributes from the Facility. Resource Adequacy estimates will be calculated using the PUC methodology for calculating qualifying capacity for co-located resources, unless otherwise directed by Buyer in accordance with law and regulation.

**“RFP”** has the meaning set forth in the recitals to this Agreement.

**“Round Trip Efficiency”** or **“RTE”** has the meaning set forth on Appendix K-1.

**“Round Trip Efficiency Adjustment Factor”** has the meaning set forth on Appendix K-2.

**“Round Trip Efficiency Performance Guarantee”** has the meaning set forth in Section 9.6(a).

**“RPS Compliance”** or **“RPS Compliant”** means, when used with respect to the PV System or any other facility at any time, that all Energy generated by such facility at all times shall, together with all of the associated Environmental Attributes, qualify as a “Portfolio Content Category 1” Eligible Renewable Energy Resource, or equivalent if the RPS Law is changed, under the RPS Law and meet the requirements of Public Utilities Code Section 399.16(b)(1).

**“RPS Compliance Period”** means each “Compliance Period” as defined in the RPS Law.

**“RPS Law”** means the California Renewable Energy Resources Act, including the California Renewables Portfolio Standards Program, Article 16 of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code, California Public Resources Code § 25740 through 25751, Division 25.5 of California Health and Safety Code (commencing with Section 38580) and any related regulations or guidebooks promulgated by the CEC or, as applicable, the California Air Resources Board, and as all of the foregoing may be promulgated and implemented from time to time, and any replacement laws or regulations.

**“S&P”** means Standard & Poor’s Financial Services LLC.

“**Sale Leaseback Financing**” means a sale leaseback whereby the Facility or the Site is sold by Seller to one or more investors (each, a “**Sale Leaseback Lessor**”) and leased back by Seller and Seller retains a right of quiet enjoyment over the Site (or the Facility, as applicable) during the lease term as long as Seller pays Sale Leaseback Lessor thereof rent and meets its other obligations under the lease; *provided* that a Sale Leaseback Financing shall comply with the provisions of Section 12.5(d).

“**Sale Leaseback Lessor**” has the meaning set forth in the definition of “**Sale Leaseback Financing**”.

“**SCADA**” means the supervisory control and data acquisition system for the Facility.

“**Schedule**” or “**Scheduling**” means the actions of Seller and Buyer, their Authorized Representatives, and the Transmission Providers, if applicable, of notifying, requesting and confirming to the CAISO the amounts of Delivered Energy and Replacement Product expected to be delivered (from the PV System or the BESS) consistent with the Scheduling interval at the Point of Delivery on any given date following the Commercial Operation Date and during the Delivery Term, all in the manner contemplated by the CAISO Tariff.

“**Scheduled Outage**” means any outage with respect to the Facility other than a Forced Outage.

“**Scheduled Outage Projection**” has the meaning set forth in Section 4.4(b).

“**Scheduling Coordinator**” has the meaning set forth in the CAISO Tariff.

“**Scheduling Procedures**” has the meaning set forth in Section 7.3(g).

“**Seller**” has the meaning set forth in the preamble of this Agreement.

“**Seller CP Deadline**” has the meaning set forth in Section 2.7.

“**Seller’s Ultimate Parent**” means, (a) as of the Effective Date, EDF Renewables, Inc., a Delaware corporation, and (b) from and after any other Change in Control where Seller’s Ultimate Parent entity changes, the entity set forth in Schedule 12.2(h) as Seller’s Ultimate Parent.

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

“**Shortfall Damages**” has the meaning set forth in Section 9.3.

“**Shortfall Energy**” has the meaning set forth in Section 9.1.

“**Shortfall Makeup Period**” means the Contract Year following the end of the Contract Year during which Shortfall Energy accrues.

“**Site**” means the real property (including all fixtures and appurtenances thereto) and related physical and intangible property generally identified in Appendix B-2 as owned or leased by Seller where the Facility is located or will be located, and including any easements, rights-of-

way or contractual rights held or to be held by Seller for transmission lines or roadways servicing such Site or the Facility located (or to be located) thereon.

“**Site Control**” means that the Site Control Documents have been executed and are in full force and effect and such Site Control Documents are sufficient to permit Seller to fulfill all of its obligations under this Agreement.

“**Site Control Documents**” means the real property leases and easements for the Site that together establish Site Control, including, as applicable, the documents listed on Appendix M.

“**Special Purpose Entity**” means a limited liability company which at all times on and after the Effective Date meets the following conditions:

(a) shall not (i) (A) engage in any consolidation or merger with or into any other business entity, (B) acquire by purchase or otherwise all or substantially all of the business or assets of or beneficial interest in any other entity, or (C) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of its properties or assets, except in each such case to the extent permitted herein; provided that for avoidance of doubt this clause (i) shall not limit the ability of the Special Purpose Entity to interpose or remove a special purpose entity that has no assets or business into or out of the chain of ownership; or (ii) modify, amend or waive any provisions of its organizational documents in a manner inconsistent with its status as a Special Purpose Entity;

(b) was organized solely for the purpose of acquiring, developing, owning, holding, selling, financing, leasing, transferring, exchanging, managing and operating the Facility, selling energy, attributes, capacity and other Products from the Facility, entering into offtake agreements such as this Agreement with Buyer, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(c) has not been, is not, and will not be engaged in any business unrelated to the acquisition, development, construction, financing, ownership, management or operation of the Facility or a larger project of which the Facility is a component part (including the sale of energy, attributes, capacity and other Products from such Facility or larger project);

(d) other than excess real property rights, has not had, and does not have and will not have, any assets other than those related to the Facility or to any larger project of which the Facility is a component part;

(e) has held itself out as and will hold itself out to the public as a legal entity separate and distinct from any other entity and has not failed and will not fail to correct any known misunderstanding regarding the separate identity of such entity;

(f) has maintained and will maintain its accounts, organizational books and records, resolutions and agreements separate from any other Person and has filed and will file its own tax returns (except to the extent treated as a “disregarded entity” for tax purposes and not required to file tax returns under applicable law);

(g) has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(h) has not entered into or been a party to, and will not enter into or be a party to, any transaction with its members or Affiliates, except (i) on terms that are intrinsically fair, commercially reasonable or no less favorable to it than would be obtained in a comparable arm's length transaction with an unrelated third party ("***Fair and Reasonable***"); (ii) in connection with the development or construction of the Facility; or (iii) as otherwise set forth and permitted in this Agreement;

(i) does not and will not have any obligation to indemnify, and has not indemnified and will not indemnify any Person other than (i) its officers, managers, or members (and the Affiliates of such members and their officers, managers, or members), as the case may be, as required by its organizational documents or in connection with activities related to the performance of this Agreement, or (ii) entities requiring indemnification in the normal course of business in connection with the acquisition, development, construction, financing, ownership, management and operation of the Facility, including, without limitation, indemnification of Affiliates pursuant to contracts permitted in this Agreement;

(j) has considered and shall consider the interests of its creditors, if any, in connection with all limited liability company actions, if at any time it perceives that it is not or believes that it may not be (i) solvent or (ii) able to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall become due;

(k) does not and will not have any of its obligations guaranteed by any Affiliate and does not and will not hold itself out as being responsible for the debt obligations of any other Person, except (i) any parent guarantees that may be issued by an upstream Affiliate for any Facility Debt, hedge for the Facility, Tax Monetization Financing or construction and/or supply agreements necessary for the acquisition, development, construction, financing, ownership, management or operation of the Facility, (ii) in accordance with the Generator Interconnection Agreement, or (iii) as otherwise permitted in this Agreement;

(l) has (i) complied and will comply with the terms and provisions contained in its organizational documents, and (ii) has done or caused to be done and will do all things necessary to preserve its existence;

(m) has not and will not commingle its funds or assets with those of any Person and has not participated and will not participate in any joint bank accounts with any other Person;

(n) will hold its assets in its own name and will conduct all business in its own name;

(o) will pay its own liabilities and expenses, including the salaries of any employees it might have, out of its own funds and assets and will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations, except with respect to expenses paid by the tax equity



partnership owning Seller, including asset management, accounting and legal, rent, operation and maintenance fees, property and sales taxes and filing fees;

(p) has not assumed or guaranteed or become obligated for, and will not assume or guarantee or become obligated for, the debts of any other Person (other than an Affiliate of Seller in the interest of the financing of the Facility) and has not held out and will not hold out its credit as being available to satisfy the obligations of any other Person (other than an Affiliate of Seller in the interest of the financing of the Facility), except in accordance with the Generator Interconnection Agreement;

(q) does not have and will not acquire obligations or securities of its members or any Affiliate except as permitted under (h), (k) and (p) of this definition;

(r) now maintains and uses, and will maintain and use, separate invoice bearing its name; such invoices utilized by it or utilized to collect its funds or pay its expenses have borne and shall bear its own name and have not borne and shall not bear the name of any other entity unless such entity is clearly designated as being its agent;

(s) except in connection with the development or construction, or financing of the development or construction of the Facility or any larger project of which the Facility is a component part, has not pledged and will not pledge its assets for the benefit of any other Person, other than Permitted Encumbrances;

(t) is and intends to remain solvent and has paid and intends to continue to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall have or become due, and has maintained, is maintaining and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; and

(u) will have no indebtedness other than (i) Facility Debt, (ii) debt, if any, in an amount for construction and permanent operations of the Facility, as applicable, considered in light of the types and amounts of other sources of capital used for the Facility that is within reasonable and prudent market norms given the size, type and commercial attributes of the Facility and poses no material risk to its liquidity or its ability to perform its obligations under this Agreement and (iii) such other indebtedness that are expressly permitted pursuant to this Agreement.

**“Startup and Test Energy”** means PV System Energy, measured in MWh, and generated prior to the Commercial Operation Date, for which there are certified PCC1 RECs.

**“Storage Capacity Test”** means any test or retest of the BESS to establish the Dischargeable Energy and/or Round Trip Efficiency, conducted in accordance with the testing procedures, requirements and protocols set forth on Appendix K-1 and Appendix K-3, as evidenced by a certificate substantially in the form attached as Appendix K-4 hereto.

**“Subcontract”** means any agreement or contract entered into on or after the Effective Date by Seller and a Person other than Buyer, which Person is providing goods or services to Seller that are related to the performance of Seller’s obligations under this Agreement. Subcontracts specifically include any agreement or contract that is referred to or defined as a “subcontract” in

the policies, ordinances, codes or laws with which Seller must comply pursuant to this Agreement, or that is made with a “subcontractor” as such term is used or defined in such policies, ordinances, codes, or laws.

“**Subcontractor**” means any party to a Subcontract with Seller.

“**Supplementary Storage Capacity Test Protocol**” has the meaning set forth on Appendix K-3.

“**Supply Plan**” has the meaning set forth in the CAISO Tariff.

“**System Capacity Requirement Attributes**” means the benefits or attributes now or existing in the future based on the procurement obligations of Buyer with respect to system resource capacity requirements as prescribed by the PUC, the CAISO or other regional entity, and that are associated with the electric generating capability of the Facility.

“**System Emergency**” means each of the following: (i) “System Emergency” as set forth in the CAISO Tariff and (ii) a condition or situation that in the reasonable judgment of Buyer (a) is imminently likely to endanger life or property; or (b) is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, reliability of, or damage to the Transmission System, Transmission Provider’s interconnection facilities (as defined in the Generator Interconnection Agreement) or the transmission systems of others to which the Transmission System is directly connected.

“**Taking**” has the meaning set forth in Section 12.3(e).

“**Target Commercial Operation Date**” means December 31, 2027.

“**Tax**” or “**Taxes**” means each federal, state, county, local and other (a) net income, gross income, gross receipts, sales, use, ad valorem, business or occupation, transfer, franchise, profits, withholding, payroll, employment, excise, property or leasehold tax and (b) customs, duty or other fee, assessment or charge of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amount with respect thereto.

“**Tax Monetization Financing**” means, with respect to Seller or any Upstream Equity Owner, any transaction or series of transactions (a) for the purpose of raising funds to finance or refinance the development, construction or operation of the Facility, or of raising revenue, by monetizing or transferring the Tax credits, depreciation and other tax benefits associated with the Facility (including without limitation any transaction of the type described in this definition that utilizes a lease or inverted lease structure), or (b) consisting of a Sale Leaseback Financing.

“**Tax Investor**” means any Person who is providing financing or refinancing in connection with any Tax Monetization Financing.

“**Termination Notice**” has the meaning set forth in Section 13.4(a).

“**Termination Fee**” means a one-time payment from Seller to Buyer of five million dollars (\$5,000,000)

**“Termination Payment”** means a payment in an amount equal to the Non-Defaulting Party’s (a) Losses, plus (b) Costs, minus (c) Gains; *provided, however*, that if such amount is a negative number, the Termination Payment shall be equal to zero.

**“Third Party Sale Replacement Price”** has the meaning set forth in Section 6.2.

**“Transmission Provider”** means the Person operating the Transmission System to and from the Point of Delivery.

**“Transmission Services”** means the transmission and other services required to transmit Delivered Energy to or from the Point of Delivery.

**“Transmission System”** means the facilities utilized to provide Transmission Services.

**“UNAVAILHRS<sub>m</sub>”** has the meaning set forth on Appendix K-1.

**“Unexcused Cause”** has the meaning set forth in Section 14.6(b).

**“UNFCCC”** has the meaning set forth in the definition of **“Environmental Attribute”**.

**“Updated Installed PV Capacity Certificate”** has the meaning set forth in Section 3.11(a).

**“Updated Installed Storage Capacity Certificate”** has the meaning set forth in Section 3.11(b).

**“Upstream Equity Owner”** means any upstream equity owner of Seller below Seller’s Ultimate Parent.

**“Variable Energy Resource Forecast”** means the final forecast of the Energy to be produced by the PV System prepared by the CAISO in accordance with the Eligible Intermittent Resources Protocol for use in submitting a Schedule for the output of the PV System in the Real-Time Market, and if such forecast is not available, the final forecast for the Energy in the Day-Ahead Market.

**“Vesting Date”** has the meaning set forth in Section 2.5.

**“WECC”** means the Western Electricity Coordinating Council.

**“Western Interconnection”** means the wide synchronous power grid overseen by the WECC.

**“WREGIS”** means Western Renewable Energy Generation Information System.

**“WREGIS Certificates”** has the meaning set forth in Section 8.4.

**“WREGIS Operating Rules”** means the rules describing the operations of the WREGIS, as published by WREGIS.

“**WREGIS Withhold Amount**” has the meaning set forth in Section 11.2.

Other terms defined herein have the meanings so given when used in this Agreement with initial-capitalized letters.

**Section 1.2** **Interpretation**. In this Agreement, unless a clear contrary intention appears:

- (a) time is of the essence;
- (b) the singular number includes the plural number and vice versa;
- (c) reference to any Person includes such Person’s successors and assigns (regardless of whether such Person’s successors and assigns are expressly referenced in the provision) but, in case of a Party hereto, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (d) reference to any gender includes the other;
- (e) reference to any agreement (including this Agreement), document, act, statute, law, instrument, tariff or Requirement means such agreement, document, act, statute, law, instrument, or tariff, or Requirement, as amended, modified, replaced or superseded and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof, regardless of whether the reference to the agreement, document, act, statute, law, instrument, tariff, or Requirement expressly refers to amendments, modifications, replacements, or successors;
- (f) reference to any Article, Section, or Appendix means such Article of this Agreement, Section of this Agreement, or such Appendix to this Agreement, as the case may be, and references in any Article or Section or definition to any clause means such clause of such Article or Section or definition;
- (g) “hereunder,” “hereof,” “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or Section or other provision hereof or thereof;
- (h) “including” (and with correlative meaning “include”, “includes” and other variants) means including without limiting the generality of any description preceding such term, regardless of whether words such as “without limitation” are expressly included in the applicable provision;
- (i) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including”;
- (j) references to any amount of money shall mean a reference to the amount in United States Dollars;

(k) unless otherwise indicated, reference to time shall always refer to Pacific Prevailing Time; and reference to any “day” shall mean a calendar day, unless otherwise indicated; and

(l) the term “or” is not exclusive, regardless of whether “and/or” is used in the applicable provision.

## **ARTICLE II EFFECTIVE DATE, TERM, AND EARLY TERMINATION**

**Section 2.1 Effective Date.** This Agreement shall be effective as of the Effective Date. No more than five (5) Business Days after the Effective Date, Seller shall deliver (or caused to be delivered) to Buyer (a) copies of all resolutions and other documents evidencing the limited liability actions described in Section 12.2(b), certified by an authorized representative of Seller as being true, correct, and complete, (b) an incumbency certificate signed by the secretary of Seller certifying as to the names and signatures of the authorized representatives of Seller, and (c) the Legal Opinion.

### **Section 2.2 Term.**

(a) **Agreement Term.** The term of this Agreement (the “*Agreement Term*”) shall commence on the Effective Date and end on the last day of the Delivery Term or upon the earlier termination of this Agreement in accordance with the terms hereof.

(b) **Delivery Term.** This Agreement shall have a delivery term (the “*Delivery Term*”) commencing on the Commercial Operation Date and ending at 11:59 p.m. on the date that is twenty (20) years after the Commercial Operation Date, unless sooner terminated in accordance with the terms of this Agreement.

**Section 2.3 Survivability.** The provisions of Sections 2.3, 2.4, 13.4, 14.1 through 14.3, 14.8 through 14.22 and 14.25 shall survive for a period of one (1) year following the termination of this Agreement. The provisions of ARTICLE I shall survive to the extent necessary for the enforcement of other surviving provisions. The provisions of Sections 11.6 and 11.8 shall survive for a period of four (4) years following final payment made by Buyer hereunder or the expiration or termination date of this Agreement, whichever is later. The provisions of Section 5.7, ARTICLE VI, ARTICLE VIII, ARTICLE IX and Sections 11.1 through 11.5 and 11.7 shall continue in effect after termination to the extent necessary to provide for final billing, adjustments, and deliveries (including the provision to Buyer of Replacement Product or Shortfall Damages) related to any period prior to termination of this Agreement. The provisions pertaining to Seller’s Termination Fee payment shall, to the extent a Termination Fee is due and payable to Buyer hereunder, survive until Buyer receives the Termination Fee. Seller’s ROFR Offer responsibilities shall survive for the period provided in Section 2.7 of this Agreement.

**Section 2.4 Early Termination.** This Agreement may be terminated by mutual written agreement of the Parties or as otherwise expressly provided in this Agreement. Except as otherwise provided herein, any early termination of this Agreement shall be without prejudice to the rights and remedies of a Party for Defaults occurring prior to such termination.

**Section 2.5 Termination for Failure to Obtain Board and City Council Approvals.** Seller acknowledges that board and city council approvals of Buyer and each of the Participating Members, including any Participating Member power sales agreement related to the Agreement as well as CEQA NOE Completion, are required before any of Buyer's obligations under this Agreement are effective. Buyer shall have the right to terminate this Agreement upon written notice to Seller, without penalty, liability or expense, if Buyer and each of the Participating Members has not received their respective board and city council approvals or CEQA NOE Completion, in form and substance acceptable to Buyer and each Participating Member (in each of Buyer's and Participating Member's sole discretion) (collectively, the "**Buyer Approvals**"), within seventy-five (75) days following the Effective Date (the "**Approval Deadline**"); *provided that* Buyer's right to terminate this Agreement shall expire on the earlier of (i) the date on which the Buyer Approvals have been obtained or (ii) the Approval Deadline (such expiration date, as may be extended in accordance with the final sentence of this Section 2.5, the "**Vesting Date**"). To exercise its termination right pursuant to this Section 2.5, Buyer shall provide Seller with written notice of such termination within five (5) Business Days after the Approval Deadline. In the event that a challenge is received during the CEQA NOE Completion process prior to the Vesting Date, then without penalty, liability or expense the Vesting Date and the associated termination right under this Section 2.5 shall be extended for the period of such challenge and for five (5) Business Days after such challenge is concluded, but in no event shall the Vesting Date be extended beyond three hundred and sixty (360) days following the Effective Date.

**Section 2.6 Termination for Failure to Achieve NEPA Approval.** If NEPA Approval, in form and substance acceptable to Seller in its sole discretion, is not obtained prior to the earlier of February 1, 2026 or the Construction Start Date then either Party may, upon notice ("**NEPA Notice**") terminate this Agreement on a no-fault basis without penalty, liability or expense to either Party; *provided that* within five (5) days of such NEPA Notice, Seller shall pay to Buyer the Termination Fee, which shall be Buyer's sole and exclusive remedy for such termination. If the Termination Fee is not provided by Seller to Buyer within five (5) days from the NEPA Notice, then Buyer shall recover such outstanding amount from the Project Development Security. Within five (5) days of receipt of payment of the Termination Fee or recovery of the Termination Fee from the Project Development Security, Buyer shall return to Seller the Project Development Security less any appropriately drawn Termination Fee amount. If neither Party provides notice by June 30, 2026, which date shall be automatically extended up to three hundred sixty (360) days pursuant to an Excused Delay Extension or as mutually agreed between the Parties (the "**NEPA Notice Deadline**"), then such termination right under this Section 2.6 shall be waived by the Parties and the Agreement shall continue in full force and effect; *provided that* the Construction Start Date shall not occur prior to NEPA Approval. If NEPA Approval, in form and substance acceptable to Seller in its sole discretion, is obtained subsequent to February 1, 2026 but on or before the Construction Start Date, then Seller may provide written notice to Buyer confirming its receipt of a satisfactory NEPA Approval, and upon the date of such notice such termination right under this Section 2.6 shall automatically expire and the Agreement shall continue in full force and effect.

**Section 2.7 Seller Financing Conditions Precedent.** At any time on or prior to the earlier of (x) the Construction Start Date or (y) Seller's issuance of the Full Notice to Proceed to its EPC Contractor ("**Seller CP Deadline**"), Seller may terminate this Agreement in its sole discretion on a "no fault" basis upon or following Seller's determination that it will not be feasible

for Seller or its Affiliates to obtain debt or equity (including tax monetization) financing due to a material impact of the economic feasibility of Facility financing. Any such failure or termination shall not constitute or give rise to any default hereunder by either Party, and neither Party shall have any liability hereunder to the other Party following such termination; *provided*, that within five (5) Business Days following any such termination, Seller shall pay to Buyer the Termination Fee, which shall be Buyer's sole and exclusive remedy for such termination. If the Termination Fee is not provided by Seller to Buyer within five (5) days from such termination, then Buyer shall recover such outstanding amount from the Project Development Security. Within five (5) days of receipt of payment of the Termination Fee or recovery of the Termination Fee from the Project Development Security, Buyer shall return to Seller the Project Development Security less any appropriately drawn Termination Fee amount. Following any termination of this Agreement by Seller under this Section 2.7, Seller may at its discretion market, sell or transfer the Facility's Products to one or more third parties; *provided*, that, for one hundred eighty (180) days after such termination, before entering into a contract with any such third party for sale of such Products, Seller shall first provide Buyer with a written offer to sell Products from the Facility to Buyer at the contract price and with terms and conditions materially similar to the terms and conditions Seller intends to offer to such third party (the "**ROFR Offer**"). Buyer shall have fifteen (15) days after receipt of the ROFR Offer to notify Seller of its desire to transact with Seller (the "**ROFR Notice**"). If Buyer timely delivers the ROFR Notice to Seller, then the Parties shall negotiate in good faith regarding such ROFR Offer for a period of up to ninety (90) days following Seller's delivery of the ROFR Offer. Seller (or its Affiliate) may transact with any third party if (i) Buyer fails to provide the ROFR Notice within fifteen (15) days after receipt of the ROFR Offer, (ii) the Parties fail to reach an agreement within ninety (90) days after Seller's delivery of the ROFR Offer, or (iii) one hundred eighty (180) days have elapsed since the Agreement was terminated pursuant to this Section 2.7.

### **ARTICLE III DEVELOPMENT OF THE FACILITY**

#### **Section 3.1    General.**

(a)    **Project Design.** Seller shall determine the proposed location, design, and configuration of the Facility as it deems appropriate, subject to the Requirements, including the characteristics and other requirements for the Facility set forth in Appendix B-1, and also subject to any conditions imposed by the lead agency or any responsible agency as part of the NEPA review of the Facility and which Seller deems acceptable. The Facility shall accommodate grid charging of the BESS.

(b)    **Permitting.** Seller, at its expense, shall timely take steps necessary to obtain all Permits required to construct, maintain, and operate the Facility in accordance with the Requirements and for the performance of Seller's obligations hereunder.

(c)    **Meetings with Governmental Authorities.** Seller shall represent the Facility as necessary in all meetings with and proceedings before all Governmental Authorities.

(d)    **Construction.** Seller shall use commercially reasonable and diligent efforts to site, develop, finance and construct the Facility. Seller shall develop, operate and maintain the

Facility, at its sole risk and expense, and in reasonable compliance with the Requirements and applicable manufacturer's and operator's specifications and recommended procedures; *provided, however,* meeting these requirements shall not relieve Seller of its other obligations under this Agreement. Seller shall ensure that the construction of the Facility is governed by a project labor agreement, community workforce agreement, work site agreement, collective bargaining agreement, or any other similar agreements providing for the terms and conditions of employment with the applicable labor organizations.

(e) **Other Information.** In addition to the reports required to be delivered under this Agreement, including Section 3.5 and Section 5.6, Seller shall provide to Buyer such other information regarding the permitting, engineering, construction or operations, of Seller, its Subcontractors or the Facility, and other information concerning the Facility, as Buyer or Buyer's Authorized Representative may, from time to time, reasonably request. Buyer and Buyer's Authorized Representative shall be permitted to inspect the Facility from time to time upon reasonable notice to Seller and during reasonable business hours subject to Site safety protocols and orientation as set forth in Section 5.2, but Buyer and Buyer's Authorized Representative shall not interfere with the activities at the Facility and be escorted while on the Site by an employee or other representative of Seller. Without limiting Seller's indemnification obligations in Section 14.19(a), the presence of Buyer, its representatives or both on the Site shall be at Buyer's sole expense and risk.

(f) **Certification Regarding Debt.** No less than thirty (30) days before the Construction Start Date, and no more than ninety (90) days after the Commercial Operation Date, Seller shall deliver to Buyer a certificate of Seller's authorized officer, certifying that the amount of debt Seller has incurred, if any, for construction and permanent operations of the Facility, as applicable, considered in light of the types and amounts of other sources of capital used for the Facility, (i) is within reasonable and prudent market norms given the size, type, and commercial attributes of the Facility and (ii) poses no material risk to Seller's liquidity or to Seller's ability to perform its obligations under the Agreement.

**Section 3.2 Site Confirmation.** Seller represents and warrants that (a) Seller's agents and representatives have visited, inspected and are familiar with the Site and its surface physical condition relevant to the obligations of Seller pursuant to this Agreement, including surface conditions, normal and usual soil conditions, roads, utilities, the presence, if any, of archaeological and cultural artifacts and topography, and solar radiation, air and water quality conditions, (b) Seller is familiar with all local and other conditions that may be material to Seller's performance of its obligations under this Agreement (including, transportation, seasons and climate, access, weather, the presence, if any, of endangered species, handling and storage of materials and equipment, and availability and quality of labor and utilities), and (c) Seller has determined that the Site constitutes an acceptable and suitable site for the construction and operation of the Facility in accordance herewith. Any failure by Seller to take the actions described in this Section 3.2 shall not relieve Seller from any responsibility for estimating properly the difficulty and cost of successfully constructing, maintaining or operating the Facility in accordance with this Agreement or from proceeding to construct, maintain and operate the Facility successfully without any additional expense to Buyer.

### **Section 3.3 Subcontracts.**



Seller shall ensure that the terms in any Subcontract will allow Buyer to exercise its rights of access, inspection and audit provided for in this Agreement.

**Section 3.4 Certification of Commercial Operation Dates.** Not less than ninety (90) days prior to the date upon which Seller expects to achieve all of the conditions precedent to Commercial Operation as specified in Appendix L-2, Seller shall give written notice to Buyer of such expected date of Commercial Operation. Seller shall deliver written completion certifications to Buyer in the form of Appendix L-2; *provided, however*, that (a) Buyer shall not be obligated to accept a Commercial Operation Date that is earlier than the Target Commercial Operation Date unless Seller has provided Buyer with at least ninety (90) calendar days' notice of a proposed earlier Commercial Operation Date up to thirty (30) calendar days earlier than the Target Commercial Operation Date and at least six (6) months in advance for a Commercial Operation Date more than thirty (30) days earlier than the Target Commercial Operation Date and (b) Commercial Operation is not achieved earlier than December 31, 2026; *provided further*, that Buyer shall not be obligated to accept a Commercial Operation Date beyond the Target Commercial Operation Date without sixty (60) days notice in advance of expected Commercial Operation; *provided further*, that, Buyer shall not be obligated to accept a Commercial Operation Date beyond the Guaranteed Commercial Operation Date, and in any event not beyond the Commercial Operation Date Deadline. Within thirty (30) calendar days after delivery of Seller's initial certification, and thereafter within fifteen (15) calendar days after Seller resubmits a certification, Buyer shall in writing either accept or reject the certification in its reasonable discretion. If Seller provides Buyer with reasonable documentation of the satisfaction of conditions to Commercial Operation in advance of submitting the certificate of Commercial Operation, Buyer shall use commercially reasonable efforts to review such documentation and identify any inadequacies within thirty (30) calendar days following such submission. Any rejection of a certification shall specify in detail the specific substantive deficiencies upon which it is based. Seller shall have the right to contest a rejection of its initial certification by providing information or documentation demonstrating that no such deficiencies exist. Subject to Seller's right to contest a rejection of the initial certification, Seller shall promptly correct any defects or deficiencies identified in a rejection and resubmit the certification within five (5) Business Days. If, during the required time period, Buyer does not either accept or reject any certification, then for all purposes of this Agreement Buyer shall be deemed to have accepted such certification. The Commercial Operation Date shall be the date on which Seller delivered the certification that is accepted or deemed accepted by Buyer as provided in this Section 3.4.

**Section 3.5 Milestone Schedule; Delay Damages.**

(a) **Milestone Schedule, Reporting and Startup and Test Energy.**

(i) Attached as Appendix I is a milestone schedule with deadlines for the development of the Facility through the Commercial Operation Date (each milestone, a "**Milestone**" and each date by which a Milestone is to be completed, and subject to adjustment under Section 3.5(b), a "**Milestone Date**"). Seller shall achieve each Milestone by the Milestone Date therefor.

(ii) Until the Commercial Operation Date, Seller shall provide Buyer with a report on a Monthly basis, except that Seller shall provide such report on a quarterly basis until

construction of the Facility commences, that includes: (1) a description of the Site plan for the Facility, (2) a description of any planned changes to the Facility or Site plan since the previously delivered report, (3) a bar chart schedule showing progress to achieving the remaining Milestones with respect to the Facility, (4) a chart showing the critical path schedule of major items and activities, (5) a summary of activities at the Facility during the previous Month or quarter (as applicable), (6) a forecast of activities during the then-current Month or quarter (as applicable), (7) a list of any significant developments or delays or other issues that could impact Seller's achievement of Milestones relating to the Facility by the applicable Milestone Dates and any changes to the expected Commercial Operation Date and (8) pictures, in sufficient quantity and of appropriate detail, documenting construction and startup progress with respect to the Facility.

(iii) If Seller anticipates that it will not achieve a Milestone by the applicable Milestone Date (as such date may be extended pursuant to this Section 3.5), Seller shall promptly prepare and deliver to Buyer a remedial action plan ("**Remedial Action Plan**"), which shall set forth (1) the anticipated period of delay, (2) the basis for such delay, (3) an outline of the commercially reasonable steps that Seller is taking to address the delay and to ensure that future Milestones, including the Guaranteed Commercial Operation Date, will be timely achieved, (4) a proposed revised date for achievement of the applicable Milestone and (5) such other information and in such detail as may be reasonably requested by Buyer. Except as set forth in Section 3.5(b), Seller shall not have any liability for failure to timely achieve a Milestone other than the obligation to submit a Remedial Action Plan; *provided, however*, that the foregoing shall not limit Buyer's right to exercise any right or remedy available under this Agreement or at law or in equity for any other Default occurring concurrently with or before or after Seller's delay in achievement of the applicable Milestone.

(iv) At any time prior to the Commercial Operation Date, Seller shall have the right to sell and deliver, and Buyer shall purchase and accept from Seller, Startup and Test Energy at the rate for such Energy set forth in Appendix A-1, subject to Seller providing thirty (30) days' prior written notice to Buyer. Seller shall provide a schedule of its commercially reasonable projection for delivery of Startup and Test Energy with its notice.

**(b) Delays; Delay Damages.**

(i) The Construction Start Milestone, COD Delay Damages Start Date, the Executed Site Control Documents Milestone set forth in Appendix I, the NEPA Notice Deadline, and the Guaranteed Commercial Operation Date may be extended on a day-for-day basis up to three hundred sixty (360) days in aggregate pursuant to an Excused Delay Extension, and each other Milestone Date (other than the Commercial Operation Date Deadline) may be extended, on a day-for-day basis to the extent Seller is actually, demonstrably and unavoidably delayed in achieving such Milestone due to Force Majeure, an Interconnection Delay or a Permitting Delay. For the avoidance of doubt, all such milestones shall be extended for each day of extension accorded to any individual milestone. Notwithstanding anything to the contrary set forth in this Agreement, the Commercial Operation Date Deadline shall not be extended for any reason whatsoever, including due to Force Majeure or any Interconnection Delay, and the failure to achieve the Commercial Operation Date by the Commercial Operation Date Deadline shall be an immediate Default by Seller and each of Seller and Buyer shall have the right to terminate this Agreement for a Default pursuant to Section 13.4, not subject to extension or cure of any kind;

*provided*, that if Seller is unable to achieve the Commercial Operation Date by the Commercial Operation Date Deadline due to or arising out of an Excused Delay Extension, then: (i) Seller shall not be in Default, (ii) any termination by Buyer shall be a “no-fault” termination, and (iii) Seller shall pay to Buyer the Termination Fee which shall be Buyer’s sole and exclusive remedy for such termination (unless the termination is accordance with the Force Majeure requirements in Section 14.6(c), in which case no Termination Fee is owed). If the Termination Fee is not provided by Seller to Buyer within five (5) days from such termination, then Buyer shall recover such outstanding amount from the Project Development Security. Within five (5) days of receipt of payment of the Termination Fee or recovery of the Termination Fee from the Project Development Security, Buyer shall return to Seller the Project Development Security less any appropriately drawn Termination Fee amount.

(ii) If Seller fails to achieve the Construction Start Date on or prior to the Construction Start Milestone, Seller shall pay liquidated damages to Buyer for each day between the Construction Start Milestone and the date upon which the Construction Start Date is achieved (or the Agreement is terminated by Buyer) in the applicable daily liquidated damage amount set forth in Appendix I (the “*Daily Delay Damages*”). If Seller fails to achieve Commercial Operation by the COD Delay Damages Start Date, Seller shall pay Daily Delay Damages for each day between the COD Delay Damages Start Date and the date upon which Commercial Operation is achieved (or the Agreement is terminated by Buyer) or up to one hundred eighty (180) days after the COD Delay Damages Start Date, whichever is earlier; *provided further* that, if Seller has achieved CAISO COD of the PV System prior to the BESS, then any Daily Delay Damages shall be decreased by a prorated amount in proportion to the capacity of the PV System to the capacity of the Facility as a whole. If the COD Delay Damages Start Date is extended for three hundred sixty (360) days due to an Excused Delay Extension, Seller shall not owe Daily Delay Damages following the COD Delay Damages Start Date for the period that the qualifying circumstances giving rise to such Excused Delay Extension continue; *provided that*: (i) under no circumstances shall the Commercial Operation Date Deadline be extended; and (ii) Seller shall pay Buyer the Termination Fee if the Commercial Operation Date is not achieved by the Commercial Operation Date Deadline and Buyer or Seller terminates this Agreement in accordance with Sections 3.5(b)(i) and 13.4 (unless the termination is accordance with the Force Majeure requirements in Section 14.6(c), in which case no Termination Fee is owed). For the avoidance of doubt, if Seller fails to achieve both (A) Commercial Operation by the COD Delay Damages Start Date and (B) the Construction Start Date by the Construction Start Milestone, Seller shall pay the aggregate amount of Daily Delay Damages for each (A) and (B) that has not been timely achieved as of such date. Seller shall pay to Buyer Daily Delay Damages within seven (7) days after receipt of an invoice therefor from Buyer. If Seller fails to achieve the Construction Start Date by the date that is one hundred eighty (180) days after the Milestone Date for the Construction Start Milestone, Buyer shall have the right in its sole discretion and without penalty to (1) terminate this Agreement for a Default under Section 13.4, or (2) allow Seller to continue to pay the Daily Delay Damages to Buyer, during which time Buyer shall not terminate the Agreement based on Seller’s failure to timely achieve the Construction Start Milestone. If Seller (A) incurs Daily Delay Damages for failure to timely achieve the Construction Start Milestone or Commercial Operation, and (B) achieves Commercial Operation by the Guaranteed Commercial Operation Date, then Buyer shall refund to Seller any amounts previously paid to Buyer as Daily Delay Damages for failure to timely achieve any and all Key Milestones (including the Construction Start Milestone) net of any costs and expenses incurred (including Buyer’s costs incurred to procure replacement resource

adequacy capacity), or damages sustained, by Buyer directly as a result of Seller's failure to achieve the Construction Start Milestone.

(iii) The Parties agree that the damages that Buyer would incur due to Seller's failure to timely achieve a Key Milestone would be difficult or impossible to predict with certainty, and it is impractical or difficult to assess actual damages in those circumstances, but the Daily Delay Damages are a fair and reasonable calculation of such damages for Seller's failure to achieve any Key Milestone by the Milestone Date therefor. The payment of Daily Delay Damages as provided in this ARTICLE III are Buyer's sole remedy for Seller's failure to timely achieve a Key Milestone, but shall not limit Buyer's right to (a) exercise any right or remedy available under this Agreement or at law or in equity for any other breach or default occurring concurrently with, before, or after Seller's delay in achieving the applicable Key Milestone by the Milestone Date therefor, or (b) recover any damages not directly attributable to such delay or to pursue any indemnity claims in accordance with this Agreement or (c) terminate this Agreement pursuant to Section 13.4, *provided* that the payment of Daily Delay Damages shall be taken into account when determining any damages due Buyer for such termination; *provided further* that in no event shall any damages, including Daily Delay Damages, owed in connection with such termination exceed the limitation of liability provided in Section 14.19(e).

**Section 3.6 Decommissioning and Other Environmental Costs Associated with the Site and Facility.** Seller shall be solely responsible for any cost of decommissioning or demolition of the Facility and any other environmental cost or liability associated with the Facility or the Site, including but not limited to, costs incurred in connection with acquiring and maintaining all environmental permits and licenses for operation of the Facility, the Facility's compliance with all applicable environmental laws, rules and regulations, including capital costs for pollution mitigation or installation of emissions control equipment required to permit or license the Facility, all operating and maintenance costs for operation of pollution mitigation or control equipment, costs of permit maintenance fees and emission fees as applicable, the costs of all emission reduction credits or marketable emission trading credits required by any applicable environmental laws, rules, regulations, and permits to operate the Facility, and the costs associated with the disposal and clean-up of hazardous substances pre-existing or introduced to the Site, and the decontamination or remediation, on or off the Site, necessitated by any events associated with the Site or Facility, or waste or hazardous substances at the Site (together, "**Environmental Costs**").

**Section 3.7 CEC Certification.** Seller shall provide Buyer with a copy of the CEC pre-certification of the PV System at least thirty (30) days prior to the date on which PV Delivered Energy is first delivered to Buyer. Promptly, but in no event more than ten (10) days following the Commercial Operation Date, Seller shall file with the CEC all materials and documents required to demonstrate that the Facility is entitled to be CEC Certified. Seller shall promptly provide Buyer with copies of all submittals to the CEC and other correspondence between Seller and the CEC. Failure by Seller to comply with the requirements set forth in this Section 3.7 shall constitute a Default by Seller, subject to the cure periods set forth in Section 13.1(b). Buyer may, in its sole discretion and without penalty to Buyer, terminate this Agreement, effective upon notice to Seller if Facility is not CEC Certified by the date that is six (6) months after the Commercial Operation Date.

**Section 3.8 Separate Agreements.** Prior to the Construction Start Date, if Seller reasonably determines based on Seller’s tax advisors’ recommendations, taking into account any issued applicable Inflation Reduction Act regulations and guidelines, that the Agreement needs to be amended to establish a separate agreement for the PV System and a separate agreement for the BESS in order to permit or preserve the PTC for the PV System or the ITC for the BESS, and Buyer reasonably agrees with such determination, then the Parties shall make commercially reasonable efforts to implement such modifications to effectuate separate agreements with the minimum changes necessary while preserving to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date; provided that Buyer does not have to agree to any modification that: (i) would remove the RPS long term contracting credit from the Product; (ii) is inconsistent with any law or regulation; or (iii) would change the benefits, burdens, or obligations of the Buyer under this Agreement as of the Effective Date. Buyer shall have the right to terminate this Agreement on a “no fault” basis upon written notice to Seller, without penalty, liability or expense to either Party, if Buyer and each of the Participating Members are unable to receive their respective board and city council approvals, in form and substance acceptable to Buyer and each Participating Member (in each of Buyer’s and Participating Member’s sole discretion), within one hundred twenty (120) days following the start of the Parties’ commercially reasonable efforts to implement such modifications. If Buyer is unable to receive the Buyer Approvals and upon notice of intent to terminate from Buyer, the Agreement will remain in full force and effect if within sixty (60) days Seller gives notice to Buyer in writing that the amendment shall be abandoned, otherwise the Agreement may be terminated by Buyer on a “no fault” basis, without penalty, liability or expense to either Party. In connection with the Parties’ commercially reasonable efforts to establish separate PV System and BESS agreements, Seller shall pay Buyer’s reasonable attorney fees. Within ten (10) Business Days following any termination under this Section 3.8, Buyer shall return the Project Development Security to Seller.

**Section 3.9 FCDS.** For the avoidance of doubt, as between Buyer and Seller, Seller shall be responsible for the cost and installation of any Network Upgrades associated with obtaining and maintaining FCDS. Seller commits sufficient allocated deliverability from the CAISO such that all PV Contract Capacity and BESS Contract Capacity from the Facility is reasonably expected to receive FCDS by the Commercial Operation Date, and once FCDS is achieved, Seller shall maintain FCDS throughout the Delivery Term. Notwithstanding the foregoing, Buyer’s sole and exclusive remedy for any failure of Seller to obtain and maintain FCDS shall be the remedies for RA Shortfall as set forth in Section 10.3. Any utilization of deliverability for another unrelated project owned by Seller or any of its Affiliates will not reduce the deliverability allocated to Buyer under this Agreement.

**Section 3.10 [Reserved].**

**Section 3.11 Failure to Reach PV Contract Capacity or BESS Contract Capacity**

(a) If, at Commercial Operation, the Installed PV Capacity is less than one hundred percent (100%) of the PV Contract Capacity, then (i) the PV Contract Capacity shall be reduced to the Installed PV Capacity, and (ii) the Annual Contract Quantity shall be reduced in proportion to the Installed PV Capacity relative to the original PV Contract Capacity (such adjustments in the foregoing (i) and (ii), the “*PV Shortfall Adjustments*”), and Seller shall have

ninety (90) days after the Commercial Operation Date (the “**PV Capacity Cure Period**”) to install additional capacity such that the Installed PV Capacity is equal to (but not greater than) the original PV Contract Capacity. Prior to the expiration of the PV Capacity Cure Period, Seller shall provide Buyer a new certificate substantially in the form attached as Appendix 2 to Appendix L-2 hereto (excepting parts (b) and (d) thereto) specifying the new Installed PV Capacity (an “**Updated Installed PV Capacity Certificate**”). If Seller fails to deliver an Updated Installed PV Capacity Certificate prior to the expiration of the PV Capacity Cure Period or delivers an Updated Installed PV Capacity Certificate that demonstrates Installed PV Capacity less than the original PV Contract Capacity, then (1) Seller shall pay “**PV Capacity Damages**” to Buyer in an amount equal to three hundred thousand dollars (\$300,000) for each MW that the original PV Contract Capacity exceeds the Installed PV Capacity within thirty (30) days after the PV Capacity Cure Period, and (2) the PV Shortfall Adjustments shall become permanent based on the Installed PV Capacity (as updated by an Updated Installed PV Capacity Certificate, if applicable) (including, for avoidance of doubt, in the calculation of Delivery Term Security pursuant to Section 5.7(b)). If Seller delivers an Updated Installed PV Capacity Certificate demonstrating Installed PV Capacity equal to the original PV Contract Capacity prior to the expiration of the PV Capacity Cure Period, then the PV Shortfall Adjustments shall no longer apply as of the date of delivery of such Updated Installed PV Capacity Certificate.

(b) If, at Commercial Operation, the Installed Storage Capacity is less than one hundred percent (100%) of the BESS Contract Capacity, then (i) the BESS Contract Capacity shall be reduced to the Installed Storage Capacity, (ii) the Guaranteed Dischargeable Energy shall be reduced in proportion to the Installed Storage Capacity relative to the original BESS Contract Capacity, and (iii) the Expected RA Capacity shall be reduced in proportion to the Installed Storage Capacity relative to the original BESS Contract Capacity (such adjustments in the foregoing (i) through (iii), the “**BESS Shortfall Adjustments**”), and Seller shall have ninety (90) days after the Commercial Operation Date (the “**BESS Capacity Cure Period**”) to install additional capacity such that the Installed Storage Capacity is equal to (but not greater than) the original BESS Contract Capacity. Prior to the expiration of the BESS Capacity Cure Period, Seller shall provide Buyer a new certificate substantially in the form attached as Appendix 2 to Appendix L-2 hereto (excepting part (a) thereto) specifying the new Installed Storage Capacity (an “**Updated Installed Storage Capacity Certificate**”). If Seller fails to deliver an Updated Installed Storage Capacity Certificate prior to the expiration of the BESS Capacity Cure Period or delivers an Updated Installed Storage Capacity Certificate that demonstrates Installed Storage Capacity less than the original BESS Contract Capacity, then (1) Seller shall pay “**BESS Capacity Damages**” to Buyer in an amount equal to three hundred thousand dollars (\$300,000) for each MW that the original BESS Contract Capacity exceeds the Installed Storage Capacity within thirty (30) days after the BESS Capacity Cure Period, and (2) the BESS Shortfall Adjustments shall become permanent based on the Installed Storage Capacity (as updated by an Updated Installed Storage Capacity Certificate, if applicable) (including, for avoidance of doubt, in the calculation of Delivery Term Security pursuant to Section 5.7(b)). If Seller delivers an Updated Installed Storage Capacity Certificate demonstrating Installed Storage Capacity equal to the original BESS Contract Capacity prior to the expiration of BESS Capacity Cure Period, then the BESS Shortfall Adjustments shall no longer apply as of the date of delivery of such Updated Installed Storage Capacity Certificate.

(c) The Parties agree that the damages that Buyer would incur due to Seller’s failure to achieve Commercial Operation at the PV System Capacity or the BESS Contract

Capacity, as the case may be, would be difficult or impossible to predict with certainty and it is impractical or difficult to assess actual damages in those circumstances, but the PV Capacity Damages and the BESS Capacity Damages are a fair and reasonable calculation of such damages, and the sole remedy, for Seller's failure to achieve Commercial Operation at the PV System Capacity or the BESS Contract Capacity as the case may be.

(d) Neither PV Capacity Damages nor BESS Capacity Damages shall be offset or reduced by the payment of Project Development Security, Delivery Term Security, Daily Delay Damages, Shortfall Damages or any other form of liquidated damages under this Agreement.

### **Section 3.12 Build-Own-Transfer Option.**

(a) Buyer shall have the option to request at any time up until the earlier of: (a) the Commercial Operation Date; or (b) the Commercial Operation Date Deadline that the Parties negotiate modifications or amendments to the Agreement, or a separate agreement, concerning the implementation of a build-own-transfer framework such that (among other things) Buyer would become the owner of the Facility prior to the Facility being placed in service. Within thirty (30) days after such request from Buyer, Seller shall deliver a response accepting or declining the request to negotiate potential build-own-transfer framework. Aside from Seller's obligation to provide a response, nothing within this Section 3.12 obligates either Party to agree to any modification, amendment, or activity in relation to a build-own-transfer framework.

## **ARTICLE IV OPERATION AND MAINTENANCE OF THE FACILITY**

### **Section 4.1 General Operational Requirements.** Seller shall, at all times:

(a) At its sole expense, operate and maintain the Facility in accordance with the Requirements and using commercially reasonable efforts to comply with applicable manufacturer's and operator's specifications any published recommendations of the manufacturers and suppliers of the solar panels, battery and other major components of the Facility.

(b) At its sole expense, operate and maintain the Facility using a Qualified Operator in accordance with the Requirements;

(c) Use qualified and trained personnel for managing, operating and maintaining the Facility and for coordinating with Buyer, and ensure that necessary personnel are available on-site or on-call twenty-four (24) hours per day following the Commercial Operation Date and during the Delivery Term;

(d) Use commercially reasonable efforts to operate and maintain the Facility with due regard for the safety, security and reliability of the interconnected facilities and Transmission System;

(e) Use commercially reasonable efforts to comply with the operating and maintenance standards recommended or required by the Facility's equipment suppliers; and

(f) Ensure that the instantaneous AC output from the Facility does not exceed the PV Contract Capacity.

#### **Section 4.2 Operation and Maintenance Plan.**

(a) **General.** Seller shall (i) devise and implement a plan of inspection, maintenance, and repair for the Facility and the components thereof (including a schedule for such inspections, maintenance and repairs) in order to maintain such equipment in accordance with the Requirements, and (ii) shall keep reasonable records with respect to inspections, maintenance, and repairs thereto. The aforementioned plan and records of such activities shall be available for inspection by Buyer during Seller's regular business hours upon reasonable notice.

(b) **After Commercial Operation.** Following the Commercial Operation Date, Seller shall provide to Buyer, on a quarterly basis, summaries or redacted versions of any regularly prepared operations and maintenance status reports of the Facility provided to WECC or the Facility Lenders.

#### **Section 4.3 Operation and Use of the BESS; Grid Charging.**

(a) **General.** Seller shall procure, install, configure, operate, and maintain the BESS in a manner consistent with meeting all of the BESS Performance Guarantees described in Section 9.6 and Appendix K of this Agreement and shall otherwise cause the BESS to provide the services contemplated herein, and to operate throughout the Agreement Term, in accordance with the terms and conditions of this Agreement. Buyer or Buyer's agent shall have the sole and exclusive right to schedule or designate the BESS to charge or discharge via the BESS Instructions, subject to the Operating Restrictions.

(b) **BESS Auxiliary/Parasitic Loads.** The Parties agree that: (i) during charging or discharging of the BESS, auxiliary/parasitic loads that are integral to charging or discharging the BESS (e.g., HVAC, fire suppression systems, telecommunications equipment and battery management systems) may be served by Energy from the BESS; *provided*, such loads are reflected in BESS Metered Input and BESS Metered Output; (ii) aside from subclause (i), Seller may use the BESS during idle periods to provide (and shall reimburse Buyer for each MWh of Energy used from the Facility at the PV Contract Price, as applicable) Energy to serve commercially reasonable auxiliary/parasitic loads related to the BESS; *provided*, the loads in subclause (ii) beyond a total annual cap of nine thousand eight hundred (9,800) MWh are subject to Buyer consent (not to be unreasonably withheld, conditioned or delayed); (iii) other than the loads in subclauses (i) and (ii), Seller shall not dispatch or operate the BESS other than via the BESS Instructions; (iv) Seller shall indemnify and hold harmless Buyer from any and all costs, penalties or charges for Energy supplied by any means other than retail service from the applicable utility, and Seller shall be responsible for measures to ensure such loads supplied by the applicable utility's retail service if necessary under CAISO rules, other Requirement of Law or applicable utility tariff; and (v) Seller shall operate the BESS for such auxiliary/parasitic load purposes in a manner that would not materially impact Seller's ability to satisfy the BESS Performance Guarantees; and (vi) Seller shall implement safeguards, notices, and advance warning systems into the BESS to prohibit operation of the BESS outside of the limitations set forth in this Section 4.3.



(c) **Grid Charging.** Buyer shall have the right to charge the BESS with Grid-Charging Energy without restriction other than Operating Restrictions. Buyer shall have the exclusive responsibility at its own cost and expense to arrange for, schedule, and to deliver, transmit and transfer to Seller at the Point of Delivery all Grid-Charging Energy for the BESS. As between the Parties, Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Grid-Charging Energy prior to the Point of Delivery, and Seller shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Grid-Charging Energy at and from the Point of Delivery. Seller shall accept all Grid-Charging Energy for the BESS delivered to the Point of Delivery in accordance with the terms of this Agreement. Seller shall use commercially reasonable efforts to coordinate with Buyer and Buyer's agent to ensure that Seller's Generator Interconnection Agreement contains provisions authorizing Seller to use and operate the BESS in the manner contemplated by this Agreement (including as to Grid-Charging Energy). Seller shall track and provide Buyer a report with the amount of Grid-Charging Energy used to charge the BESS each month during each Contract Year, and Seller shall comply with any Requirement of Law in regards to reporting such BESS grid electricity utilization.

#### **Section 4.4 Outages.**

(a) Unless otherwise agreed, subject to compliance with Section 4.4(b), Seller shall be permitted to reduce deliveries of Product during any Scheduled Outage. To the extent notice is not already required under the terms hereof, Seller shall notify Buyer as soon as practicable of any extensions to any Scheduled Outage and expected end dates thereof. Between June 1st and September 30th, Seller shall not schedule non-emergency maintenance that reduces the PV System Energy or the BESS Contract Capacity of the BESS, unless (1) (i) such Scheduled Outage complies with the CAISO Tariff and all applicable rules and regulations of CAISO, (ii) is required to avoid damage to the Facility, (iii) such maintenance is necessary to maintain equipment warranties and cannot be scheduled outside the period of June 1st to September 30th, and (iv) such Scheduled Outage is required in accordance with Prudent Utility Practices, or (2) the Parties agree otherwise in writing.

(b) Buyer and Seller shall cooperate to minimize Scheduled Outages during specified periods of time during each calendar year in accordance with Prudent Utility Practices and this Section 4.4 (such periods, the "**Major Maintenance Blockout**"). No later than ninety (90) days prior to the anticipated Commercial Operation Date and the commencement of each Contract Year thereafter, Buyer shall provide Seller with its specified Major Maintenance Blockout. In the absence of such updated notification, the most recent previous Major Maintenance Blockout notification shall apply. Seller shall attempt to minimize its Scheduled Outages during the Major Maintenance Blockout consistent with Prudent Utility Practices; *provided* that Seller shall be permitted to perform scheduled and unscheduled maintenance on the Facility during Major Maintenance Blockouts during such hours when solar irradiance levels are insufficient to permit the production of Energy, if such maintenance is permitted under the CAISO Tariff and conducted in accordance with all applicable Requirements (including, for avoidance of doubt, the requirements of the Transmission Provider). In addition, prior to the anticipated Commercial Operation Date, and for each calendar year thereafter, Seller shall provide the CAISO and Buyer with its non-binding written projection of all Scheduled Outages for the succeeding calendar year no later than fifteen (15) days prior to the deadline for providing the CAISO with proposed

maintenance outages for the following year as described in the CAISO Tariff (the “*Scheduled Outage Projection*”) reflecting a minimized schedule of scheduled maintenance during the Major Maintenance Blockout. In addition, Seller shall cooperate in good faith with maintenance scheduling requests by Buyer consistent with Prudent Utility Practices. The Scheduled Outage Projection shall include information concerning all projected Scheduled Outages during such period, including (A) the anticipated start and end dates of each Scheduled Outage; (B) a description of the maintenance or repair work to be performed during the Scheduled Outage; and (C) the anticipated MW of operational capacity of the PV System, the BESS and the Facility, if any, during the Scheduled Outage. Seller shall use commercially reasonable efforts to notify Buyer of any change in the Scheduled Outage Projection as soon as practicable, but in no event later than sixty (60) days prior to the newly scheduled date for the Scheduled Outage. Seller shall use commercially reasonable efforts to accommodate reasonable requests of Buyer with respect to the timing of Scheduled Outages and shall, to the extent feasible and consistent with Prudent Utility Practices, (x) arrange for Scheduled Outages to occur between October 1 and May 1 of each year (or such other period as reasonably determined by Buyer from time to time) and coincident with planned transmission outages, but not to overlap with the Major Maintenance Blockout and (y) cause not more than fifty percent (50%) of the PV Contract Capacity to be unavailable during any Scheduled Outages. In the event of a System Emergency, Seller shall use commercially reasonable efforts to reschedule any Scheduled Outage previously scheduled so that it occurs during the System Emergency.

(c) Seller shall report all outages, including all Forced Outages and Scheduled Outages, to CAISO in accordance with the CAISO Tariff and all applicable rules and regulations of CAISO. In addition, Seller shall notify Buyer immediately upon identification of a situation likely to result in a Forced Outage occurring within a twenty-four (24) hour period that is likely to cause or require removal of the PV System, the BESS or the Facility from service, or a reduction in the maximum output capability of the PV System, the BESS or the Facility by one (1) MW or more from the value most recently recorded in the Web Outage Management System for the CAISO. For all other Forced Outages, Seller shall provide Buyer with as much advance notice as practicably possible, but in all cases, shall notify Buyer and the CAISO within thirty (30) minutes after the commencement of the Forced Outage. Seller shall provide detailed information concerning each Forced Outage, including (i) the start and anticipated end dates of the Forced Outage; (ii) a description of the cause of the Forced Outage; (iii) a description of the maintenance or repair work to be performed during the Forced Outage; and (iv) the anticipated MW of operational capacity, if any, during the Forced Outage. Seller shall exercise commercially reasonable efforts to avoid Forced Outages and to limit the duration and extent of any such outages.

(d) In addition to the requirements set forth in Section 4.4(a), Section 4.4(b) and Section 4.4(c), the Parties shall cooperate to develop mutually acceptable procedures for addressing Scheduled Outages and any other outages arising in connection with the Facility.

(e) In the event of any inconsistency between the provisions in this Section 4.4 and any applicable requirements of CAISO, such CAISO requirements shall govern.

**ARTICLE V**  
**COMPLIANCE DURING CONSTRUCTION AND OPERATIONS; SECURITY**

**Section 5.1     In General.**

(a)     **Facility Covenants.** Seller shall perform, or cause to be performed, all development, engineering, design and construction of the Facility in a good and workmanlike manner and in accordance with the Requirements. Seller shall obtain from the manufacturers of the equipment installed in the PV System and the BESS warranties and performance guarantees of commercially reasonable terms of years and sufficient to allow Seller to meet the performance guarantees set forth in this Agreement. Seller shall not create, incur, assume or permit to exist any Lien other than Permitted Encumbrances on any portion of the Facility or the Site without the prior written approval of Buyer. Seller shall, throughout the Delivery Term, monitor the operation and maintenance of the Facility to ensure that the Facility, and said operation and maintenance, is, and will be, in material compliance with all standards, reports, studies, Permits, Prudent Utility Practices, and other Requirements applicable to the Facility, Seller's Quality Assurance Program, and any other provisions of this Agreement. Without limiting the foregoing, Seller shall use commercially reasonable efforts to promptly repair and/or replace, consistent with Prudent Utility Practice, any material component of the Facility that may be damaged or destroyed or otherwise not operating properly and efficiently. Seller shall exercise commercially reasonable efforts to timely undertake all updates or modifications to the Facility, and its equipment and materials, including procedures, programming and software, required by Prudent Utility Practice. Seller shall, at its expense, maintain throughout the Agreement Term an inventory of spare parts for the Facility in a quantity that is consistent with applicable manufacturers' recommendations and Prudent Utility Practice.

(b)     **Equipment Suppliers.** Seller shall only engage with suppliers of the solar panels and batteries to be incorporated into the Facility that are approved by Seller's Tax Investors and/or Facility Lenders.

**Section 5.2     Buyers' Rights to Monitor in General.** Buyer shall have the right, and Seller shall permit Buyer and its Authorized Representative, advisors, engineers and consultants, upon reasonable advance notice to observe, inspect, review and monitor all construction, operations and activities of the Facility, including (a) reviewing and monitoring (x) the installation of the equipment, start up and testing, and Commercial Operation of the Facility, and (y) all initial performance tests during Facility start-up and all tests required under the Subcontracts to be performed prior to each Milestone and achievement of Commercial Operation and (b) performing such detailed examinations and inspections at the Site as, in the judgment of Buyer, are appropriate and advisable to determine that the Facility equipment and ancillary components of the Facility have been installed in accordance with the Requirements and (c) making notes about and copying all non-confidential or non-proprietary documents, drawing, plans, specifications, permits, test results, and information as Buyer may reasonably request; *provided* that such activities on the part of Buyer and its Authorized Representative shall be coordinated with Seller so as to not interfere with the construction or operation of the Facility. Seller shall provide Buyer at least ten (10) Business Days prior notice of the commencement of any performance tests (or promptly following Seller becoming aware of the scheduling of any such performance tests if scheduled less than ten (10) Business Days in advance). Seller shall cause its

personnel, consultants, and contractors to be available to, and cooperate in all reasonable respects with, Buyer and its Authorized Representative, advisors, engineers, and consultants at reasonable times and with prior notice for purposes of Buyer's exercise of its rights under this Section 5.2; *provided* that in no event shall Seller be required to reschedule any such tests should Buyer or its representatives not be available on the scheduled date for such tests. Upon any visit to the Site, Buyer and its representatives shall: (i) not interfere with the orderly progression of the work on Site or operation of the Facility; (ii) follow Seller's rules and policies with respect to safety and protection of property and the environment; and (iii) be escorted while on the Site by an employee or other representative of Seller. Without limiting Seller's obligations under Section 14.19, the presence of Buyer, its representatives or both on the Site shall be at Buyer's sole expense and risk. From and after the Commercial Operation Date, except in the event of a System Emergency, Seller shall accommodate Buyer's requests to visit the PV System or the Facility during Seller's regular business hours upon reasonable notice.

**Section 5.3 Effect of Review by Buyer.** Any review by Buyer or a Buyer's Authorized Representative of the design, construction, engineering, operation or maintenance of the Facility, or observation of any testing, is solely for the information of Buyer. Buyer shall have no obligation to share the results of any such review or observations with Seller, nor shall any such review or the results thereof (whether or not the results are shared with Seller), nor any failure to conduct any such review, nor any observation of testing or failure to observe testing, relieve Seller from any of its obligations under this Agreement. By making any such review or observing any such testing, Buyer makes no representation as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller shall in no way represent to any third party that any such review by Buyer or Buyer's Authorized Representative of the Facility thereof, including any review of the design, construction, operation or maintenance, is a representation by Buyer as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller is solely responsible for the economic and technical feasibility, operational capability and reliability thereof.

**Section 5.4 Compliance with Standards.**

(a) Seller shall cause the Facility and all parts thereof to be designed, constructed, tested, operated and maintained to meet all of the requirements of this Agreement, all applicable requirements of the latest revision of the ASTM, ASME, AWS, EPA, EEI, IEEE, IEC, ISA, National Electrical Code, National Electric Safety Code, OSHA, Uniform Building Code, Uniform Plumbing Code, Underwriters Laboratory Standards, National Fire Protection Agency as well as the applicable local County Fire Department Standards of the applicable county, NERC Reliability Standards, as applicable, and other codes and standards and operations and maintenance requirements applicable to the services, equipment, and work as generally shown in this Agreement, as well as all applicable Requirements of Law not specifically mentioned in this Section 5.4, including any presidential executive order, prohibition order, or other guidance by the U.S. government restricting the use of equipment supplied by vendors or manufacturers located in or controlled by foreign adversary countries that might be used to harm the U.S. bulk-power system; *provided* that, for the avoidance of doubt, Seller shall use commercially reasonable efforts, but shall not be obligated, to comply with any non-mandatory recommendations, or voluntary best practices, in any of the foregoing so long as Seller follows Prudent Utility Practices. Seller shall

comply with all reporting requirements for the Facility required under Requirements of Law (including providing such information to Buyer as required thereunder).

(b) Seller shall cause all of its personnel and systems to adhere to any physical and cyber-related security policies, standards, requirements, and procedures applicable to the Facility under Requirements of Law and Prudent Utility Practices, including requirements that may be imposed by FERC, NERC, WECC, the United States Department of Energy, the EPA, or the United States Department of Homeland Security, as well as any applicable cyber-related policies and procedures of Buyer notified to Seller. Seller shall implement and maintain security measures reasonably consistent with the foregoing designed to (i) ensure the security and confidentiality of Buyer's Confidential Information, (ii) prohibit unauthorized access to Buyer's Confidential Information stored on or procured through servers, equipment, or repositories used by Seller or otherwise handled by Seller, (iii) protect against any anticipated threats or hazards to the security and integrity of Buyer's Confidential Information, and (iv) ensure the proper disposal of Buyer's Confidential Information.

**Section 5.5 Quality Assurance Program.** Seller agrees to maintain and comply with a written quality assurance policy ("*Quality Assurance Program*") attached hereto as Appendix G, and Seller shall cause all work performed on or in connection with the Facility to materially comply with said Quality Assurance Program.

**Section 5.6 Reporting and Information.** Following the Commercial Operation Date, Seller shall provide to Buyer (a) monthly reports in a form to be agreed upon by Buyer and Seller, that include, but are not limited to, (i) a month and year to date performance summary for the Facility on MWh, capacity factor, actual vs. expected generation, Grid-Charging Energy, availability, (ii) an operational summary including weather for the month, reasons for downtime, scheduled maintenance and repairs, curtailment events, safety, and (iv) a summary of any environmental issues or concerns and (b) quarterly reports in a form to be agreed upon by Buyer and Seller regarding the operations and maintenance of the Facility; *provided* that Seller shall be deemed to have satisfied this obligation during any quarter in which Seller provides to Buyer the reports set forth in Section 4.2(b). Seller shall have no obligation to report any information subject to any confidentiality protections imposed by applicable law or a confidential settlement proceeding or agreement.

**Section 5.7 Performance Security.**

(a) Within twenty (20) days after the Vesting Date, Seller shall deliver to Buyer an Acceptable Form of Performance Assurance in the amount of One Hundred Dollars (\$100)/kW of PV Contract Capacity and BESS Contract Capacity for an aggregate required amount of Nineteen Million Dollars (\$19,000,000), which Acceptable Form of Performance Assurance shall secure Seller's obligations under this Agreement prior to the achievement of the Commercial Operation Date (the "*Project Development Security*"). Seller shall maintain the Project Development Security until the Commercial Operation Date, or until Buyer is required to return the Project Development Security under Section 5.7(c) or any other provision of this Agreement. Seller shall not be required to replenish any amounts drawn on the Project Development Security.

(b) As a condition to the achievement of the Commercial Operation Date, Seller shall deliver to Buyer an Acceptable Form of Performance Assurance in the amount of One Hundred Fifty Dollars (\$150)/kW of PV Contract Capacity and BESS Contract Capacity (Twenty Eight Million Five Hundred Thousand Dollars (\$28,500,000) in the aggregate), which Acceptable Form of Performance Assurance shall secure all Seller's obligations under this Agreement from and after the Commercial Operation Date, (the "***Delivery Term Security***"). Seller shall maintain the Delivery Term Security in the required amount until the end of the Delivery Term or until Buyer is required to return the Delivery Term Security to Seller as set forth in Section 5.7(c). Seller shall not be required to replenish additional amounts drawn on the Delivery Term Security in excess of an aggregate amount equal to fifty percent (50%) of the Delivery Term Security.

(c) Buyer shall return the unused portion of the (i) Project Development Security, if any, to Seller promptly after: (A) the later of (1) Seller's provision of the Delivery Term Security, unless Seller elects to apply the Project Development Security toward the Delivery Term Security and (2) the payment of all Daily Delay Damages due and owing to Buyer or (B) the effective date of any early termination of the Agreement by Buyer promptly upon payment of all damages due and owing to Buyer, and (ii) Delivery Term Security, if any, to Seller promptly after: (A) the Agreement Term has ended, and (B) all obligations of Seller arising under this Agreement are paid (whether directly or indirectly such as through set-off or netting) or performed in full.

(d) Buyer may draw on the Performance Security (i) at any time following Seller's failure to timely pay Daily Delay Damages when due hereunder in the amount of such Daily Delay Damages or any other liquidated damages provided for hereunder, (ii) upon Seller's failure to pay Buyer the Shortfall Damages prior to the end of the Shortfall Makeup Period as provided in Section 9.3, (iii) upon Seller's failure to make any other payment due to Buyer hereunder in the amount of such unpaid payment, including any Termination Payment or (iv) upon the occurrence and during the continuation of any event of Default to pay all amounts due to Buyer hereunder at such time and all damages, costs, losses, expenses and other liabilities incurred by Buyer or its Indemnitees resulting from such event of Default. Buyer may draw all or any part of such amounts due to Buyer from any form of security provided under this Section 5.7, and in any sequence, Buyer may elect, in its sole discretion. Any failure of, or delay by, Buyer in electing to draw any amount from the Performance Security shall in no way prejudice Buyer's rights to subsequently recover such amounts from the Performance Security or in any other manner. Within five (5) Business Days following any draw by Buyer on the Delivery Term Security, Seller shall replenish the amount drawn such that the Delivery Term Security is restored to the applicable amount set forth in Section 5.7(b), other than in connection with termination of this Agreement.

(e) Seller shall notify Buyer of the occurrence of a Downgrade Event within five (5) Business Days after obtaining knowledge of the occurrence of such event. Buyer shall notify Seller if at any time Buyer is directed by a Governmental Authority to terminate any relationship with the issuer of any Performance Security. If at any time there shall occur a Downgrade Event or Seller receives notice of Buyer's termination of its relationship with the issuer of any Performance Security, Seller shall replace such Performance Security within ten (10) Business Days after such Downgrade Event or receipt of such notice. Such replacement security shall meet the requirements of this Section 5.7. If the replacement Performance Security is not provided by Seller, Buyer shall have the right to demand payment of the full amount of the Performance Security, and Buyer shall retain such amount in order to secure Seller's obligations

under this Agreement; *provided* that if and to the extent such amount exceeds payment and performance in full of all of Seller's obligations under this Agreement, Buyer shall refund the excess to Seller promptly after all such obligations of Seller under this Agreement have been paid or performed in full.

(f) The Project Development Security shall remain in place from the date it is effective in accordance with clause (a) above until the Commercial Operation Date and the Delivery Term Security shall remain in place continuously for the entire Delivery Term (except, in each case, to the extent drawn upon as provided herein). If any Performance Security is in the form of a letter of credit expiring before the Commercial Operation Date (in the case of Project Development Security) or the end of the Delivery Term (in the case of Delivery Term Security), Seller shall cause their renewal or extension for additional consecutive terms of three hundred sixty (360) Days or more (or, if shorter, the remainder of the time such Performance Security must remain in place in accordance with the prior sentence) no later than thirty (30) Days prior to each expiration date of such letter(s) of credit and written proof of such renewal shall be provided to Buyer as soon as practicable thereafter, but in no event later than fifteen (15) Days prior to the expiration of the same. If any such letter of credit is not renewed or extended as required herein or does not constitute an Acceptable Form of Performance Assurance, Buyer shall have the right to draw immediately upon the entire amount of such letter of credit and to place the amounts so drawn which shall thereafter be treated by Buyer as Performance Security hereunder, at Seller's cost and with Seller's funds, in an account controlled by Buyer until and unless Seller provides a substitute Acceptable Form of Performance Assurance.

(g) Seller shall, from time to time as requested by Buyer's Authorized Representative, execute, acknowledge, record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary to render fully valid, perfected and enforceable under all Requirements of Law the Performance Security and the rights, Liens and priorities of Buyers with respect to such Performance Security. Notwithstanding the other provisions of this Agreement, but subject to the cap in Section 14.19(e), the Performance Security: (i) constitutes security for, but is not a limitation of, Seller's obligations under this Agreement, and (ii) shall not be Buyers' exclusive remedy against Seller for Seller's failure to perform in accordance with this Agreement.

## ARTICLE VI PURCHASE AND SALE OF PRODUCT

### **Section 6.1 Deliveries; Purchases by Buyer.**

(a) Seller shall deliver to Buyer, and Buyer or its designee shall receive from Seller under this Agreement, the Delivered Energy at the Point of Delivery. Notwithstanding anything to the contrary contained in this Agreement, Buyer shall be under no obligation to purchase, receive or pay for any PV System Energy in excess of the Maximum Delivery Rate.

(b) Seller shall sell and deliver, and Buyer shall purchase and accept, all PV Delivered Energy delivered under Section 6.1(a) and consistent with the terms of this Agreement at the Contract Price. The Parties agree that the terms provided in this Agreement incorporate the value of the tax benefits to Seller (including any credits from the ITC and PTC) expected to be

obtained with respect to or associated with the Facility and calculated as of the Effective Date of the Agreement.

(c) During each Month, Buyer shall pay the BESS Capacity Payment to Seller.

**Section 6.2 Third Party Sales.** Except as provided in ARTICLE IX, in no event shall Seller have the right to procure Energy from sources other than the Facility for sale and delivery pursuant to this Agreement. During the Agreement Term and subject to the terms and conditions of this Agreement, all of the Energy from the Facility (and associated Environmental Attributes and Capacity Rights) shall be dedicated to Buyer. Except with the prior written consent of Buyer, Seller shall not sell or otherwise transfer all or any part of the Products required to be delivered by Seller under this ARTICLE VI, ARTICLE VII, ARTICLE VIII or ARTICLE X. An intentional violation of this Section 6.2 shall be an immediate Default, and in addition to any other rights and remedies available to it under Section 13.2, Seller shall pay Buyer, on the date payment would otherwise be due to Seller, an amount for each MWh of such deficiency equal to the positive difference, if any, obtained by subtracting (A) the price per MWh that would have been payable by Buyer for the Energy had such Energy been delivered to the Point of Delivery as PV Delivered Energy from (B) the sum of (1) the Market Price Index for such Energy and (2) the Green Value associated therewith (the “*Third Party Sale Replacement Price*”). Buyer shall provide Seller prompt written notice of the Third Party Sale Replacement Price, together with back-up documentation (including reasonable documentation as to the foregoing calculation and each component thereof). The remedy set forth in this Section 6.2 is in addition to, and not in lieu of, any other right or remedy of Buyer, under this Agreement or otherwise, for failure of Seller to sell and deliver the Products as and when required by this Agreement.

## ARTICLE VII

### TRANSMISSION AND SCHEDULING; TITLE AND RISK OF LOSS; COMPLIANCE

**Section 7.1 Transmission and Interconnection.** Seller shall (a) arrange and be responsible for any Transmission Services required to transmit and deliver Delivered Energy to the Point of Delivery and Replacement Energy to the Point of Delivery, or a different point of interconnection with the CAISO grid mutually agreed between the Parties, and (b) arrange and pay for the interconnection of the Facility to the CAISO grid, including all costs, expenses, fees, charges, and other amounts associated therewith. If the Real-Time LMP at such point of interconnection is less than the Real-Time LMP at the Point of Delivery, Seller shall pay Buyer the difference between the Real-Time LMP at the Point of Delivery and the Real-Time LMP at the alternative point of interconnection.

**Section 7.2 Scheduling Coordinator; CAISO Cost Allocation.** Buyer or Buyer’s designee shall act as Scheduling Coordinator for the Facility and shall Schedule all Energy from the Facility on a day-ahead and real-time basis in accordance with the Scheduling Procedures, this Agreement, and all CAISO and other applicable requirements. Seller shall cause the Facility to have two (2) separate resource IDs with CAISO for Scheduling purposes (one ID for each of the PV System and the BESS). At the request of Buyer, Seller shall cooperate in any efforts related to registering the solar portion of the Facility as a variable energy resource with the CAISO. Buyer shall be entitled to all CAISO revenues (including from discharging energy, credits, imbalance energy revenues and other payments) and financially responsible for all CAISO costs, expenses,



fees, charges, credits, penalties, sanctions, and other amounts associated with Scheduling the Delivered Energy into the CAISO grid, the charging energy from the CAISO grid, and the discharging energy into the CAISO grid, other than any such costs, expenses, fees, charges, credits, penalties, sanctions, and other amounts incurred by Buyer as a result of Seller's failure to (a) perform any covenant under this Agreement, including but not limited to the failure to provide required notices for outages of the Facility, or Seller's failure to comply with any curtailment order or any data request or (b) comply with any CAISO Tariff requirements, *provided*, Seller shall be entitled to any payments and is responsible for any liabilities, on a pass through basis, under CAISO's RAAIM Program, *provided further*, that Seller is responsible under Section 9.4.

### **Section 7.3 Forecasting and Scheduling of Energy.**

(a) Except upon the occurrence of a curtailment under Section 7.4, Buyer, as the Scheduling Coordinator, shall Schedule all Delivered Energy in accordance with the Scheduling Procedures, Operating Restrictions, the CAISO Tariff, NERC and WECC operating policies and criteria, and any other applicable guidelines, based on either the then-most-current forecast of energy provided under the Variable Energy Resource Forecast, or Seller's daily forecasts under Section 7.3(c). Seller, at its own cost, shall install metering, telemetry and control equipment so as to be able to provide Delivered Energy to the Point of Delivery and respond to CAISO, Transmission Provider, or reliability coordinator's dispatch orders.

(b) Seller will take all actions, at its sole cost and expense, required to comply with the Eligible Intermittent Resources Protocol and the New Resource Implementation Process. Whenever applicable, Seller shall comply with EIRP and NRIP and all additional tariffs and protocols issued by the CAISO relating to eligible intermittent resources, non-generator resources, or storage facilities during the Delivery Term.

(c) Seller shall provide, or shall cause its designee to provide, the following non-binding forecasts, and any updates to such forecasts, to the Scheduling Coordinator and Buyer based on the most current forecast of PV Delivered Energy and Replacement Product:

(i) At least one hundred twenty (120) days before (a) the scheduled Commercial Operation Date and (b) the beginning of each Contract Year, a non-binding forecast of each Month's average day deliveries of Delivered Energy and Replacement Product from the Facility, for the following eighteen (18) Months.

(ii) No later than sixty (60) days before the beginning of each Month during the Delivery Term, a non-binding forecast of each day's average hourly deliveries of Delivered energy and Replacement Product, for such Month.

(iii) No later than ten (10) Business Days before the beginning of each Month during the Delivery Term, a non-binding forecast of each day's average hourly deliveries of PV Delivered Energy and Replacement Product for the following Month.

(iv) On the first Business Day of each calendar week during the Delivery Term, a non-binding forecast of each day's average deliveries of Delivered Energy and Replacement Product, by hour, for the following fourteen (14) days.

(v) By 5:30 a.m. Pacific Prevailing Time on the Business Day immediately preceding each day of delivery of PV Delivered Energy and Replacement Product during the Delivery Term, a copy of a non-binding hourly forecast of deliveries of PV Delivered Energy and Replacement Product for each hour of the immediately succeeding day. Any forecast provided on a day prior to any non-Business Day shall include forecasts for the immediate day, each succeeding non-Business Day and the next Business Day. Seller shall, by 10:00 a.m. Pacific Prevailing Time, provide to the Scheduling Coordinator and Buyer a copy of any updates to such forecast indicating a change in forecasted PV Delivered Energy from the then-current forecast.

(vi) Prior to 12:00 p.m. Pacific Prevailing Time of the Business Day immediately preceding each WECC Prescheduling Day (as defined by WECC) for each hour of the Delivery Day (as defined by WECC) in MW or MWh units (as applicable), in the format reasonably acceptable to Buyer, a non-binding preschedule forecast of PV Delivered Energy and Replacement Product via email. The pre-scheduled amounts of PV Delivered Energy and Replacement Product shall be the good faith estimate of Seller or Seller's designee of the anticipated delivery of PV Delivered Energy and Replacement Product at the time. A forecast provided a day prior to any non-Business Day shall include forecasts for the next day, each succeeding non-Business Day and the next Business Day. Seller or Seller's designee shall provide a copy of any and all updates to the forecast of the Facility's availability from the then-current forecast. Except for Forced Outages, Seller shall operate the Facility with the objective that, for each hour scheduled, the actual Facility availability shall be maintained in accordance with the pre-schedule plan submitted by Buyer to Seller in accordance with the Scheduling Procedures.

(d) Seller shall notify the Scheduling Coordinator and Buyer via email, telephone, or other mutually acceptable method, of any hourly changes due to a change in Facility availability or an outage no later than one hundred five (105) minutes prior to the start of such Scheduling hour, or such other limit as specified in the CAISO Tariff. Seller shall notify the Scheduling Coordinator and Buyer of other unanticipated changes in availability by email or telephone as promptly as reasonably possible. Any notice delivered under this Section 7.3(d) shall include the reason for the outage and an estimated duration of the outage. Once the outage has ended, Seller shall notify Buyer that the outage has ended, the cause of the outage, and the actions taken to resolve the outage in order for the CAISO outage report to be updated accordingly.

(e) Seller shall develop, install and maintain all communications systems necessary for the operation of the Facility in accordance with Prudent Utility Practices, including communications systems that provide for (w) the receipt and following of automated dispatch instructions from the CAISO, (x) enabling of automated generation control capability for Ancillary Services, (y) an online-based user interface for Buyer to monitor the BESS status in real time, including the BESS' state of charge and all other relevant operating parameters of the BESS, and (z) data feed between the PV System and the BESS. No later than ninety (90) days prior to the date on which Startup and Test Energy is first received from the Facility, Buyer and Seller shall agree upon a communications protocol with respect to the matters set forth in the foregoing sentence, clauses (i)-(iv) below, and such other matters concerning communications to or from the BESS as Seller and Buyer shall deem appropriate (the "***BESS Communication Protocol***"). Commencing on the first date on which Startup and Test Energy is received from the Facility, and continuing throughout the Delivery Term, Seller shall provide to Buyer the following data on a real-time basis,

upon request and in a format that reasonably allows Buyer to copy, paste or otherwise use such data:

(i) Read-only access via secure login credentials for information collected by the SCADA system related to (A) availability of the BESS for Energy that is charged and discharged, and (B) state of charge, grid charging, operating modes, and set points of the BESS;

(ii) Read-only access to meteorological and related solar measurements, megawatt capacity and any other Facility availability information required in accordance with EIRP requirements;

(iii) Read-only access via secure login credentials to Energy output information collected by the SCADA system for the Facility; *provided* that if Buyer is unable to access the Facility's SCADA system, then upon written request from Buyer, Seller shall provide energy output information to Buyer in five (5) minute intervals in a format and on a frequency acceptable to Buyer. Seller shall store such information for up to three (3) months after delivery thereof to Buyer; and

(iv) Read-only access to all Electric Metering Devices (including the PV Energy Meter, the BESS Energy Meter and the Electric Metering Device at the Point of Interconnection).

(f) Seller will provide Buyer (or its designee) with continuously updated non-binding hourly forecasts of deliveries of PV Delivered Energy and Replacement Product for each hour of the succeeding twenty-four (24)-hour period via an internet website accessible via secure login credentials. Seller shall attempt to optimize the estimates for such time period two (2) hours prior to such forecasts. Seller shall enable such forecasts to be prepared in accordance with mutually agreed upon communications protocols between Seller, Scheduling Coordinator and Buyer as they are implemented or upgraded from time to time in accordance with Prudent Utility Practices.

(g) Seller, the Scheduling Coordinator and Buyer shall mutually develop forecasting and Scheduling procedures in addition to those set forth in this Section 7.3, ("***Scheduling Procedures***") that allow Buyer to control when it receives PV Delivered Energy and BESS Metered Output from the Facility and that are in compliance with all applicable Requirements and requirements of the Transmission Provider, CAISO, NERC, WECC, and any balancing authority involved in the Scheduling of Energy under this Agreement. Seller and the Scheduling Coordinator shall promptly cooperate with Buyer to make any reasonably necessary and appropriate modifications to the Scheduling Procedures as may be required or requested by Buyer from time to time.

#### **Section 7.4 Curtailment.**

(a) Seller shall reduce deliveries of Delivered Energy to the Point of Delivery immediately upon notice from the CAISO, a Transmission Provider, or any balancing authority or reliability entity with jurisdiction and authority over the project during Curtailment Periods ("***Non-Compensable Curtailments***"). Buyer shall be excused from receiving such Delivered Energy from

Seller and shall not be obligated to pay Seller for the amount of reduced Delivered Energy arising during a Non-Compensable Curtailment. If required by Buyer, the CAISO, a Transmission Provider, or any balancing authority or reliability entity with jurisdiction and authority over the project, Seller shall provide the capability to implement curtailments and adjust ramp rates, megawatt output, and (if applicable) megavar output in real-time by means of setpoints received from the SCADA system of Seller.

(b) In addition to the curtailments described in Section 7.4(a), Buyer may curtail deliveries of (i) PV Delivered Energy, (ii) PV System Energy or (iii) BESS Metered Output that results in curtailment of PV System Energy, in each of the foregoing cases for any Compensable Curtailment Seller shall comply with such request in accordance with Prudent Utility Practices. Seller shall respond to Buyer curtailment notices (including the end of such curtailment periods) in accordance with Prudent Utility Practices. Buyer shall pay Seller for any Deemed Generated Energy for Compensable Curtailments in an amount equal to (i) the amount of Deemed Generated Energy in MWh, *multiplied* by (ii) (1) the applicable Contract Price *plus* (2) (A) the PTC rate determined pursuant to Section 45(b)(2) of the Code or Section 45Y(c)(1) of the Code, as applicable, as in effect during the Compensable Curtailment (and taking into account any then-applicable PTC rate increases under Section 45 of the Code or Section 45Y of the Code, as applicable), converted to a dollar per MWh basis, *divided* by (B) one (1) minus the highest then-applicable federal income tax rate (expressed as a percentage) applicable to Seller or its Affiliates or Tax Investor; *provided that* the amount in (2) shall be reasonably adjusted downward by Seller in response to any material changes in PTC value resulting from the monetization or transfer of PTCs. To the extent any PV System Energy is sold to a third party under this Section 7.4(b), the obligation to pay the amounts set forth for a curtailment by Buyer under this Section 7.4(b) shall be reduced accordingly by an amount equal to the sum of the PTC rate and the net proceeds Seller receives from such sales of PV System Energy (after subtracting any Scheduling fees, wheeling charges, and other associated costs, fees, and reasonable expenses incurred in connection with such sales). All Environmental Attributes and Capacity Rights associated with such PV System Energy sold to third parties shall be delivered at no additional cost to Buyer.

(c) “**Deemed Generated Energy**” means the amount of energy, expressed in MWh, that the PV System would have produced and delivered to the Point of Delivery as PV Delivered Energy during any applicable Excused Condition, which amount shall be equal to (i) the amount of MWh that would have been delivered to the Point of Delivery provided for in the Variable Energy Resource Forecast applicable to the applicable Excused Condition period, regardless of whether Seller is participating in the EIRP during this period, less (ii) the amount of PV Delivered Energy delivered to the Point of Delivery during the applicable Excused Condition, if any, or, if there is no Variable Energy Resource Forecast available, (A) an amount of MWh calculated based on an equation that incorporates relevant Facility availability, weather and other pertinent data for the period of time during the applicable Excused Conditions in order to approximate the amount of PV Delivered Energy that would have been delivered, less (B) the amount of PV Delivered Energy delivered to the Point of Delivery during the applicable Excused Conditions, if any; *provided that*, if the applicable difference calculated pursuant to either of the formulas provided above is negative, the Deemed Generated Energy shall be zero (0). The equation in (A) and (B) shall be subject to reasonable review and approval by Buyer, which review shall not be unreasonably delayed.

**Section 7.5**     **[Reserved].**

**Section 7.6**     **Title; Risk of Loss.** As between the Parties, Seller shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Energy prior to the Point of Delivery and all Replacement Energy prior to the Point of Delivery thereof into the CAISO grid. For the avoidance of doubt, Seller shall not be deemed to be in control (and responsible for any damages or injury caused thereby) of Energy and any Replacement Energy from and after the Point of Delivery. Seller warrants that it will deliver all Product and Replacement Product to Buyer free and clear of all Liens created by any Person other than Buyer. Title to, and risk of loss for, all Delivered Energy and all of the associated Products shall pass from Seller to Buyer at the Point of Delivery; *provided* that (i) title to, and risk of loss for, any Replacement Energy specified by Buyer to be delivered to a point or points of delivery other than the Point of Delivery shall pass from Seller to Buyer upon the delivery of such Replacement Energy to such point or points, and (ii) title to all PV Delivered Energy shall pass and transfer from Seller to Buyer at the PV Energy Meter. Notwithstanding the foregoing, title to, and risk of loss for, all of the associated Environmental Attributes and Capacity Rights shall pass from Seller to Buyer upon the creation thereof.

**Section 7.7**     **RPS and EPS Compliance.**

(a) Seller warrants and guarantees that from the time it receives notice from the CEC that the PV System is CEC Certified, and at all times thereafter until the expiration or earlier termination of the Agreement, the Facility (including the Energy and the associated Environmental Attributes) shall be RPS Compliant, CEC Compliant (including with regard to the PV System charging of the BESS) and EPS Compliant (“**Compliant**”). Subject to this Section 7.7 and as otherwise expressly provided herein, Seller shall assume all risks, costs or expenses associated with, arising from, or resulting from, its obligation to keep the Facility Compliant.

(b) If a Change in Law occurs after the Commercial Operation Date that (X) requires Seller to bear any costs, expenses or liabilities under Section 7.8, or (Y) (i) does not repeal the RPS Law or the EPS Law and (ii) causes the Facility to cease to be Compliant, then, in the case of the foregoing clause (Y), Seller shall (A) first, take all commercially reasonable efforts to bring the Facility into Compliance and (B) thereafter, take such actions as may be necessary to cause the Facility to remain Compliant; *provided*, that if, after a commercially reasonable period of time after such Change in Law, Seller reasonably determines that such efforts, together with any efforts to provide Buyer with any Product that was not in existence as of the Effective Date or comply with its obligations under Section 7.8, are reasonably likely to require Seller to incur costs in excess of the Compliance Expenditure Cap, Seller shall provide Buyer with written notice containing a detailed description of prior compliance actions, the basis for Seller’s expectation that required compliance actions will exceed the Compliance Expenditure Cap, Seller’s projected overage (the “**Excess Compliance Cost**”) and Seller’s projected timeline for successfully completing such compliance actions (an “**Excess Expenditure Notice**”).

(c) During any period in which the PV System is not Compliant, then Buyer shall pay Seller for PV Delivered Energy delivered during the period during which the PV System is not Compliant in an amount equal to seventy-five percent (75%) of the Pnode Price at the Point of Delivery (the “**Replacement Price**”) in lieu of the applicable Contract Price. In no event shall

the Replacement Price be more than the Contract Price. Payment for PV Delivered Energy at the Replacement Price shall continue until the PV System is brought back into Compliance or the Agreement is terminated pursuant to Section 7.7(d).

(d) If at any time after the earlier of (i) six (6) months of paying the Replacement Price, (ii) Seller's delivery of an Excess Expenditure Notice or (iii) Seller's expenditure of funds in an amount equal to or exceeding the Compliance Expenditure Cap, Buyer determines, in its reasonable discretion, that notwithstanding Seller's commercially reasonable efforts, Seller will be unable to bring the Facility into Compliance, and neither Buyer nor Seller is willing to pay the Excess Compliance Cost, Buyer may elect, at its sole discretion, to terminate this Agreement by written notice to Seller, without liability to either Party, except for such liabilities that accrued prior to the date of termination or that otherwise survive termination in accordance with the terms of this Agreement.

(e) From time to time and at any time requested by Buyer or Buyer's Authorized Representative, Seller will furnish to Buyer, Buyer's Authorized Representative, Governmental Authorities, or other Persons designated by any Buyer, all certificates and other documentation reasonably requested by Buyer or Buyer's Authorized Representative in order to demonstrate that the PV System, the PV System Energy, and the associated Environmental Attributes were or are Compliant.

(f) Seller's Compliance Expenditure Cap shall be reduced by any amounts that have accrued toward Seller's Compliance Expenditure Cap under any provision in this Agreement.

#### **Section 7.8 Change in CAISO Tariff.**

(a) If a change in the CAISO Tariff, including any change resulting from or relating to CAISO's Hybrid Resources or Energy Storage and Distributed Energy Resources initiatives, requires any modifications to the Facility (i) to enable Seller to deliver, and Buyer to receive, Delivered Energy to and from the CAISO system, or (ii) to use the BESS and Capacity Rights, then Seller shall be solely responsible for bringing the Facility into compliance with the CAISO Tariff, as modified, in a manner that preserves Buyer's economic benefits with respect to the Facility prior to any such change in the CAISO Tariff; *provided* that Seller shall not be required to expend funds that exceed the Compliance Expenditure Cap in connection with any of its obligations under this Section 7.8, and the Compliance Expenditure Cap shall be reduced by the amounts of any expenditures.

(b) If a change in the CAISO Tariff requires any modifications to the Facility to enable the Facility to qualify for any new product in the CAISO, then, at Buyer's election, the Parties shall negotiate in good faith any necessary changes to this Agreement to enable the Facility to meet the requirements for such new product; *provided*, that (i) until such time as any changes are agreed between the Parties, Seller shall have no obligation to modify the Facility or bear any additional costs or liabilities other than those contemplated by the other terms of this Agreement, and (ii) in any event, Seller shall not be required to expend funds that exceed the Compliance Expenditure Cap in connection with any of its obligations under this Section 7.8, and the Compliance Expenditure Cap shall be reduced by the amounts of any expenditures. Any changes made pursuant to this Section 7.8(b) shall not constitute a formal amendment to the Agreement.

**Section 7.9 Change in Market Structure.** If a regionalization or other major change to the market structure of the Western Interconnection occurs during the Agreement Term (other than a Change in Law as addressed in Section 7.7 above), then the Parties agree to negotiate such modifications to this Agreement as may be necessary to enable the Parties to continue to perform their respective obligations under this Agreement, while preserving, to the maximum extent possible, the existing benefits, burdens and obligations set forth herein as of the Effective Date. Such negotiations shall commence promptly following the delivery by one Party to the other Party of a notice requesting negotiations pursuant to this Section 7.9.

## **ARTICLE VIII ENVIRONMENTAL ATTRIBUTES**

**Section 8.1 Transfer of Environmental Attributes.** For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by and between Buyer and Seller to purchase and sell PV Delivered Energy on the terms and conditions set forth herein, Seller shall transfer to Buyer, and Buyer shall receive from Seller, all right, title, and interest in and to all Environmental Attributes, whether now existing or acquired by Seller or that hereafter come into existence or are acquired by Seller during the Agreement Term associated with the PV System Energy and any Replacement Energy. Seller agrees to transfer and make such Environmental Attributes available to Buyer to the fullest extent allowed by applicable law upon the later of (i) delivery of the associated PV System Energy or Replacement Energy and (ii) the creation of such Environmental Attributes following delivery of the associated PV System Energy or Replacement Energy. Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of and shall not assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of such Environmental Attributes to any Person other than Buyer or attempt to do any of the foregoing with respect to any of the Environmental Attributes. Buyer and Seller acknowledge and agree that the consideration for the transfer of Environmental Attributes is contained within the Contract Price.

**Section 8.2 Reporting of Ownership of Environmental Attributes.** During the Agreement Term, Seller shall not report to any Person that the Environmental Attributes granted hereunder to Buyer belong to any Person other than Buyer, and Buyer may report under any program that such Environmental Attributes purchased hereunder belong to it.

**Section 8.3 Environmental Attributes.** Upon the request of Buyer or Buyer's Authorized Representative, Seller shall take all actions and execute all documents or instruments necessary under applicable law, regulations, guidebooks promulgated by the CEC or PUC, or bilateral arrangements, as applicable, to maximize the attribution, accrual, realization, generation, production, recognition and validation of Environmental Attributes throughout the Agreement Term and Seller shall file with the CEC and any other applicable Persons all materials and documents required to demonstrate that the PV System is entitled to be CEC Certified.

**Section 8.4 WREGIS.** In furtherance and not in limitation of Section 8.3, prior to Seller's first delivery of PV Delivered Energy hereunder, Seller shall register with WREGIS to evidence the transfer of any Environmental Attributes under applicable law or any voluntary program ("*WREGIS Certificates*") associated with PV System Energy or Replacement Product in accordance with WREGIS reporting protocols and WREGIS Operating Rules and shall register

the Facility with WREGIS. After the Facility is registered with WREGIS, at the option of Buyer's Authorized Representative, Seller shall transfer WREGIS Certificates using the Forward Certificate Transfer method as described in WREGIS Operating Rules from Seller's WREGIS account to Buyer's WREGIS accounts, as designated by Buyer's Authorized Representative. Seller shall be responsible for WREGIS Certificate issuance fees and WREGIS expenses associated with registering the Facility, maintaining its account, acquiring and arranging for a Qualified Reporting Entity ("**QRE**") and any applicable QRE agreements, and transferring WREGIS Certificates to Buyer, Buyer's Authorized Representative, or any other designees. Buyer shall be responsible for its WREGIS expenses associated with maintaining its own account, or the accounts of its designees, if any, and subsequent transferring or retiring by it of WREGIS Certificates, or Seller's fees for the retirement of WREGIS Certificates on behalf of Buyer. Forward Certificate Transfers shall occur monthly based on the certificate creation timeline established by the WREGIS Operating Rules. Seller shall be responsible for, at its expense, validating and disputing data with WREGIS prior to WREGIS Certificate creation each Month. In addition to the foregoing, Seller shall document the production and transfer of Environmental Attributes under this Agreement to Buyer by delivering to Buyer an attestation in substantially the form attached as Appendix D for the Environmental Attributes associated with PV System Energy or Replacement Product, if any, measured in whole MWh, or by such other method as Buyer shall designate.

**Section 8.5 Further Assurances.** If WREGIS (or any successor thereto) is not available to evidence the transfer of Environmental Attributes, Seller shall document the production of Environmental Attributes by delivering with each invoice to Buyer an attestation for the Environmental Attributes associated with PV System Energy or included with Replacement Product, if any, for the preceding Month in the form of the attestation set forth as Appendix D. At Buyer's Authorized Representative's request, the Parties shall execute all such documents and instruments and take such other action in order to effect the transfer of the Environmental Attributes specified in this Agreement to Buyer and to maximize the attribution, accrual, realization, generation, production, recognition and validation of Environmental Attributes throughout the Agreement Term. In the event of the promulgation of a scheme involving Environmental Attributes administered by CAMD, upon notification by CAMD that any transfers contemplated by this Agreement shall not be recorded, each Party shall promptly cooperate in taking all reasonable actions necessary so that such transfer can be recorded. Each Party shall promptly give the other Party copies of all documents it submits to CAMD to effectuate any transfers.

## **ARTICLE IX SHORTFALL ENERGY, AVAILABILITY, AND PERFORMANCE GUARANTEE REQUIREMENTS**

**Section 9.1 Makeup of Shortfall.** Within thirty (30) days after the end of each Contract Year, Seller shall provide Buyer with a calculation of PV Delivered Energy for such Contract Year. If Seller fails during any Contract Year to deliver the sum of PV Delivered Energy plus Deemed Generated Energy during such Contract Year in an amount equal to the Guaranteed Delivered Energy for such Contract Year, then Seller shall make up the shortfall of PV Delivered Energy ("**Shortfall Energy**") in accordance with this ARTICLE IX.



**Section 9.2 Replacement Product.** With respect to any Contract Year in which Shortfall Energy exists, during the Shortfall Makeup Period for such Contract Year, (i) the Product delivered during such Shortfall Makeup Period will not be counted toward make up of the Shortfall Energy until such time as the Guaranteed Delivered Energy has been delivered by Seller for the Contract Year composing such Shortfall Makeup Period and (ii) the amount of Shortfall Energy shall first be reduced by the amount of any (a) PV Delivered Energy, including Excess Energy, delivered during the applicable Shortfall Makeup Period in excess of the Guaranteed Delivered Energy, and then (b) Replacement Product delivered by Seller. Such Replacement Product shall be delivered to the Point of Delivery or such other point of delivery as is mutually agreed upon by the Parties (which point of delivery shall be deemed the “Point of Delivery” for such Replacement Product and the other Scheduling and delivery provisions hereof) and on a delivery schedule mutually agreed to by Seller and Buyer. Any additional costs or expenses associated with delivery of Replacement Product to a Point of Delivery designated under this Section 9.2 shall be borne by Seller. To the extent Seller is unable to deliver or provide sufficient PV Delivered Energy or Replacement Product in excess of the Guaranteed Delivered Energy to make up the remaining Shortfall Energy, then Seller shall, at the end of the Shortfall Makeup Period, pay Buyer damages in accordance with Section 9.3. Notwithstanding anything herein to the contrary, in the last year of each RPS Compliance Period during the Delivery Term, Seller shall provide written notice to Buyer no later than six (6) months prior to the end of such RPS Compliance Period with Seller’s good faith determination of whether it anticipates being able to (a) make-up any Shortfall Energy amount then-existing during such RPS Compliance Period and (b) achieve the Guaranteed Delivered Energy (on a pro-rata basis) for such Contract Year. If after delivery of Seller’s notice during such Contract Year, Buyer reasonably determines that Seller will be unable to make-up the Shortfall Energy or achieve the Guaranteed Delivered Energy with delivery of PV Delivered Energy or Replacement Product during such Contract Year, Buyer shall purchase Replacement Product to make up the remaining Shortfall Energy (net of (i) Shortfall Energy that Buyer reasonably determines Seller will make up during such RPS Compliance Period, and (ii) the amount of any applicable Replacement Product procured by Seller prior to delivery of such Seller’s notice) and Seller shall reimburse Buyer for its actual costs associated therewith to the extent the purchase price of the Replacement Product exceeds the Contract Price for PV Delivered Energy; *provided* that Buyer shall use commercially reasonable efforts to minimize the cost of Replacement Product and purchase Replacement Product at a reasonable price consistent with market rates. For the purposes of this Section 9.2, any Deemed Generated Energy in excess of the Guaranteed Delivered Energy shall be counted toward the Shortfall Energy as if it had been delivered as PV Delivered Energy.

**Section 9.3 Shortfall Damages.** If Seller fails to make up the full amount of any Shortfall Energy (as such may be reduced by Buyer’s purchase, if any, of Replacement Product, by the end of the Shortfall Makeup Period (or the end of the RPS Compliance Period, as the case may be)), Seller shall within sixty (60) days after the end of the applicable Shortfall Makeup Period (or the end of the RPS Compliance Period, as the case may be), pay Buyer damages, which damages shall be an amount, for each MWh of remaining Shortfall Energy, equal to the positive difference, if any, obtained by subtracting (a) the Contract Price that Buyer would have paid for such remaining Shortfall Energy had it been timely delivered, from (b) the sum of (1) the Market Price Index for such remaining Shortfall Energy and (2) the Green Value associated therewith (“*Shortfall Damages*”). For the avoidance of doubt, Buyer shall not be obligated to procure Replacement Product in order to recover Shortfall Damages. If Seller fails to pay Buyer

the Shortfall Damages within sixty (60) days after the end of the Shortfall Makeup Period, Buyer shall have the right to immediately draw the applicable amount of Shortfall Damages owed to Buyer from the Delivery Term Security. The Parties acknowledge and agree that the damages that Buyer would incur due to the failure to deliver the Shortfall Energy would be difficult or impossible to predict with certainty, and it is impractical and difficult to assess actual damages in those circumstances and, therefore, the payment of Shortfall Damages is a fair and reasonable remedy for such damages. The provision of Shortfall Damages shall be in lieu of actual damages for the occurrence of any Shortfall Energy hereunder that is not cured with PV Delivered Energy and/or Replacement Energy and is Buyer's sole remedy for Seller's failure to deliver Shortfall Energy; *provided, however*, the payment of Shortfall Damages shall not limit Buyer's rights to exercise any right or remedy available under this Agreement or at law or in equity for any other breach or default occurring concurrently with, before, or after the failure to meet the Guaranteed Delivered Energy, including a Default under Section 13.1(l); *provided* that the payment of Shortfall Damages shall be taken into account when determining any damages due to Buyer for such Default.

**Section 9.4 Availability Requirement.** Seller shall be responsible for all costs, charges, expenses, penalties, and obligations resulting from Availability Standards, if applicable, and Seller shall be entitled to retain all credits, payments, and revenues, if any, resulting from Seller achieving or exceeding Availability Standards, if applicable, other than the Capacity Rights.

**Section 9.5 [Reserved].**

**Section 9.6 Performance Guarantees, Remedies and Termination Rights.**

(a) Throughout the Delivery Term, Seller warrants that (i) the BESS will perform at a rate that results in the Dischargeable Energy at any time equaling or exceeding the Guaranteed Dischargeable Energy, as illustrated in and calculated on an annual basis in accordance with Appendix K-1 (the "***Dischargeable Energy Performance Guarantee***"); (ii) the Round Trip Efficiency during each Contract Year, as calculated in accordance with Appendix K-1, will not fall below the amount specified in Appendix K-1 for such Contract Year (the "***Round Trip Efficiency Performance Guarantee***"); (iii) Peak Season BESS Availability, as calculated in accordance with Appendix K-1, will be at least the percentage set forth in Appendix K-1 for each Peak Season (the "***Peak Season BESS Availability Guarantee***"); and (iv) Off-Peak Season BESS Availability, as calculated in accordance with Appendix K-1, will be at least the percentage set forth in Appendix K-1, for each Off-Peak Season (the "***Off-Peak Season BESS Availability Guarantee***").

(b) Following a failure of the Dischargeable Energy Performance Guarantee, the Round Trip Efficiency Performance Guarantee, the Peak Season BESS Availability Guarantee, or the Off-Peak Season BESS Availability Guarantee, the BESS Capacity Price shall be reduced for each month that the applicable guarantee is not satisfied and continue until the first month that the applicable guarantee is satisfied; provided that with respect to any failure of the Peak Season BESS Availability Guarantee or the Off-Peak Season BESS Availability Guarantee, the BESS Capacity Price shall be reduced in accordance with Sections 9.6(b)(iii) and (iv) below such that (i) if there is a failure of the Peak Season BESS Availability, the BESS Capacity Price during the subsequent Off-Peak Season will be reduced to reflect the Peak Season BESS Availability

Adjustment Factor, and (ii) if there is a failure of the Off-Peak Season BESS Availability, the BESS Capacity Price during the subsequent Peak Season will be reduced to reflect the Off-Peak Season BESS Availability Adjustment Factor. The resulting modified BESS Capacity Price for any non-compliant month (the “**Modified BESS Capacity Price**”) shall be determined as follows:

(i) In the event of a failure of the Dischargeable Energy Performance Guarantee, the Modified BESS Capacity Price shall be an amount equal to the product of (A) the BESS Capacity Price, multiplied by (B) the Dischargeable Energy Adjustment Factor calculated for such month in accordance with Appendix K-2.

(ii) In the event of a failure of the Round Trip Efficiency Performance Guarantee, the Modified BESS Capacity Price shall be an amount equal to the product of (A) the BESS Capacity Price, multiplied by (B) the Round Trip Efficiency Adjustment Factor calculated for such month in accordance with Appendix K-2.

(iii) In the event of a failure of the Peak Season BESS Availability Guarantee, the Modified BESS Capacity Price during the immediately subsequent Off-Peak Season shall be an amount equal to the product of (A) the BESS Capacity Price, multiplied by (B) the Peak Season BESS Availability Adjustment Factor, calculated in accordance with Appendix K-2, as adjusted in accordance with Appendix K-2.

(iv) In the event of a failure of the Off-Peak Season BESS Availability Guarantee, the Modified BESS Capacity Price during the immediately subsequent Peak Season shall be an amount equal to the product of (A) the BESS Capacity Price, multiplied by (B) the Off-Peak Season BESS Availability Adjustment Factor, calculated in accordance with Appendix K-2, as adjusted in accordance with Appendix K-2.

(v) In the event of a failure of multiple guarantees addressed by this Section 9.6(b) in the same month, the Modified BESS Capacity Price for such month shall be an amount equal to the lowest Modified BESS Capacity Price resulting from the application of the formulas set forth in the foregoing Section 9.6(b)(i)-(v).

(vi) Notwithstanding Section 9.6(b)(i)-(v) and Section 9.6(c), in the event of a failure of the Minimum Round Trip Efficiency Performance Guarantee that, in either case, continues for a period of three (3) consecutive months following the last day of the first non-compliant month, the Modified BESS Capacity Price for each succeeding month shall be reduced to zero dollars (\$0) until Seller has completed any necessary remedial measures to bring the BESS back into compliance with the Minimum Round Trip Efficiency Performance Guarantee.

(vii) If the BESS Metered Output deviates from the automated dispatch system of the CAISO (the “**ADS**”) by more than two percent (2%) (plus or minus, in the aggregate) in a given month (except if caused by Buyer’s failure to schedule the BESS in accordance with the Operating Restrictions), then Seller shall reimburse Buyer for any CAISO imbalance charges incurred from such date as a result of such deviations.

(c) Notwithstanding Buyer’s recourse to the Modified BESS Capacity Price remedy, as described in Section 9.6(b), Seller shall be considered in Default under this Agreement:

(i) for failure of the Minimum Dischargeable Energy Performance Guarantee, if any such failure continues for a period of twelve (12) consecutive months following the last day of the first non-compliant month; provided that Seller shall be afforded a cure period of up to six (6) additional months following the last day of the twelfth non-compliant month if Seller provides Buyer with a description of the causes of the failure and a certification from an independent professional engineer that the failure is curable within the additional six (6) month timeframe and such independent professional engineer states the same technical issue has not caused the same failure in the previous ten years; or

(ii) if the Peak Season BESS Availability in a given Contract Year and the subsequent Off-Peak Season BESS Availability are each less than fifty percent (50%); provided that Seller shall be afforded a cure period of up to six (6) additional months following the last day of the twelfth non-compliant month if Seller provides Buyer with a description of the causes of the failure and a certification from an independent professional engineer that the failure is curable within the additional six (6) month timeframe and such independent professional engineer states the same technical issue has not caused the same failure in the previous ten years; or

(iii) for failure to maintain an average Round Trip Efficiency of at least seventy-five percent (75%) over a rolling twelve (12) month period; provided that Seller shall be afforded a cure period of up to six (6) additional months following the last day of the twelfth non-compliant month if Seller provides Buyer with a description of the causes of the failure and a certification from an independent professional engineer that the failure is curable within the additional six (6) month timeframe and such independent professional engineer states the same technical issue has not caused the same failure in the previous ten years.

## **ARTICLE X CAPACITY RIGHTS**

**Section 10.1 Capacity Rights.** For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by Buyer and Seller to purchase and sell Delivered Energy and Environmental Attributes on the terms and conditions set forth herein, Seller hereby transfers to Buyer, and Buyer hereby accepts from Seller, all of Seller's rights, title and interest in and to the Capacity Rights, including Resource Adequacy Attributes, Local Capacity Requirement Attributes, System Capacity Requirement Attributes, and Flexible Capacity Requirement Attributes, and other present and future capacity attribute values related to the Facility. Buyer and Seller acknowledge and agree that the consideration for the transfer of Capacity Rights, if any, is contained within the relevant prices for PV Delivered Energy and the BESS Capacity Payments. In no event shall Buyer have any obligation or liability whatsoever for any debt pertaining to the Facility by virtue of Buyer's ownership of the Capacity Rights or otherwise.

**Section 10.2 Covenant Regarding Capacity Rights.** Seller represents and covenants that it has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of and shall not in the future assign, transfer, convey, encumber, sell or otherwise dispose of any of the Capacity Rights to any Person other than Buyer or attempt to do any of the foregoing with respect to any of the Capacity Rights. During the Agreement Term, Seller shall not report to any

Person that any of the Capacity Rights belong to any Person other than Buyer. Buyer may, its own risk and expense, report to any Person that the Capacity Rights belongs to it.

### **Section 10.3 Failure to Provide Expected RA Capacity.**

(a) Seller shall provide Buyer with the Expected RA Capacity by submitting monthly and annual Supply Plans in accordance with the CAISO Tariff. Seller shall deliver notice to Buyer of the RA Capacity that Seller will include in any (i) annual Supply Plan at least one hundred twenty (120) days prior to the CAISO submission deadline for such annual Supply Plan, and (ii) monthly Supply Plan at least ninety (90) days prior to CAISO's submission deadline for such monthly Supply Plan (as applicable, the "***Notification Deadline***"). If Seller is unable to provide the Expected RA Capacity from the Facility for any RA Shortfall Month, then except to the extent such inability is a result of a Force Majeure, Excused Conditions or BESS Excused Conditions, Seller shall replace all or a portion of the Expected RA Capacity for such RA Shortfall Month with replacement resource adequacy capacity from a generating facility within the CAISO Balancing Authority Area, and within SP 15 and the CAISO Balancing Authority Area if the Facility is providing Local Capacity Requirement Attributes, other than the Facility ("***Replacement RA Capacity***"), provided that such Replacement RA Capacity has equivalent Resource Adequacy Attributes compared to the Expected RA Capacity not provided by Seller from the Facility. Seller shall notify Buyer prior to the Notification Deadline of Seller's intent to provide Replacement RA Capacity, including the relevant Supply Plan, the source, volume, and duration, and such other information as may be reasonably requested by Buyer. Seller shall reimburse Buyer for all additional costs of Buyer arising from or related to Seller providing Replacement RA Capacity. Seller shall also reimburse Buyer for any fines or penalties assessed against Buyer or its members associated with any RA Shortfall.

(b) If Seller fails to provide any portion of the Expected RA Capacity in accordance with Section 10.3(a) and does not provide Replacement RA Capacity in accordance with Section 10.3(a), then in either case, Seller shall pay to Buyer an amount equal to the aggregate RA Replacement Prices for the RA Shortfall. The Parties agree that (i) it is impractical or extremely difficult to determine actual damages to which Buyer would be entitled in the foregoing circumstance and (ii) the damages provided for in this Section 10.3(b) are fair and reasonable calculation of actual damages to Buyer and are not a penalty in such a circumstance. Buyer shall use commercially reasonable efforts to minimize the RA Replacement Price.

(c) Seller shall reimburse Buyer for any fines or penalties assessed against Buyer or any Participating Members to the extent solely resulting from the Expected RA Capacity not provided by Seller or replaced by Seller with Replacement RA Capacity. Seller's total liability under this Article X in any given Month shall not exceed an amount equal to twenty dollars (\$20) per kW-month multiplied by the RA Shortfall in such Month.

**Section 10.4 Further Assurances.** Seller shall execute and deliver such documents and instruments and take such other action as required by the CAISO and as Buyer's Authorized Representative may reasonably request to effect recognition and transfer of the Capacity Rights to Buyer. Seller shall bear the costs associated therewith.

**ARTICLE XI**  
**BILLING; PAYMENT; AUDITS; METERING; ATTESTATIONS; POLICIES**

**Section 11.1 Billing and Payment.** Billing and payment for all Products shall be as set forth in this ARTICLE XI.

**Section 11.2 WREGIS Withholding.** Prior to the PV System becoming CEC Certified and if, at any time after the PV System is CEC Certified, Seller fails to transfer Renewable Energy Credits to Buyer's WREGIS account in accordance with Section 8.4 within one hundred twenty (120) days after delivery of the corresponding PV Delivered Energy or Replacement Product, Buyer shall have the right to withhold from any payment to Seller, for each MWh of PV Delivered Energy or Replacement Product delivered under Section 6.1, an amount equal to Twenty-Five Dollars (\$25) per MWh (such amount, the "***WREGIS Withhold Amount***") until such time as the WREGIS Certificate associated with such MWh has been credited to Buyer's WREGIS account as set forth in Section 8.4, and Buyer shall pay the WREGIS Withhold Amount previously withheld by Buyer for each MWh for which a WREGIS Certificate was credited to Buyer's WREGIS account in such month. If Buyer's right to withhold the WREGIS Withhold Amount is triggered after the PV System is CEC Certified in accordance with this Section 11.2, such right shall remain in effect until three hundred sixty-five (365) days after the date that Seller causes Renewable Energy Credits to once again be transferred to Buyer's WREGIS account in accordance with Section 8.4.

**Section 11.3 Calculation of Energy Delivered; Invoices and Payment.**

(a) Not later than the tenth (10th) Business Day of each Month, commencing with the next Month following the Month in which PV Delivered Energy is generated, Seller shall deliver to Buyer a proper invoice showing the following for the preceding Month:

(i) PV Delivered Energy during such Month, specifying the portion of such PV Delivered Energy that is (A) Startup and Test Energy (and the payment owed in respect thereof according to the price on paragraph 1 of Appendix A-1); (B) Excess Energy; and (C) PV Delivered Energy that is not Excess Energy or Startup and Test Energy.

(ii) BESS Metered Output during such Month.

(iii) An accounting of the Guaranteed Delivered Energy for the applicable Contract Year, an accounting of new or made up Shortfall Energy and/or Replacement Product, if applicable, and a confirmation as to whether Seller met or exceeded the Guaranteed Delivered Energy.

(iv) The BESS Capacity Payment for such Month.

(v) Any reimbursement to Buyer for the purchase of Replacement Product.

(vi) Seller's reasonable calculation of the amount of Deemed Generated Energy associated with any Compensable Curtailment for amounts owed by Buyer in accordance with Section 7.4(b).

(vii) The total quantity of WREGIS Certificates confirmed to have been credited to Buyer's WREGIS account during the prior month.

(viii) Any other payments due to Buyer or to Seller under this Agreement, including amounts due to Buyer in connection with third party sales of curtailed Energy under Section 6.2 and any unpaid liquidated damages that have accrued prior to the invoice date.

(b) Seller shall calculate the amount of PV Delivered Energy, BESS Metered Output, and BESS Metered Input from meter readings at the Electric Metering Devices at the Point of Interconnection, the PV Energy Meter, and the BESS Energy Meter, all as depicted on Appendix O, maintained pursuant to Section 11.7.

(c) Each invoice shall show the title of the Agreement and, if applicable, the Agreement number, the name, address and identifying information of Seller and the identification of material, equipment or services covered by the invoices, and shall be sent to the address set forth in Appendix J or such other address as Buyer may provide to Seller.

(d) Any electronic information delivered by Seller under this ARTICLE XI shall be in a format such as Microsoft Excel (or its equivalent) that allows Buyer to cut, paste or otherwise readily use and work with such information or documentation or as otherwise mutually agreed by the Parties.

(e) Concurrently with the delivery of each Monthly invoice, if required under Section 8.5, Seller shall deliver attestations of all Environmental Attribute transfers substantially in the form set forth in Appendix D.

(f) Subject to Section 11.3(g) and Section 11.4, not later than the sixtieth (60th) day after receipt by Buyer of Seller's Monthly invoice (or the next succeeding Business Day, if the sixtieth (60th) day is not a Business Day), Buyer (if the net payment in the applicable invoice is in favor of Seller) or Seller (if the net payment in the applicable invoice is in favor of Buyer), shall pay to Seller or Buyer, as applicable, by wire transfer of immediately available funds to an account specified by Seller or Buyer, as applicable, or by any other means agreed to by the Parties from time to time, the amount set forth as due in such Monthly invoice.

(g) Notwithstanding Section 11.3(a), if Buyer believes that it has insufficient information to verify the amount of Deemed Generated Energy calculated by Seller in the invoice, or if Buyer requires additional time to verify such information, Buyer shall notify Seller thereof within sixty (60) days after receipt of an invoice from Seller, and timely pay the amounts set forth in such Monthly invoice not related to Deemed Generated Energy. Within sixty (60) days after receipt by Buyer of additional information regarding such Deemed Generated Energy calculation, or on the date mutually agreed to by the Parties, Buyer shall pay to Seller the amount specified in the invoice or notify Seller of any discrepancies with respect to its calculation of the Deemed Generated Energy, in which event such invoice shall be subject to the provisions of Section 11.4.

(h) Seller shall, in subsequent invoices, adjust previously invoiced amounts to reflect (i) adjustments pursuant to Section 11.4, or (ii) adjustments, reconciliations or final settlements with WREGIS occurring after the date of the initial invoice, or any other adjustments agreed to by the Parties (which shall be without interest of any kind), *provided* that Buyer shall not be required to make invoice payments if the invoice is received more than one (1) year after the billing period.

(i) Buyer shall not be required to make invoice payments if the invoice is received more than six (6) Months after the applicable Monthly billing period except with respect to any disputed amounts where the dispute is first raised within six (6) months after the applicable Monthly billing period and for any corrections or adjustments, including by CAISO, resulting in amounts owing by Buyer pursuant to Section 11.7(a).

**Section 11.4 Disputed Invoices.** If any portion of any invoice is in dispute, the undisputed amount shall be paid when due. The Party disputing a payment shall promptly notify the other Party of the basis for the dispute, setting forth the details of such dispute in reasonable specificity. Disputes shall be discussed directly by the Parties' Authorized Representatives, who shall use reasonable efforts to amicably and promptly resolve such Disputes, and any failure to agree shall be subject to resolution in accordance with Section 14.3. Upon resolution of any Dispute, if all or part of the disputed amount is later determined to have been due, then the Party owing such payment or refund shall pay within ten (10) days after receipt of notice of such determination the amount determined to be due plus interest thereon at the Interest Rate from the due date until the date of payment. For purposes of this Section 11.4, "**Interest Rate**" shall mean the lesser of (i) two percent (2%) above the per annum prime rate reported daily in *The Wall Street Journal*, or (ii) the maximum rate permitted by applicable Requirements of Law.

**Section 11.5 Right of Setoff.** In addition to any right now or hereafter granted under applicable law and not by way of limitation of any such rights, each Party shall have the right at any time or from time to time without notice to other Party or to any other Person, any such notice being hereby expressly waived, to set off against any amount due a Party from the other Party under this Agreement any undisputed amount due such Party from the other Party under this Agreement, including any undisputed amounts due because of breach of this Agreement or any other obligation.

**Section 11.6 Records and Audits.** Seller shall maintain, and the Authorized Auditors shall have access to, all records and data pertaining to the performance and management of this Agreement (including compliance with the Requirements) and related Subcontracts, and as necessary to properly reflect all costs claimed to have been incurred hereunder and thereunder, including (a) in their original form, all (i) documents provided to Seller in the ordinary course of business for the Facility, (ii) documents for billing, costs, metering, and Environmental Attributes, (iii) books, records, documents, reports, deliverables, employee time sheets, accounting procedures and practices, and (iv) records of financial transactions, and (b) other evidence, regardless of form (for example, machine readable media such as disk or tape, etc.) or type (for example, databases, applications software, database management software, or utilities). If Seller is required to submit cost or pricing data in connection with this Agreement, Seller shall maintain all records and documents necessary to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used. In the event of a Dispute, records



that relate to the Agreement, Dispute, litigation or costs, or items to which an audit exception has been taken, shall be maintained. Buyer and the Authorized Auditors may discuss such records with Seller's officers and independent public accountants (and by this provision Seller authorizes said accountants to discuss such billings and costs), all at such times and as often as may be reasonably requested. All such records shall be retained, and shall be subject to examination and audit by the Authorized Auditors, for a period of not less than four (4) years following final payment made by Buyer hereunder as it relates to a particular payment obligation, four (4) years after the expiration or termination date of this Agreement, or final settlement of all disputes, claims, or litigation that authorizes the records to no longer be retained, or the retention period under the Requirements of Law applicable to any Participating Members, whichever is later. Seller shall make said records or, to the extent accepted by the Authorized Auditors, photographs, micro-photographs, or other authentic reproductions thereof, available to the Authorized Auditors at Seller's principal business office or any other of Seller's offices as mutually agreed upon by Buyer and Seller, at all reasonable times and without charge. The Authorized Auditors may reproduce, photocopy, download, transcribe, and the like any such records. Any information provided by Seller on machine-readable media shall be provided in a format accessible and readable by the Authorized Auditors. Seller shall not, however, be required to furnish the Authorized Auditors with commonly available software. Seller shall be subject at any time with fourteen (14) days prior written notice to audits or examinations by Authorized Auditors, relating to all billings and required to verify compliance with all Agreement requirements relative to practices, methods, compliance, procedures, performance, compensation, and documentation. Examinations and audits shall be performed using generally accepted auditing practices and principles and applicable governmental audit standards. All information provided by Seller or Seller's Subcontractors pursuant to this Section 11.6 shall be subject to the provisions of Section 14.21. If Seller utilizes or is subject to Federal Acquisition Regulation, Part 30 and 31, et seq. accounting procedures, or a portion thereof, examinations and audits shall utilize such information. To the extent that an Authorized Auditor's examination or audit reveals inaccurate, incomplete or non-current records, or records are unavailable, the records shall be considered defective. Consistent with standard auditing procedures, Seller shall be provided fifteen (15) days to review an Authorized Auditor's examination results or audit and respond to Buyer prior to the examination's or audit's finalization and public release. If an Authorized Auditor's examination or audit indicates Seller has been overpaid under a previous payment application, the identified overpayment amount shall be paid by Seller to Buyer within fifteen (15) days after notice to Seller of the identified overpayment. If an Authorized Auditor's examination or audit reveals that Buyer's overpayment to Seller is more than five percent (5.0%) of the billings reviewed, Seller shall pay all expenses and costs incurred by the Authorized Auditors arising out of or related to the examination or audit, which examination or audit expenses and costs shall be paid by Seller to Buyers within fifteen (15) days after notice to Seller. Seller shall use commercially reasonable efforts to contractually require all Subcontractors performing services under this Agreement to comply with the provisions of this Section 11.6 by inserting this Section 11.6 into each Subcontract.

#### **Section 11.7 Electric Metering Devices.**

(a) The PV Delivered Energy made available to Buyer by Seller under this Agreement shall be measured using a CAISO-approved and CAISO-polled revenue-quality Electric Metering Device (in compliance with the CAISO Tariff and relevant protocols and is dedicated exclusively to the Facility) procured, installed, owned and maintained by Seller at the

PV System and the Point of Delivery, and the BESS Metered Input and BESS Metered Output shall be measured using CAISO-approved and CAISO-polled revenue-quality Electric Metering Devices (in compliance with the CAISO Tariff and relevant protocols and dedicated exclusively to the Facility) procured, installed, owned and maintained by Seller at the BESS and the Point of Delivery, in each case, as depicted in the metering diagram attached to this Agreement as Appendix O. Each Electric Metering Devices shall be installed to and comply with all CAISO and CEC metering standards, including the CEC's metering arrangement to maintain RPS-eligibility of photovoltaic systems utilizing co-located storage under the RPS Guidebook. All such Electric Metering Devices used to provide data for the computation of payments shall be sealed and Seller shall only break the seal when such Electric Metering Devices are to be inspected and tested or adjusted in accordance with this Section 11.7. Seller shall arrange and bear all costs associated with the installation of the Electric Metering Devices needed for the registration, recording and transmission of information regarding the Delivered Energy. Seller shall provide Buyer (including any of the Participating Members) with a live data metering connection that may be accessed using either (i) the Inter-Control Center Communications Protocol ("*ICCP*") as defined by the International Electrotechnical Commission or (ii) Distributed Network Protocol ("*DNP3*"), based on the standards of the International Electrotechnical Commission, to enable the exchange of real-time and historical power system monitoring and control data, including measured values and accounting data. In addition to providing Buyer with its meter data, Seller shall support Buyer's efforts to obtain read-only access to CAISO meter data applicable to the Facility and all inspection, testing and calibration data and reports from the CAISO. If the CAISO makes any adjustment to any CAISO meter data for a given time period, Seller agrees that it shall submit revised Monthly invoices, pursuant to this ARTICLE XI covering the entire applicable time period in order to fully conform such adjustments to the meter data. Seller shall submit any revised invoices no later than thirty (30) days after the date on which the CAISO provides Seller with binding adjustments to the meter data.

(b) Seller or its Authorized Representative, at no expense to Buyer, shall inspect and test all Electric Metering Devices upon installation and at least annually thereafter. Seller shall provide Buyer with reasonable advance notice of, and permit representatives of Buyer to witness and verify, such inspections and tests. Upon request by Buyer or Buyer's Authorized Representative, Seller or its Authorized Representative shall perform additional inspections or tests of any Electric Metering Device and shall permit a qualified representative of Buyer to inspect or witness the testing of any Electric Metering Device. The actual expense of any such requested additional inspection or testing shall be borne by Seller. Seller shall provide copies of any inspection or testing reports to Buyer.

(c) If an Electric Metering Device fails to register, or if the measurement made by an Electric Metering Device is found upon testing to be inaccurate by more than plus or minus one percent (+/- 1.0%), an adjustment shall be made correcting all measurements made by the inaccurate or defective Electric Metering Device for both the amount of the inaccuracy and the period of the inaccuracy, such adjustment to be made by the Scheduling Coordinator. The adjustment period shall be determined as far as can be reasonably ascertained by Buyer or Buyer's Authorized Representative from the best available data, subject to review and approval by Seller (such approval not to be unreasonably withheld). If the period of the inaccuracy cannot be ascertained reasonably, any such adjustment shall be for a period equal to one third of the time elapsed since the preceding test of the applicable Electric Metering Devices. To the extent that the

adjustment period covers a period of deliveries for which payment has already been made by Buyer, Buyer shall use the corrected measurements as determined in accordance with this Section 11.7 to recompute the amount due for the period of the inaccuracy and shall subtract the previous payments by Buyer for this period from such recomputed amount. If the difference is a positive number, the difference shall be paid by Buyer to Seller; if the difference is a negative number, that difference shall be paid by Seller to Buyer, or at the direction of Buyer, may take the form of an offset to payments due to Seller from Buyer. Payment of such difference by the owing Party shall be made not later than thirty (30) days after the owing Party receives notice of the amount due, unless Buyer elects payment via an offset.

(d) Commencing on the first date on which Startup and Test Energy is produced by the Facility, and continuing throughout the Delivery Term, Seller shall provide to Buyer read only access to all Electric Metering Devices installed, owned and operated by Seller that are used to measure PV Delivered Energy, BESS Metered Input, and BESS Metered Output; *provided*, that the information produced by the Electric Metering Devices shall be subject to verification by a third party QRE.

**Section 11.8 Taxes.** Seller shall be responsible for and shall pay, before the due dates therefor, any and all federal, state, and local Taxes incurred by it as a result of entering into this Agreement and all Taxes imposed or assessed with respect to the Facility, the Site or any other assets of Seller, the Products or the transaction arising before or at the Point of Delivery. Buyer shall pay or cause to be paid all Taxes on or with respect to the Products or the transaction from (but excluding) the Point of Delivery to such Buyer. If Seller is required by a Requirement of Law to remit or pay Taxes that are the responsibility of Buyer hereunder, Buyer shall promptly reimburse Seller for such Taxes. If Buyer is required by Requirement of Law to remit or pay Taxes that are Seller's responsibility hereunder, Buyer may deduct such amounts from payments to Seller hereunder; if Buyer elects not to deduct such amounts from Seller's payments, Seller shall promptly reimburse Buyer for such amounts upon request. Nothing shall obligate or cause a Party to pay or be liable to pay any Taxes for which it is exempt under law. A Party that is exempt at any time and for any reason from one or more Taxes shall bear the risk that such exemption shall be lost or the benefit of such execution be reduced.

## ARTICLE XII REPRESENTATIONS, WARRANTIES AND COVENANTS

**Section 12.1 Representations and Warranties of Buyer.** Buyer makes the following representations and warranties to Seller as of the Effective Date:

(a) Buyer is a validly existing California joint powers authority, and has the legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement, and to carry out the transactions contemplated hereby, and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

(b) Except for the approvals required to be obtained as set forth in Section 2.5, the execution, delivery and performance by Buyer of this Agreement (i) have been duly authorized by all necessary action, and does not and will not require any consent or approval of such Buyer's

regulatory or governing bodies, other than that which has been obtained; and (ii) does not violate any federal, state, and local law, including the California Government Code and similar laws.

(c) This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

**Section 12.2 Representations and Warranties of Seller.** Seller makes the following representations and warranties to Buyer as of the Effective Date:

(a) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of its respective state of incorporation or organization and is qualified to do business in the States of California and Nevada, and has the legal power and authority to own or lease its properties, to carry on its business as now being conducted and to enter into this Agreement, and to carry out the transactions contemplated hereby and thereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

(b) Seller has taken all corporate or limited liability company action required to authorize the execution, delivery, and performance of this Agreement, and Seller has delivered to Buyer (i) copies of all resolutions and other documents evidencing such corporate or limited liability company actions, certified by an authorized representative of Seller as being true, correct, and complete, and (ii) an incumbency certificate signed by the secretary of Seller certifying as to the names and signatures of the authorized representatives of Seller.

(c) The execution, delivery and performance by Seller of this Agreement have been duly authorized by all necessary organizational action, and do not require any consent or approval other than those which have already been obtained.

(d) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the provisions of this Agreement, do not materially conflict with or constitute a material breach of or a default under, any of the terms, conditions or provisions of any applicable Requirement of Law, or any organizational documents, agreement, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which Seller is a party or by which it or any of its property is bound, or result in a breach of or a default under any of the foregoing.

(e) This Agreement constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(f) There is no pending, or to the knowledge of Seller, threatened action or proceeding affecting Seller before any Governmental Authority, which purports to affect the legality, validity or enforceability of this Agreement.

(g) Seller is not in violation of any applicable Requirement of Law, which violations, individually or in the aggregate, would reasonably be expected to result in a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of Seller, or the ability of Seller to perform any of its obligations under this Agreement.

(h) As of the Effective Date (i) the corporate organizational structure and ownership of Seller and its Upstream Equity Owners up to Seller's Ultimate Parent is set forth on Schedule 12.2(h), (ii) Seller is a Special Purpose Entity, and (iii) all of the membership interests in Seller are directly owned or controlled by EDF Renewables Development, Inc., a Delaware corporation. The equity interests in each of Seller and each Upstream Equity Owner have been duly issued under and authorized by their respective organizational documents or limited liability company agreements and in accordance with applicable Requirements of Law.

(i) Seller has (i) not entered into this Agreement with the actual intent to hinder, delay or defraud any creditor, and (ii) received reasonably equivalent value in exchange for its obligations under this Agreement. No petition in bankruptcy has been filed against Seller (other than petitions that have been dismissed within sixty (60) days after filing), and Seller has never made an assignment for the benefit of creditors or taken advantage of any insolvency act for its benefit as a debtor.

(j) Tax returns and reports of Seller required to be filed by it have been timely filed, and all Taxes shown on such Tax returns to be due and payable and all assessments, fees and other governmental charges upon Seller and upon its properties, assets, income, business and franchises that are due and payable have been paid when due and payable. Seller knows of no proposed Tax assessment against it that is not being actively contested by it in good faith and by appropriate proceeding.

(k) Seller owns or possesses or will acquire all patents, rights to patents, trademarks, copyrights and licenses necessary for the performance by Seller of its obligations under this Agreement, and Seller's use thereof does not infringe on the intellectual property rights of third parties.

(l) Seller has not assigned, transferred, conveyed, encumbered, sold or otherwise disposed of the Products except as provided herein.

(m) Seller or its EPC Contractor has obtained all Permits (including the Nevada DOT Approval, NEPA Approval, NEPA Right of Way Grant) required or to be obtained by Seller (or permitted to be obtained for Seller by the EPC Contractor) for the construction, operation, and maintenance of the Facility in accordance with the Requirements and the performance of Seller's obligations hereunder, or such Permits are reasonably expected to be timely obtained in the ordinary course of business.

### **Section 12.3 Covenants of Seller Related to Site Control Documents.**

(a) Seller shall at all times maintain Site Control following achievement of the Executed Site Control Documents Milestone set forth in Appendix I, as may be extended due to an Excused Delay Extension but in any event occurring before the Construction Start Date.

(b) Upon Buyer's request, Seller shall provide copies of the Site Control Documents to Buyer, which may be redacted for Seller proprietary or Confidential Information provided that Buyer receives enough information in such Site Control Documents to reasonably verify that Seller has Site Control.

(c) Throughout the Agreement Term, Seller shall notify Buyer of the institution of any proceeding for the condemnation or other taking of the Facility or any portion thereof (as applicable, a "**Taking**"), including the occurrence of any hearing associated therewith. Buyer may participate in any such proceeding and Seller shall deliver to Buyer all instruments necessary or required by Buyer to permit such participation. Subject to the consent of the Facility Lender, upon any condemnation of the Facility or any portion thereof, Seller shall diligently repair, replace or reconstruct the Facility or portion thereof so condemned. Subject to the consent of the Facility Lender, all awards and compensation for the Taking or purchase in lieu of condemnation of the Facility or any portion thereof shall be applied toward the repair, restoration, reconstruction or replacement of the Facility.

**Section 12.4 [Reserved].**

**Section 12.5 Additional Covenants of Seller.**

(a) **Material Adverse Effect.** In the event of a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of Seller or an event of default by Seller or the operator under the O&M Agreement, Seller shall promptly thereafter notify Buyer. Upon the reasonable request of Buyer, Seller shall, within thirty (30) days after Buyer's request, provide Buyer with a plan or report, including the report (at Seller's sole cost and expense) of a Licensed Professional Engineer with respect to any material change in operations that demonstrates in detail reasonably acceptable to Buyer, that the applicable event or occurrence has been mitigated or cured, or will be mitigated or cured within a reasonable period or within the cure periods provided therefor (and listing, in detail, the actions that Seller has taken, is taking, or proposes to take with respect to such condition or event), or that such event or occurrence will not have a material adverse effect on the performance of Seller under this Agreement. A failure to provide such plan or report within thirty (30) days, or to diligently undertake any of the actions set forth under such plan or report, will be deemed a failure by Seller to perform under Section 13.1(b).

(b) **Special Purpose Entity.** Seller shall remain at all times throughout the Agreement Term a Special Purpose Entity.

(c) **Facility Debt to Cost Ratio.** Seller shall not, at any time following the Commercial Operation Date, incur or permit Facility Debt in an amount that, in the aggregate as of the date it is incurred, exceeds seventy percent (70%) of the Facility Cost.

(d) **Sale Leaseback Financing.**

(i) Seller shall provide Buyer with at least one hundred twenty (120) days' prior written notice of the consummation of a Sale Leaseback Financing, which notice shall include (A) introductory and contact information about and for any potential Sale Leaseback Lessors and (B) a summary of the provisions related to such Sale Leaseback Financing. Such notice shall be in addition to, and not in lieu of, any notice required under Section 14.7.

(ii) In the event of a Sale Leaseback Financing, promptly after closing thereof, Seller shall provide Buyer true and correct copies of all agreements with the Sale Leaseback Lessor (with confidential terms redacted).

(iii) It shall be a Default (which shall be subject to cure only if such Default is reasonably capable of being promptly and completely cured by Seller, and if not capable of being promptly and completely cured by Seller, shall be an immediate Default without opportunity to cure hereunder) should Seller enter into a Sale Leaseback Financing unless the Sale Leaseback Lessor or Sale Leaseback Lessors thereunder and Seller shall have concurrently entered into an agreement with Buyer providing for (A) substantially the terms set forth in Appendix N, and (B) estoppel certificate(s) from such Sale Leaseback Lessor or Sale Leaseback Lessors certifying that this Agreement remains in full force and effect and binding on Seller and that each agreement providing for Seller's rights in and to the Site remains in full force and effect and binding on the third parties thereto.

(iv) Seller shall deliver, or cause to be delivered, copies of all resolutions and other documents evidencing the actions taken to approve, execute and deliver such Sale Leaseback Financing agreements and any the documents required in Section 12.5(d), in each case certified by an authorized representative of Seller as being true, correct and complete, and an incumbency certificate signed by the secretary of Seller certifying as to the names and signatures of the authorized representatives of Seller.

(e) **Capacity Attributes.** Throughout the Delivery Term, subject to Section 3.9, Seller shall maintain FCDS for the Facility from the CAISO.

### **ARTICLE XIII DEFAULT; TERMINATION AND REMEDIES; PERFORMANCE DAMAGE**

**Section 13.1 Default.** Each of the following events or circumstances shall constitute a "***Default***" by the responsible Party (the "***Defaulting Party***"):

(a) **Payment Default.** Failure by a Party to make any payment (except for the payment of Daily Delay Damages) under this Agreement when and as due (other than payments disputed in good faith) that is not cured within twenty (20) days after receipt of notice thereof from the other Party (which amount shall include payment of interest from the due date at the Interest Rate).

(b) **Performance Default.** Failure by a Party to perform any of its duties or obligations under this Agreement (other than any failure that is separately listed as a Default of Seller under this Section 13.1) that is not cured within thirty (30) days after receipt of notice thereof from the other Party; *provided* that if such failure cannot be cured within such thirty (30) day period despite reasonable commercial efforts and such failure is not a failure to make a payment when due, such Party shall have up to ninety (90) additional days to cure.

(c) **Breach of Representation and Warranty.** Any representation, warranty, certification or other statement made by a Party in this Agreement, or in the case of Seller, made in a certification delivered pursuant to Section 12.4, is false or inaccurate at the time made and materially and adversely affects Seller's ability to perform its obligations hereunder; *provided* that

no Default shall exist if such falsity, inaccuracy or material adverse effect is remedied within thirty (30) days after receipt of notice thereof from another Party.

(d) **Bankruptcy.** Bankruptcy of Buyer or Seller.

(e) **Performance Security Failure.** (i) The failure of Seller to furnish Performance Security by the times set forth in Section 5.7(a) and Section 5.7(b) or the failure of Seller to maintain or replace the Performance Security in compliance with Section 5.7; (ii) the failure of any of the Performance Security to be in full force and effect in accordance with Section 5.7; or (iii) the issuer of any Performance Security provided by Seller hereunder contests the validity or enforceability of the Performance Security, the letter of credit provider denies that it has any liability in respect of any Performance Security, or the letter of credit provider fails to honor a draw request properly made and tendered under this Agreement and such Performance Security is not replaced and such Performance Security is not replaced in compliance with Section 5.7, which in the case of any of the foregoing parts (i) and (ii), is not remedied within five (5) Business Days after such occurrence, and in the case of the foregoing part (iii) is not remedied within five (5) Business Days after Seller becomes aware of such occurrence.

(f) **Insurance Default.** The failure of Seller to maintain and provide acceptable evidence of the required Insurance for the required period of coverage as set forth in Appendix F that is not cured within five (5) Business Days after receipt of notice of such failure from Buyer.

(g) **Fundamental Change.** Except as permitted by Section 14.7, (i) a Party makes an assignment of its rights or delegation of its obligations under this Agreement, or (ii) a Change in Control occurs.

(h) **[Reserved]**

(i) **Casualty.** Seller fails to meet its obligations under Section 14.19(b) and does not cure such failure within fifteen (15) Business Days after receipt of notice of such failure from Buyer.

(j) **Construction Start Milestone.** (i) Seller fails to achieve the Construction Start Date on or before the date that is one hundred eighty (180) days after the Construction Start Milestone, except to the extent such failure arises out of an Excused Delay Extension, and (ii) Buyer elects not to allow Seller to continue to pay Daily Delay Damages to Buyer pursuant to Section 3.5(b)(ii).

(k) **Commercial Operation Date.** Seller fails to achieve Commercial Operation on or before the Guaranteed Commercial Operation Date, except to the extent such failure arises from an Excused Delay Extension.

(l) **Shortfall Energy Termination Default.** The failure of the Facility: (i) during any Contract Year beginning in the second Contract Year to deliver the sum of PV Delivered Energy plus Deemed Generated Energy in an amount that is not at least fifty percent (50%) of the Annual Contract Quantity as applicable in any such Contract Year; or (ii) during any two (2) consecutive Contract Years to deliver the sum of PV Delivered Energy plus Deemed



Generated Energy in an amount that, on average, equals at least seventy-five percent (75%) of the Annual Contract Quantity applicable for such two (2) consecutive Contract Year period.

(m) **BESS Defaults.** A BESS performance failure as set forth in Section 9.6(c)(i), Section 9.6(c)(ii), or Section 9.6(c)(iii).

### **Section 13.2 Default Remedy.**

(a) If Buyer is in Default for nonpayment, subject to any duty or obligation under this Agreement, Seller may, at its sole option, (i) suspend performance hereunder, (ii) terminate this Agreement in accordance with Section 13.4, or (iii) continue to provide services pursuant to its obligations under this Agreement; *provided* that nothing in this Section 13.2(a) shall affect Seller's rights and remedies set forth in this Section 13.2. Seller's continued service to Buyer shall not act to relieve Buyer of any of its duties or obligations under this Agreement.

(b) Notwithstanding any other provision herein, if any Default has occurred and is continuing, the affected Party may, whether or not the dispute resolution procedure set forth in Section 14.3 has been invoked or completed, bring an action in any court of competent jurisdiction as set forth in Section 14.3 seeking injunctive relief in accordance with applicable rules of civil procedure.

(c) Except as expressly limited by this Agreement, if a Default has occurred and is continuing and Buyer is the Defaulting Party, Seller may without further notice exercise any rights and remedies provided herein or otherwise available at law or in equity including a termination of this Agreement pursuant to Section 13.4. No failure of Seller to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Seller of any other right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power.

(d) Except as expressly limited by this Agreement, if a Default has occurred and is continuing and Seller is the Defaulting Party, Buyer may without further notice exercise any rights and remedies provided for herein, or otherwise available at law or equity, including (i) application of all amounts available under the Performance Security against any amounts then payable by Seller to Buyer under this Agreement and (ii) termination of this Agreement pursuant to Section 13.4. No failure of Buyer to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Buyer of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power by Buyer.

**Section 13.3 Cure Rights of Facility Lender.** Buyer shall provide such consents to assignment, substantially in the form attached as Appendix P, subject to modification as may be reasonably requested by Seller or any Facility Lender (other than a Tax Investor) and agreed by Buyer after reasonable consideration, which shall comply with the applicable terms and conditions of this Agreement (such consent, the "*Consent and Agreement*"). The Consent and Agreement shall provide the Facility Lender, as applicable, or its agent notice of the occurrence of any Default described in Section 13.1 and the opportunity to cure any such default to the extent Seller has an opportunity hereunder to cure such default. Seller shall promptly repay Buyer for any costs or

expenses incurred by Buyer in making any such payments or otherwise incurred by Buyer in connection with curing a default by Seller. In addition, Buyer shall, if reasonably requested by a Tax Investor, provide a written consent providing such Tax Investor with the right, but not the obligation, at any time, to pay any or all amounts due from Seller to Buyer hereunder, and to do any other act or thing required of Seller, in each case to cure any default of Seller under this Agreement in a manner that is consistent with the applicable terms and conditions of this Agreement, and provide a customary estoppel certificate, *provided* that the terms and conditions of any such consent, or any estoppel certificate, shall have no (and could not reasonably be expected to have any) adverse effect on Buyer's rights under this Agreement, and, except for a reasonable additional cure period for the Tax Investor to cure a default of Seller as set forth in the consent with such Tax Investor, which additional cure period shall be no longer than the cure period afforded the Facility Lender, shall be consistent with the terms and conditions of this Agreement. Buyer agrees to cooperate in good faith to amend or modify this Agreement upon request by any Facility Lender, but is not obligated to agree to any such amendment or modification. Seller shall pay Buyer for the reasonable costs and expenses, including reasonable attorneys' fees, incurred by Buyer in the negotiation of the documents Buyer is required to deliver hereunder.

#### **Section 13.4 Termination for Default.**

(a) If a Default occurs, the Party that is not the Defaulting Party (the "***Non-Defaulting Party***") may, for so long as the Default is continuing and, to the extent permitted by applicable law, without limiting any other rights or remedies available to the Non-Defaulting Party under this Agreement, by notice by it ("***Termination Notice***") to the Defaulting Party (i) establish a date (which shall be no earlier than the date of such notice and no later than twenty (20) days after the date of such notice) ("***Early Termination Date***") on which this Agreement shall terminate, and (ii) withhold any payments due in respect of this Agreement; *provided*, upon the occurrence of any Default of the type described in Section 13.1(d), this Agreement shall automatically terminate, without notice or other action by either Party as if an Early Termination Date had been declared immediately prior to such event.

(b) If an Early Termination Date has been designated, the Non-Defaulting Party shall calculate in a commercially reasonable manner its Gains, Losses and Costs resulting from the termination of this Agreement and the resulting Termination Payment. The Gains, Losses and Costs relating to the Products that would have been required to be delivered under this Agreement had it not been terminated shall be determined by comparing the amounts Buyer would have paid for the Products under this Agreement to the equivalent quantities and relevant market prices, either quoted by one or more bona fide third party offers, or which are reasonably expected by the Non-Defaulting Party to be available in the market under a replacement contract for this Agreement covering the same products and having a term equal to the Remaining Term at the date of the Termination Notice, adjusted to account for differences in transmission, if any. To ascertain the market prices of a replacement contract, the Non-Defaulting Party may consider, among other valuations, quotations from dealers in Energy contracts and bona fide third party offers. The Non-Defaulting Party shall not be required to enter into any such replacement agreement in order to determine its Gains, Losses and Costs or the Termination Payment.

(c) For purposes of the Non-Defaulting Party's determination of its Gains, Losses and Costs and the Termination Payment, it shall be assumed, regardless of the facts, that Seller would have sold, and Buyer would have purchased, each day during the Remaining Term (i) PV Delivered Energy in an amount equal to the Assumed Daily Deliveries, (ii) the Environmental Attributes associated therewith, (iii) all Capacity Rights and (iv) the full BESS Contract Capacity. The "*Assumed Daily Deliveries*" shall be an amount equal to the greater of (A) the quotient of the Guaranteed Delivered Energy divided by the number of days in the applicable Contract Year, and (B) the average daily amount of PV Delivered Energy during the Delivery Term, if any.

(d) The Non-Defaulting Party shall notify the Defaulting Party of the Termination Payment, which notice shall include a written statement explaining in reasonable detail the calculation of such amount. If the Termination Payment is a positive number, the Defaulting Party shall, within ten (10) Business Days after receipt of such notice, pay the Termination Payment to the Non-Defaulting Party, together with interest accrued at the Interest Rate from the Early Termination Date until paid.

(e) If the Defaulting Party disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, the calculation of the Termination Payment shall be submitted to the dispute resolution process provided in Section 14.3. Following resolution of the dispute, the Defaulting Party shall pay the full amount of the Termination Payment (if any) as determined by such resolution as and when required, but no later than thirty (30) days following the date of such resolution, together with all interest, at the Interest Rate, that accrued from the Early Termination Date until the date the Termination Payment is paid.

(f) For purposes of this Agreement:

(i) "*Gains*" means, with respect to a Party, an amount equal to the present value of the economic benefit (exclusive of Costs), if any, resulting from the termination of its obligations under this Agreement, determined in a commercially reasonable manner;

(ii) "*Losses*" means, with respect to a Party, an amount equal to the present value of the economic loss (exclusive of Costs), if any, resulting from the termination of its obligations under this Agreement, determined in a commercially reasonable manner;

(iii) "*Costs*" means, with respect to a Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred in terminating any arrangement pursuant to which it has hedged its obligations or in entering into new arrangements which replace this Agreement, excluding attorneys' fees, if any, incurred in connection with enforcing its rights under this Agreement. Each Party shall use reasonable efforts to mitigate or eliminate its Costs.

(iv) In no event shall a Party's Gains, Losses or Costs include any penalties or similar charges imposed by the Non-Defaulting Party.

(v) The Present Value Rate shall be used as the discount rate in all present value calculations required to determine Gains, Losses and Costs.

(g) At the time for payment of any amount due under this Section 13.4, each Party shall pay to the other Party, all additional amounts, if any, payable by it under this Agreement (including any amounts withheld pursuant to Section 13.4(a)).

(h) In the event that a Seller Default occurs under Sections 13.1(j) or 13.1(k), and Buyer as the Non-Defaulting Party does not establish any Early Termination Date within thirty (30) days following the occurrence of such Seller Default, then Seller may in its sole discretion terminate this Agreement upon written notice to Buyer that designates an Early Termination Date, and Buyer shall be entitled to the remedies set forth in Section 13.4 subject to the limitations set forth in Section 14.9(e).

(i) In the event that Seller is unable to achieve either the Construction Start Milestone on or before the date that is three hundred sixty (360) days after the Milestone Date for the Construction Start Milestone, or Commercial Operation on or before the Commercial Operation Date Deadline, in either case due to or arising out of an Excused Delay Extension, then Seller may at its sole discretion terminate this Agreement on a "no-fault" basis, without any further liability to either party (except liabilities accrued up to such termination); *provided that* Seller shall pay to Buyer the Termination Fee, which shall be Buyer's sole and exclusive remedy for such termination; *provided further* that no Termination Fee shall be due if the Excused Delay Extension and the corresponding failure to achieve Commercial Operation by the Commercial Operation Date Deadline or the Construction Start Date by the respective Construction Start Milestone deadline described above is due to a material Force Majeure event as provided in Section 14.6(c). If the Termination Fee is not provided by Seller to Buyer within five (5) days from such termination, then Buyer shall recover such outstanding amount from the Project Development Security. Within five (5) days of receipt of payment of the Termination Fee or recovery of the Termination Fee from the Project Development Security, Buyer shall return to Seller the Project Development Security less any appropriately drawn Termination Fee amount.

#### ARTICLE XIV MISCELLANEOUS

**Section 14.1 Authorized Representative.** Each Party shall designate an authorized representative who shall be authorized to act on its behalf with respect to those matters contained herein (each an "***Authorized Representative***"), which shall be the functions and responsibilities of such Authorized Representatives. Each Party may also designate an alternate who may act for the Authorized Representative. Within thirty (30) days after execution of this Agreement, each Party shall notify the other Party of the identity of its Authorized Representative, and alternates if designated, and shall promptly notify the other Party of any subsequent changes in such designation. The Authorized Representatives shall have no authority to alter, modify, or delete any of the provisions of this Agreement. To the extent that an Authorized Representative's contact information is not provided in Appendix J, at the time a Party designates such Authorized Representative, such Party shall concurrently provide written notice to the other Party of such Authorized Representative's contact information.

**Section 14.2 Notices.** All notices, requests, demands, consents, waivers and other communications which are required under this Agreement shall be in writing and shall be deemed properly sent if delivered in person, reliable overnight courier, or sent by registered or

certified mail, postage prepaid to the persons specified in Appendix J. The Parties may update Appendix J, from time to time, to designate another person, address or office to which notices shall be delivered by delivering notice to the other Parties in accordance with this Agreement. In addition to the foregoing, the Parties may agree in writing at any time to deliver notices, requests, demands, consents, waivers and other communications through alternate methods, such as electronic mail.

### **Section 14.3 Dispute Resolution.**

(a) In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement (including any dispute concerning the validity of this Agreement or the scope and interpretation of this Section 14.3) (a “*Dispute*”), either Party (the “*Notifying Party*”) may deliver to the other Party (the “*Recipient Party*”) notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a “*Dispute Notice*”). The Dispute Notice shall include a schedule of the availability of the Notifying Party’s senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute during the thirty (30) day period following the delivery of the Dispute Notice.

(b) The Recipient Party shall, within five (5) Business Days following receipt of the Dispute Notice, provide to the Notifying Party a parallel schedule of availability of the Recipient Party’s senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute. Following delivery of the respective senior officers’ schedules of availability, the senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the remainder of the thirty (30) day period in good faith negotiations to resolve the Dispute to the satisfaction of each Party.

(c) In the event a Dispute is not resolved pursuant to the procedures set forth in Section 14.3(a) and Section 14.3(b) by the expiration of the thirty (30) day period set forth in Section 14.3(a), then a Party may pursue any legal remedy available to it in accordance with the provisions of Section 14.12 and Section 14.13 of this Agreement.

(d) In addition to the Dispute resolution process set forth in this Section 14.3, the Parties shall comply with California law governing claims against public entities and presentment of such claims.

### **Section 14.4 Further Assurances; Change in Electric Market Design.**

(a) Each Party agrees to execute and deliver all further instruments and documents, and take all further actions not inconsistent with the provisions of this Agreement that may be reasonably necessary to effectuate the purposes and intent of this Agreement.

(b) If a change in the CAISO Tariff renders this Agreement or any provisions hereof incapable of being performed or administered, then either Party may request that Buyer and Seller enter into negotiations to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered, while attempting to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date. Upon delivery of such a request, Buyer and Seller shall engage in such

negotiations in good faith. If Buyer and Seller are unable, within sixty (60) days after delivery of such request, to agree upon changes to this Agreement or to resolve issues relating to changes to this Agreement, then either Party may submit issues pertaining to changes to this Agreement to the Dispute resolution process set forth in Section 14.3. Notwithstanding the foregoing, a change in cost shall not in and of itself be deemed to render this Agreement or any of the provisions hereof incapable of being performed or administered, or constitute, or form the basis of, a Force Majeure.

**Section 14.5 No Dedication of Facilities.** Any undertaking by one Party to the other Party under any provisions of this Agreement shall not constitute the dedication of the Facility or any portion thereof of either Party to the public or to the other Party or any other Person, and it is understood and agreed that any such undertaking by either Party shall cease upon the termination of such Party's obligations under this Agreement.

**Section 14.6 Force Majeure.**

(a) A Party shall not be considered to be in default in the performance of any of its obligations under this Agreement (other than the obligations of a Party to make payment of amounts due under this Agreement) when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence, such Party is unable to prevent or mitigate, *provided* the Party has given a written detailed description of the full particulars of the Force Majeure to the other Party reasonably promptly after becoming aware of the impact of such Force Majeure event on the performance of Seller's obligations hereunder (and in any event within fourteen (14) days after becoming aware of the impact of the claimed Force Majeure event) (the "***Force Majeure Notice***"), which notice shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The Party providing such Force Majeure Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance, at which time such Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If Seller is unable to deliver PV Delivered Energy due to a Force Majeure, then Buyer shall have no obligation to pay Seller for PV Delivered Energy not delivered or received by reason thereof. It is understood by the Parties that, subject to the provisions of Section 7.4, the foregoing provisions shall not excuse either Party's obligation to make payments to one another up to the time that Seller ceases deliveries of PV Delivered Energy, arising prior to the occurrence of any Force Majeure event. In no event shall Buyer or Seller be obligated to compensate the other Party or any other Person for any losses, expenses or liabilities that the other Party or such other Person may sustain as a consequence of any Force Majeure.

(b) The term "***Force Majeure***" means any event, circumstance or condition that (i) prevents one Party from performing any of its obligations under this Agreement, (ii) is not within the reasonable control of, or the result of negligence, willful misconduct, breach of contract, intentional act or omission or wrongdoing on the part of the affected Party (or any Subcontractor or Affiliate of that Party, or any Person under the control of that Party or any of its subcontractors or Affiliates, or any Person for whose acts such subcontractor or Affiliate is responsible), and (iii) by the exercise of due diligence the affected Party is unable to overcome or avoid or cause to be avoided; *provided*, nothing in clause (iii) above shall be construed so as to require a Party to accede or agree to any provision not satisfactory to it in order to settle or terminate a Nationwide Strike in which it may be involved; and subject to satisfying the foregoing requirements, Force

Majeure may include any act of God (including fire, flood, earthquake, extremely severe storm, lightning strike, tornado, volcanic eruption, hurricane or other natural disaster), a nationwide strike that both: (i) directly impacts labor specific to constructing the Facility; and (ii) cannot be restricted or a resolved under applicable state or federal law despite a commercially reasonable and diligently negotiated project labor agreement for the Facility (such conditions (i) and (ii) occurring together a “*Nationwide Strike*”), new epidemic or pandemic distinct from COVID-19, act of the public enemy, war, insurrection, riot, explosion, or terrorist activities. Notwithstanding the foregoing, the conditions existing as of the date of this Agreement due to the COVID-19 pandemic shall not be considered a Force Majeure, but any subsequent material government restrictions that materially impact a Party’s obligations under this Agreement due to a worsening or resurgence of the COVID-19 pandemic may be considered a Force Majeure. Any Party rendered unable to fulfill any of its obligations by reason of a Force Majeure shall exercise due diligence to remove such inability with reasonable dispatch within a reasonable time period and mitigate the effects of the Force Majeure. The relief from performance shall be of no greater scope and of no longer duration than is required by the Force Majeure. Without limiting the generality of the foregoing, a Force Majeure does not include any of the following (each an “*Unexcused Cause*”): (1) any requirement to comply with a RPS Law or any change (whether voluntary or mandatory) in any RPS Law, or other Change in Law, that may affect the value of the Products; (2) events arising from the failure by Seller to construct, operate or maintain the Facility in accordance with this Agreement except to the extent such event is caused by a Force Majeure; (3) any increase of any kind in any cost; (4) delays in or inability of a Party to obtain financing or other economic hardship of any kind, or any reduction in profit associated with the performance of a Party’s obligations under this Agreement; (5) Seller’s ability to enter into a contract to sell PV System Energy at a more favorable price or Buyer’s ability to purchase the Product or any part thereof at a price lower than that provided in this Agreement; (6) curtailment or other interruption of any Transmission Service except to the extent such interruption is caused by a Force Majeure; (7) failure of third parties to provide goods or services essential to a Party’s performance except to the extent such failure is caused by a Force Majeure; (8) Facility or equipment failure of any kind except to the extent such failure is caused by a Force Majeure; or (9) any inability or failure to pay, or any changes in the financial condition of Buyer, Seller, the Facility Lender or any Subcontractor or supplier affecting the affected Party’s ability to perform its obligations under this Agreement.

(c) Prior to the Commercial Operation Date, Buyer or Seller may terminate this Agreement if a material Force Majeure event continues for more than three hundred sixty (360) days from the Force Majeure Notice in accordance with an Excused Delay Extension.

(d) Following the Commercial Operation Date, Buyer or Seller may terminate this Agreement if (i) a Force Majeure event occurs that diminishes the production of the PV System by more than fifty percent (50%) of the PV Contract Capacity or the capacity of the BESS by more than fifty percent (50%) of the BESS Contract Capacity for a period of eighteen (18) consecutive months, or (ii) the Facility is rendered inoperable and an Independent Engineer determines that the Facility cannot be repaired or replaced within a period not to exceed twenty-four (24) months following the date of the occurrence of the Force Majeure event.

(e) Any termination of this Agreement under Sections 14.6 (c)-(d) shall be “no-fault” and neither Party shall have any liability or obligation to the other Party arising out of such termination. Notwithstanding the foregoing, upon any such termination, each Party shall pay the

other Party for any and all amounts hereunder that may be owing, including Seller's obligation to make payments to Buyer for any existing Shortfall Energy, or other outstanding payments due in the ordinary course that occurred prior to the termination. Buyer shall return to Seller the Performance Security (less any amounts drawn by Buyer in accordance with this Agreement). The exercise by Buyer of its right to terminate the Agreement shall not render Buyer or Seller liable for any losses or damages incurred by the other Party whatsoever. For the avoidance of doubt, no Termination Fee shall be due in the event this Agreement is terminated pursuant to Section 14.6(c).

#### **Section 14.7 Assignment of Agreement.**

(a) Buyer may from time to time and at any time assign any or all of its rights, and delegate any or all of its obligations, under this Agreement in whole or in part without the consent of Seller to a Qualified Buyer Assignee. Buyer shall provide Seller with thirty (30) days' prior notice of any such assignment or delegation. Notwithstanding the foregoing, in connection with any such assignment, such Qualified Buyer Assignee shall execute a written assumption agreement in favor of Seller pursuant to which any such Qualified Buyer Assignee shall assume all the obligations of Buyer under this Agreement, thereby relieving the assignor Buyer from its duties and obligations hereunder and thereunder.

(b) Except as set forth in this Section 14.7, Seller shall not assign any of its rights, or delegate any of its obligations, in or under this Agreement, without the prior written consent of Buyer, such consent not to be unreasonably withheld, conditioned, or delayed beyond the time period necessary for the internal review and approval process of Buyer. Any purported assignment or delegation in violation of this provision shall be null and void and of no force or effect.

(c) Seller may, without the prior written consent of Buyer, transfer or assign this Agreement if (A) the assignee is an Affiliate of Seller; (B) the Project Development Security, or the Delivery Term Security, as applicable, is maintained in full force and effect or replaced in accordance with the terms of this Agreement; (C) Seller has given Buyer notice at least fifteen (15) Business Days before the date of such proposed assignment; (D) Seller has provided Buyer a written agreement or certificate signed by the Affiliate to which Seller wishes to assign its interests that provides that such Affiliate will assume all of Seller's obligations and liabilities under this Agreement upon such transfer or assignment; and (E) such transfer or assignment is not in violation of applicable law.

(d) Buyer's consent shall not be required in connection with the collateral assignment or pledge of this Agreement for the sole purpose of financing this Facility to any Facility Lender or the assignment of this Agreement to a Tax Investor in connection with a Tax Monetization Financing; *provided, however*, that (1) in connection with any such assignment or pledge and the exercise of remedies by any Facility Lender, the Facility Lender acknowledges and agrees to be bound by the requirement that the Facility be operated and maintained by a Qualified Operator and (2) in the event of any foreclosure, whether judicial or nonjudicial, or any deed in lieu of foreclosure, in connection with any deed of trust, mortgage, or other similar Lien, Facility Lender shall be bound by the covenants and agreements of Seller in this Agreement. Seller shall provide Buyer with ninety (90) days' prior notice of any such collateral assignment or pledge. Notwithstanding the foregoing or anything else expressed or implied herein to the contrary, Seller



shall not assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of the Products (not including the proceeds thereof) to any Facility Lender; *provided* that nothing herein shall limit Seller's right to encumber revenues earned from the sale of all or any portion of the Products, including Replacement Product.

(e) Seller shall provide (i) at least sixty (60) days' written notice to Buyer prior to the occurrence of any Change in Control pursuant to Section 14.7(f) or (ii) at least ninety (90) days' written notice to Buyer prior to the occurrence of any Tax Monetization Financing. Concurrently with such notice, Seller shall provide Buyer with a then-current chart of the corporate organizational structure and ownership of Seller and a post-Change in Control or post-Tax Monetization Financing, as applicable, chart of the corporate organizational structure and ownership of Seller. In addition, following any permitted Change in Control, Seller and Buyer shall update the definition of Seller's Ultimate Parent by updating Schedule 12.2(h) of this Agreement.

(f) A Change in Control is permitted if (i) Buyer has given prior written consent to the transaction or transactions constituting the Change in Control, such consent not to be unreasonably withheld, conditioned or delayed and (ii) concurrently with the transaction or transactions constituting the Change in Control, if there is a successor entity to Seller, such successor entity executes a written assumption agreement in favor of Buyer pursuant to which such successor entity shall assume all of the obligations of Seller under this Agreement, and agree to be bound by all the terms and conditions of this Agreement. In connection with any Change in Control in which Seller remains party to this Agreement, at Buyer's request, Seller shall deliver an estoppel certificate to Buyer confirming that this Agreement remains in full force and effect.

(g) Except for a sale or transfer of the Facility by a Facility Lender as contemplated by Section 14.7(h), Seller shall not sell or transfer the Facility to any Person other than a Person to whom Seller assigns this Agreement in accordance with this Section 14.7, without the prior written consent of Buyer, other than a Sale Leaseback Financing (for which notice is required), without the prior written consent of Buyer; *provided*, that any such sale or transfer shall be in compliance with the provisions of Section 12.5(d). Any purported sale or transfer in violation of this Section 14.7(g) shall be null and void and of no force or effect. A Change in Control shall not be deemed a sale or transfer of the Facility.

(h) In no event shall Buyer be liable to any Facility Lender for any claims, losses, expenses or damages whatsoever other than liability a Buyer may have to Seller under this Agreement. In the event of any foreclosure, whether judicial or nonjudicial, or any deed in lieu of foreclosure, in connection with any deed of trust, mortgage, or other similar Lien, Facility Lender shall be bound by the covenants and agreements of Seller in this Agreement; *provided, however*, that until the Person who acquires title to the Facility executes and delivers to Buyer a written assumption of Seller's obligations under this Agreement in form and substance acceptable to Buyer, such Person shall not be entitled to any of the benefits of this Agreement. Any sale or transfer of all or any portion of the Facility by any Facility Lender in connection with any foreclosure, whether judicial or nonjudicial, or any deed in lieu of foreclosure, in connection with any deed of trust, mortgage or similar Lien on the Facility, shall be made only to an entity that is a Qualified Transferee.

(i) Seller shall reimburse, or shall cause the Facility Lender to reimburse, Buyer for the incremental direct expenses reasonably incurred and documented by Buyer in the preparation, negotiation, execution or delivery of the Consent and Agreement for the Facility Lender and any other documents requested by Seller, the Facility Lender, or any Tax Investor and provided by Buyer, in connection with to this Section 14.7 or any Tax Monetization Financing.

(j) Following the Commercial Operation Date, any collateral assignment in connection with a financing or refinancing that causes Facility Debt, in the aggregate, to exceed seventy percent (70%) of the Facility Cost as of the date of the collateral assignment is prohibited.

**Section 14.8 Ambiguity.** The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against either Party on the basis that the Party drafted the language, but otherwise shall be interpreted according to the application of the rules on interpretation of contracts.

**Section 14.9 Attorneys' Fees & Costs.** Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorneys' fees and costs. Each of the Parties to this Agreement was represented by its respective legal counsel during the negotiation and execution of this Agreement. Notwithstanding the foregoing, to the extent Buyer incurs legal costs in order to facilitate a Sale Leaseback Financing under Section 12.5(d) or the collateral assignment or pledge of this Agreement under Section 14.7(d), to evaluate whether a Change in Control has occurred, or such other action or review that is at the request of Seller, Seller shall bear Buyer's reasonable and documented legal costs therefor.

**Section 14.10 Voluntary Execution.** Both Parties acknowledge that they have read and fully understand the content and effect of this Agreement and that the provisions of this Agreement have been reviewed and approved by their respective counsel. The Parties further acknowledge that they have executed this Agreement voluntarily, subject only to the advice of their own counsel, and do not rely on any promise, inducement, representation or warranty that is not expressly stated herein.

**Section 14.11 Entire Agreement; Amendments.** This Agreement (including all Appendices and Exhibits) contains the entire understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, discussions or agreements between the Parties, or any of them, concerning that subject matter, whether written or oral, except as expressly provided for herein. This is a fully integrated document. Each Party acknowledges that no other party, representative or agent, has made any promise, representation or warranty, express or implied, that is not expressly contained in this Agreement that induced the other Party to sign this document. This Agreement may be amended or modified only by an instrument in writing signed by each Party.

**Section 14.12 Governing Law.** This Agreement was made and entered into in the County of Los Angeles, California and shall be governed by, interpreted and enforced in accordance with the laws of the State of California, without regard to conflict of law principles.

**Section 14.13 Venue.** All litigation arising out of, or relating to this Agreement, shall be brought in a state or federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum non conveniens.

**Section 14.14 Execution in Counterparts.** This Agreement may be executed in counterparts and upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Agreement identical in form hereto by having attached to it one or more signature pages.

**Section 14.15 Effect of Section Headings.** Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

**Section 14.16 Waiver; Available Remedies.** The failure of either Party to this Agreement to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions or rights, but the same shall be and remain at all times in full force and effect. Except to the extent this Agreement expressly provides an exclusive remedy for a breach, nothing contained herein shall preclude either Party from seeking and obtaining any available remedies hereunder, including recovery of damages caused by the breach of this Agreement and specific performance or injunctive relief, or any other remedy given under this Agreement or now or hereafter existing in law or equity or otherwise. Seller acknowledges that money damages may not be an adequate remedy for violations of this Agreement and that Buyer may, in its sole discretion seek and obtain from a court of competent jurisdiction specific performance or injunctive or such other relief as such court may deem just and proper to enforce this Agreement or to prevent any violation hereof. Seller hereby waives any objection to specific performance or injunctive relief. The rights granted herein are cumulative.

**Section 14.17 Relationship of the Parties.** This Agreement shall not be interpreted to create an association, joint venture or partnership between the Parties hereto or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

**Section 14.18 Third Party Beneficiaries.** The provisions of this Agreement are solely for the benefit of the Parties, and, through Buyer, the Participating Members. Except for the Participating Members, nothing in this Agreement, whether express or implied, shall be construed to give to, or be deemed to create in, any other Person, whether as a third party beneficiary of this Agreement or otherwise, any legal or equitable right, remedy or claim in respect of this Agreement or any covenant, condition, provision, duty, obligation or undertaking contained or established herein. Except as provided herein, this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any Person that is not a party hereto.

**Section 14.19 Indemnification; Damage or Destruction; Insurance; Condemnation; Limit of Liability.**

(a) **Indemnification.** Seller undertakes and agrees to indemnify and hold harmless Buyer, Participating Members, and all of their respective commissioners, officers, agents, employees, advisors, and Authorized Representatives and assigns and successors in interest (collectively, “*Indemnitees*”) and, at the option of Buyer, to defend such Indemnitees from and against any and all suits and causes of action (including proceedings before FERC), claims, charges, damages, demands, judgments, civil fines and penalties, other monetary remedies or losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, including Seller’s employees and agents, or third persons, or damage or destruction to any property of either Party or third persons, in any manner arising by reason of any breach of this Agreement by Seller, claims associated with any Environmental Costs, any failure of a representation, warranty or guarantee of Seller hereunder to be true in all material respects, the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement on the part of Seller, or any of the Seller’s officers, agents, employees, or Subcontractors of any tier, except to the extent caused by the gross negligence or willful misconduct of any such Indemnitee.

(b) **Damage or Destruction.** Subject to the provisions of Section 14.6, and to the consent of Facility Lender, not to be unreasonably withheld, in the event of any damage or destruction of the Facility or any part thereof, the Facility or such part thereof shall be diligently repaired, replaced or reconstructed by Seller so that the Facility or such part thereof shall be restored to substantially the same general condition and use as existed prior to such damage or destruction, unless a different condition or use is determined by Seller using its reasonable discretion taking into account the economics of repair, replacement, or reconstruction. Proceeds actually received of Insurance with respect to such damage or destruction maintained as provided in this Agreement shall be applied in Seller’s reasonable discretion, subject to the consent of the Facility Lender, not to be unreasonably withheld, to the payment for such repair, replacement or reconstruction of the damage or destruction.

(c) **Insurance.** Seller shall obtain and maintain the Insurance coverages listed in Appendix F.

(d) **[Reserved].**

(e) **Limitation of Liability.** EXCEPT TO THE EXTENT INCLUDED IN THE DAILY DELAY DAMAGES OR OTHER LIQUIDATED DAMAGES PROVIDED HEREIN, INDEMNIFICATION OBLIGATIONS RELATED TO THIRD PARTY CLAIMS, OR OTHER SPECIFIC CHARGES EXPRESSLY PROVIDED FOR HEREIN, IN NO EVENT SHALL EITHER PARTY OR, IN THE CASE OF BUYER, ITS INDEMNITEES, BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR OTHER COSTS, BUSINESS INTERRUPTION DAMAGES RELATED TO OR ARISING OUT OF A PARTY’S PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, WHETHER BASED ON OR CLAIMED UNDER STATUTE, CONTRACT, TORT (INCLUDING SUCH PARTY’S OWN NEGLIGENCE) OR ANY OTHER THEORY OF LIABILITY AT LAW OR IN EQUITY. 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 OF SUCH DAMAGES, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONTRIBUTORY, CONCURRENT, OR ACTIVE OR PASSIVE. THE PARTIES HEREBY WAIVE ANY RIGHT TO CONTEST SUCH PAYMENTS AS AN UNREASONABLE PENALTY. Notwithstanding any other provision of this Agreement, in no event shall Seller's liability under or arising out of this Agreement, including its liability to Buyer for any Losses and Costs (including any liquidated damages, termination payments and other amounts), exceed One Hundred Dollars (\$100)/kW of the PV Contract Capacity plus BESS Contract Capacity or in the aggregate Nineteen Million Dollars (\$19,000,000), during the period from the date of execution of this Agreement until the Commercial Operation Date (the "***Pre-COD Liability Cap***"); *provided, however*, that such limitations shall not apply to any Losses and Costs arising out of (i) Seller's obligations under this Agreement to indemnify and hold harmless Buyer for death, bodily injury, or personal injury to any person or damage or destruction to any property or (ii) the gross negligence of willful misconduct of Seller or any of Seller's Affiliates or Subcontractors.

(f) To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, and that the liquidated damages constitute a reasonable approximation of the anticipated harm or loss.

**Section 14.20 Severability.** In the event any of the terms, covenants or conditions of this Agreement, or the application of any such terms, covenants or conditions, shall be held invalid, illegal or unenforceable by any court having jurisdiction, all other terms, covenants and conditions of this Agreement and their application not adversely affected thereby shall remain in force and effect, *provided* that the remaining valid and enforceable provisions materially retain the essence of the Parties' original bargain.

**Section 14.21 Confidentiality.**

(a) Each Party agrees, and shall use reasonable efforts to cause its parent, subsidiary and Affiliates, and its and their respective directors, officers, employees, representatives and agents, as a condition to receiving confidential information hereunder, to keep confidential, except as required by applicable laws: (i) all documents, data, drawings, studies, projections, plans and other written information that relate to economic benefits to, or amounts payable by, either Party under this Agreement, and (ii) documents that are clearly marked "Confidential" at the time a Party shares such information with the other Party (clauses (i) and (ii) above, the "***Confidential Information***"). The provisions of this Section 14.21 shall survive and shall continue to be binding upon the Parties for a period of one (1) year following the date of termination or expiration of this Agreement. Notwithstanding the foregoing, information shall not be considered Confidential Information which (A) is disclosed with the prior written consent of the originating Party, (B) was in the public domain prior to disclosure or is or becomes publicly known or available other than through the action of the receiving Party in violation of this Agreement, (C) was lawfully in a Party's possession or acquired by a Party outside of this Agreement, which acquisition was not known by the receiving Party to be in breach of any confidentiality obligation, or (D) is developed independently by a Party based solely on information that is not considered confidential under this Agreement.

(b) Either Party may, without violating this Section 14.21, disclose matters that are made confidential by this Agreement:

(i) to its counsel, accountants, auditors, advisors, other professional consultants, credit rating agencies, actual or prospective, co-owners, investors, purchasers, lenders, underwriters, contractors, suppliers, and others involved in construction, operation, and financing transactions and arrangements for a Party or its subsidiaries or Affiliates;

(ii) to Governmental Authorities and parties involved in any proceeding in which either Party is seeking a Permit, certificate, or other regulatory approval or order necessary or appropriate to carry out this Agreement;

(iii) to Governmental Authorities or the public as required by any applicable Requirement of Law, including oral questions, discovery requests, subpoenas, civil investigations or similar processes and laws or regulations requiring disclosure of financial information, information material to financial matters, and filing of financial reports;

(iv) to WREGIS in accordance with WREGIS Operating Rules; and

(v) with respect to Buyer, to any of its respective members from time to time.

(c) If a Party is requested or required, pursuant to any applicable law, regulation, order, rule, ruling or other Requirement of Law, discovery request, subpoena, civil investigation or similar process to disclose any of the Confidential Information, such Party shall provide prompt written notice to the other Party of such request or requirement so that at such other Party's expense, such other Party can seek a protective order or other appropriate remedy concerning such disclosure.

(d) Notwithstanding the foregoing or any other provision of this Agreement, Buyer may record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid, perfected and enforceable under all applicable law the credit support contemplated by this Agreement, including the Project Development Security, and the Delivery Term Security, and the rights, Liens and priorities of Buyer with respect to such credit support.

(e) Notwithstanding the foregoing or any other provision of this Agreement, Seller acknowledges that Buyer is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 6250 et seq. ("**CPRA**") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et seq. ("**Brown Act**"). Confidential Information of Seller provided to Buyer pursuant to this Agreement will become the property of Buyer, and Seller acknowledges that Buyer shall not be in breach of this Agreement or have any liability whatsoever under this Agreement or otherwise for any claims or causes of action whatsoever resulting from or arising out of Buyer copying or releasing to a third party any Confidential Information of Seller pursuant to CPRA or Brown Act.

(f) Notwithstanding the foregoing or any other provision of this Agreement, Buyer may record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid, perfected and enforceable under

all applicable law the credit support contemplated by this Agreement, and the rights, Liens and priorities of Buyer with respect to such credit support.

(g) If Buyer receives a CPRA request for Confidential Information of Seller, and Buyer or Buyer's Authorized Representative determines that such Confidential Information is subject to disclosure under CPRA, then Buyer shall notify Seller of the request and its intent to disclose the documents. Buyer will comply with the disclosure requirements of the CPRA, including with respect to the release of documents unless Seller timely obtains a court order prohibiting such release. If Seller, at its sole expense, chooses to seek a court order prohibiting the release of Confidential Information pursuant to a CPRA request, then Seller undertakes and agrees to defend, indemnify and hold harmless Buyer and the Indemnitees from and against all suits, claims, and causes of action brought against Buyer or any Indemnitees for Buyer's refusal to disclose Confidential Information of Seller to any person making a request pursuant to CPRA. Seller's indemnity obligations shall include, but are not limited to, all actual costs incurred by Buyer and any Indemnitees, and specifically including costs of experts and consultants, as well as all damages or liability of any nature whatsoever arising out of any suits, claims, and causes of action brought against Buyer or any Indemnitees, through and including any appellate proceedings. Seller's obligations to Buyer and all Indemnitees under this indemnification provision shall be due and payable on a Monthly, on-going basis within thirty (30) days after each submission to Seller of Buyer's invoices for all fees and costs incurred by Buyer and all Indemnitees, as well as all damages or liability of any nature.

(h) Each Party acknowledges that any disclosure or misappropriation of Confidential Information by such Party in violation of this Agreement could cause the other Party or their Affiliates irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Therefore each Party agrees that the non-breaching Party shall have the right to apply to any court of competent jurisdiction for a restraining order or an injunction restraining or enjoining any breach or threatened breach of this Agreement and for any other equitable relief that such non-breaching Party deems appropriate. This right shall be in addition to any other remedy available to the Parties in law or equity.

**Section 14.22 Mobile-Sierra.** The Parties hereby stipulate and agree that this Agreement was entered into as a result of arm's-length negotiations between the Parties. Further, the Parties believe that, to the extent the sale of Energy under this Agreement is subject to Sections 205 and 206 of the Federal Power Act, 16 U.S.C. Sections 824d and 824e, the rates, terms and conditions of this Agreement are just and reasonable within the meanings of Sections 205 and 206 of the Federal Power Act, and that the rates, terms and conditions of this Agreement will remain so during the Agreement Term. Notwithstanding any provision of this Agreement, the Parties waive all rights to challenge the validity of this Agreement or whether it is just and reasonable for and with respect to the Agreement Term, under Sections 205 and 206 of the Federal Power Act, and to request the FERC to revise the terms and conditions and the rates or services specified in this Agreement, and hereby agree not to seek, nor support any third party in seeking, to prospectively or retroactively revise the rates, terms or conditions of this Agreement through application or complaint to FERC or any other state or federal agency, board, court or tribunal, related in any manner as to whether such rates, terms or conditions are just and reasonable or in the public interest under the Federal Power Act, absent prior written agreement of the Parties. The Parties also agree that, absent prior agreement in writing by the Parties to a proposed change, the

standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any provision of this Section is unenforceable or ineffective as to such Party), a non-party or the FERC acting *sua sponte* shall be the “public interest” application of the “just and reasonable” standard of review that requires FERC to find an “unequivocal public necessity” or “extraordinary circumstances where the public will be severely harmed” to modify a contract, as set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 at 550-51 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Comm’n*, 558 U.S. 165 (2010).

**Section 14.23 Reserved.**

**Section 14.24 Taxpayer Identification Number (TIN).** Seller declares that its authorized TIN is 93-4018801. No payment will be made under this Agreement without a valid TIN.

**Section 14.25 Tax Treatment.** The Parties acknowledge that Seller is the owner of the Facility for federal, state and local tax purposes. Seller shall be entitled to any and all: (a) federal, state or local investment tax credits (including ITCs), federal, state or local production tax credits (including PTCs) or other tax credits providing a tax benefit to Seller or any other Person based on an ownership or security interest in the Facility or PV System Energy, (b) depreciation deductions or similar benefits, and any other tax benefits arising from ownership or operation of the Facility and (c) cash grants or other financial incentives from any federal, state or local government available to Seller with respect to the Facility (including cash payments or grants of money in lieu of tax credits). The Parties intend that this Agreement will qualify as a “service contract” as such term is used in Section 7701(e) of the United States Internal Revenue Code of 1986.

**Section 14.26 Dodd-Frank Wall-Street Reform and Consumer Protection Act.** If and to the extent that this Agreement and the performance of the Parties’ obligations requires any reporting to the Commodity Futures Exchange Commission (together with any successor body, the “*CFTC*”) pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, Seller shall be responsible for all such reporting (and Seller shall bear all costs and expenses associated therewith) and shall be the reporting counterparty for purposes of applicable parts of the regulations of the CFTC promulgated under the Commodity Exchange Act. Buyer shall promptly provide information reasonably required by Seller for any such reporting and Seller shall be entitled to report and disclose information concerning all swaps transacted under this Agreement (including information regarding the economic terms and valuations of this Agreement) to any applicable Governmental Authority (or a third party swap data repository as required by a Governmental Authority), from time to time, to the extent required by any applicable laws, regulations, rules or orders of any Governmental Authority. Additionally, to the extent either Party needs additional information or details from the other Party in order to comply with any such applicable laws, regulations, rules or orders (including information concerning such other Party’s organization, corporate status, status under the CFTC’s regulations and/or unique entity identifier), such other Party shall promptly provide such additional information or details to the first Party upon request therefor. Buyer shall promptly reimburse Seller for any costs, fines or penalties



Seller incurs as a result of Buyer's failure to comply with this Section 14.26. Seller shall promptly reimburse Buyer for any costs Buyer incurs as a result of Seller's failure to comply with this Section 14.26 and the Commodity Exchange Act, except to the extent such costs are a result of any action or omission of Buyer.

Buyer and Seller were represented by legal counsel during the negotiation and execution of this Agreement and the Parties have executed this Agreement as of the dates set forth below, effective as of the Effective Date.

BUYER:

Date: \_\_\_\_\_

**SOUTHERN CALIFORNIA PUBLIC  
POWER AUTHORITY**

\_\_\_\_\_  
By:

Its:

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Approved as to legal form and content:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

SELLER:

**BONANZA SOLAR, LLC**

By: \_\_\_\_\_  
Kathryn O'Hair  
Its: President

**APPENDIX A-1  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**CONTRACT PRICE**

**A. General Pricing Provisions**

1. Startup and Test Energy. The Contract Price per MWh for Startup and Test Energy (including associated Environmental Attributes and Capacity Rights) is equal to seventy percent (70%) of the PV Contract Price. When Commercial Operation of the PV System is achieved, the Contract Price per MWh for Startup and Test Energy is equal to one hundred percent (100%) of the PV Contract Price.

2. PV Delivered Energy. Commencing on the Commercial Operation Date, the Contract Price payable by Buyer per MWh of PV Delivered Energy that is not Excess Energy (including associated Environmental Attributes and Capacity Rights) is the PV Contract Price. All transmission and Ancillary Service costs, including from the Facility to the Point of Delivery, and any transformer crossover fees for transmitting energy between substations are included in and shall not increase the Contract Price for PV Delivered Energy.

3. Excess Energy. The Contract Price per MWh for Excess Energy (including associated Environmental Attributes and Capacity Rights) is twenty-five percent (25%) of the PV Contract Price.

4. BESS Capacity. Following the Commercial Operation Date, the amount payable by Buyer for BESS Contract Capacity shall be the BESS Capacity Payment.

**B. Cooperation and Further Assurances.**

Each Party agrees to cooperate in good faith to carry out the intent of this Appendix A-1, including to execute and deliver all further confirmations and documents, and take all further actions not inconsistent with the provisions of this Appendix A-1 as requested by the other as may be reasonably necessary to effectuate the purposes and intent hereof.

**APPENDIX A-2  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC  
[RESERVED]**

**APPENDIX B-1  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**FACILITY, PERMITS AND OPERATOR**

1. Name of Facility: Bonanza Solar Facility
   
  
 Property: 36d 33' 33" N Latitude and 115d 47' 57" W Longitude, Clark County, Nevada
2. Owner: Bonanza Solar, LLC
3. Operator: EDF Renewables, Inc.
4. Equipment:
  - (a) Type of Facility: Solar Photovoltaic and Battery Energy Storage System
  - (b) PV Contract Capacity: One Hundred Twenty-Five (125) MW AC.
  - (c) BESS Contract Capacity: Not to exceed Sixty-Five (65) MW AC. To be determined in accordance with Appendix K-1 Section C.(i).
  - (d) Capacity Factor: 34.4 %\*
  - (e) The BESS will be designed to be capable of following the ADS.
5. Transmission Provider: GridLiance
6. Balancing Authority Area: CAISO
   
  
 Target Commercial Operation Date: December 31, 2027
   
  
 Guaranteed Commercial Operation Date (from Appendix I): December 31, 2028
6. Permits:
  - (a) Permits in the following table:

<b>Required Permit</b>	<b>Issuing Agency and Expected Date of Completion</b>	<b>Purpose</b>
<b>Federal ROW Grant(s); Application Form 299</b>	BLM (lead agency)	Grant federal ROW for Solar Facility and accessories.

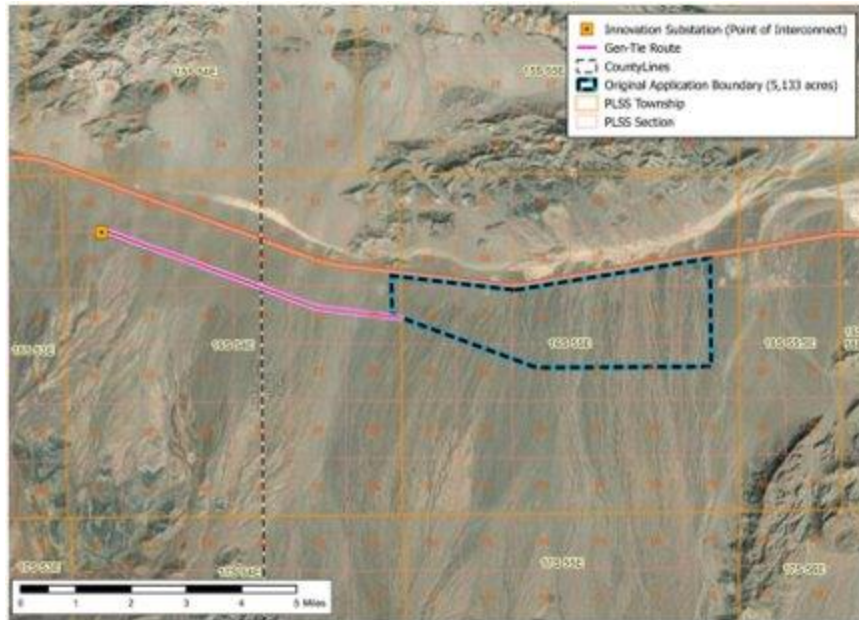
<b>Federal Impact Report (EIS)</b>	BLM (lead agency)	Environmental Impact Statement required to support the NEPA review and determination for Record of Decision.
<b>Federal Biological Opinion</b>	US Fish and Wildlife Service	Issued by USFWS to support impact analysis and mitigation for Desert Tortoise
<b>Federal Record of Decision and Notice to Proceed</b>	BLM (lead agency)	Final approval required from BLM to approve the Facility and begin construction under the final ROW Grant. Request must demonstrate that specific pre-construction conditions outlined in the Record of Decision have been met.
<b>Nevada Compliance Order under Utility Environmental Protection Act</b>	Public Utility Commission of Nevada	Approval required for a renewable utility facilities greater than 70 MW
<b>Nevada Permit to Construct Electric Utility Facilities under Utility Environmental Protection Act</b>	Public Utility Commission of Nevada	Permit required to construct renewable utility facilities greater than 70 MW
<b>Nevada Dust Control Permit and Enhanced Fugitive Dust Plan</b>	Clark County Department of Air Quality	Permit required for storm water runoff from construction activities
<b>Nevada Department of Transportation Encroachment Permit</b>	Nevada Department of Transportation	Required for improvements (as needed) and access to the Site off of Highway 95
<b>Clark County Land Use Permit, Grading and Building Permits, if applicable</b>	Clark County	If applicable, permit for site conditions and building permit
<b>Nye County Land Use Permit, if applicable</b>	Nye County	If applicable, permit for site conditions

(b) Any other permits, if any, required for the Seller or EPC Contractor to construct or operate the Facility, or consistent with any Requirement of Law.

\* The actual Capacity Factor may vary depending on weather and other meteorological conditions, final Facility design and other factors, although the Annual Contract Quantities in Appendix C and the Guaranteed Delivered Energy levels are fixed for all purposes of the Agreement.



**APPENDIX B-2  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC  
MAP OF THE FACILITY**



**APPENDIX C  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**ANNUAL CONTRACT QUANTITY AND EXPECTED RA CAPACITY**

<b>Contract Year</b>	<b>Annual Contract Quantity, MWh</b>	<b>Guaranteed Delivered Energy, MWh (80% of the Annual Contract Quantity)</b>	<b>Expected PV RA Capacity with System and (if applicable) Local Attributes (MWs)***</b>	<b>Expected BESS RA Capacity with System, Flexible, and (if applicable) Local Attributes (MWs)****</b>
1	373,818*	299,055*	8.9*	65*
2	371,949	297,559	8.9	65
3	370,089	296,071	8.9	65
4	368,239	294,591	8.9	65
5	366,398	293,118	8.9	65
6	364,566	291,653	8.9	65
7	362,743	290,194	8.9	65
8	360,929	288,743	8.9	65
9	359,124	287,300	8.9	65
10	357,329	285,863	8.9	65
11	355,542	284,434	8.9	65
12	353,765	283,012	8.9	65
13	351,996	281,597	8.9	65
14	350,236	280,189	8.9	65
15	348,485	278,788	8.9	65
16	346,742	277,394	8.9	65
17	345,008	276,007	8.9	65
18	343,283	274,627	8.9	65
19	341,567	273,254	8.9	65
20	339,859**	271,887**	8.9**	65**

\* Figure assumes 365 days in Contract Year 1 and shall be adjusted pro rata to reflect 365 days plus the number of days in the Initial Stub Year.

\*\* Figure assumes 365 days in Contract Year 20 and shall be adjusted pro rata to reflect 365 days plus the number of days in the Final Stub Year.

\*\*\*The Expected RA Capacity is subject to adjustments based on applicable Qualifying Capacity methodologies. Based on 125 MW PV nameplate and assuming a Qualifying Capacity methodology (such as 2023 average ELCC) that is 7.1% average over the year.

\*\*\*\* The Expected RA Capacity is subject to adjustments based on applicable Qualifying Capacity methodologies. Based on 65 MW BESS nameplate and assuming a Qualifying

Capacity methodology (such as 2023 average ELCC) of 100% for 4-hr energy storage that has grid-charging.

**Annual Production Breakdown**

<b>Month</b>	<b>Days in Month</b>	<b>Percent Annual Production in Month</b>
January	31	5.3%
February	28	6.3%
March	31	8.8%
April	30	9.9%
May	31	11.0%
June	30	11.4%
July	31	10.0%
August	31	10.0%
September	30	9.2%
October	31	7.7%
November	30	5.7%
December	31	4.8%

**APPENDIX D  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC  
FORM OF ATTESTATION**

\_\_\_\_\_ (Seller) \_\_\_\_\_ **Environmental Attribute Attestation and Bill of Sale**

Bonanza Solar, LLC (“Seller”) hereby sells, transfers and delivers to Southern California Public Power Authority (“Buyer”) the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation from the Facility described below:

Facility name and location:

Fuel Type: \_\_\_\_\_ Capacity (MW): \_\_\_\_\_ Operational Date: \_\_\_\_\_  
As applicable: CEC Reg. no. \_\_\_\_\_ Energy Admin. ID no. \_\_\_\_\_ Q.F. ID no. \_\_\_\_\_

<u>Dates</u>	<u>MWhs delivered</u>
_____ 20__	_____
_____ 20__	_____
_____ 20__	_____

in the amount of one Environmental Attribute or its equivalent for each MWh delivered.

Seller further attests, warrants and represents as follows:

- i) the information provided herein is true and correct;
- ii) its sale to Buyer is its one and only sale of the Environmental Attributes and associated Environmental Attribute Reporting Rights referenced herein;
- iii) the Facility generated and delivered to the grid the Energy in the amount indicated as undifferentiated Energy; and
- iv) Seller owns the Facility and each of the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the indicated Energy for delivery to the grid have been generated and sold by the Facility.

This serves as a bill of sale, transferring from Seller to Buyer all of Seller’s right, title and interest in and to the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the Energy for delivery to the grid.

Contact Person/telephone: \_\_\_\_\_

**APPENDIX E  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC  
FORM OF LETTER OF CREDIT**

**IRREVOCABLE AND UNCONDITIONAL  
STANDBY LETTER OF CREDIT NO. SB24.XXX**

Bonanza Solar LLC  
[Full Address]

For the account of  
EDF Renouvelables S.A.  
[Full Address]

**Beneficiary:**  
Southern California Public Power Authority  
1160 Nicole Court  
Glendale, CA 91740

Amount: *[Insert]*  
Expiration Date: *[Insert date which is one year from date of issuance]*  
Expiration Place: At the office of [\_\_\_\_\_]

Ladies and Gentlemen:

By order of Bonanza Solar LLC (insert address) and for the account of EDF Renouvelables S.A. we, [\_\_\_\_\_], [\_\_\_\_\_], hereby issue our Irrevocable, Unconditional Standby Letter of Credit No. SB..... for USD[\$] (the “Stated Amount”) in favor of the Beneficiary which is available for payment at sight upon presentation of the following to us at our office at [\_\_\_\_\_]: of:

- (i) your written demand for payment containing the text of Exhibit I; and
  - (ii) your signed statement containing the text of Exhibit II; and
  - (iii) the original of this Letter of Credit and all amendments if any
- or a photocopy of the original Letter of Credit and all amendments, if any, for partial drawings (the “Documents”).

Continued on page 2, which forms an integral part of the Letter of Credit

Our SB..... for USD[\$]

PAGE 2

Drawings may be presented via fax number []. This Letter of Credit will be payable in U.S. dollars within the continental U.S.

A presentation under this Letter of Credit may be made only on a day, and during hours, in which our office is open for business, and payments can be effected via wire transfer (a “Business Day”). Partial drawing of funds shall be permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance; *provided* that the available amount shall be reduced by the amount of each such drawing.

Upon presentation of Documents to us in conformity with the foregoing, we will, effect the payment in the amount set forth in the demand on the third (3rd) succeeding Business Day after such presentation, irrevocably and without reserve or condition except as otherwise stated herein. Payment shall be made to your order in the account at the bank designated by you in the demand in immediately available funds. We agree that if, on the Expiration Date, the office specified above is not open for business by virtue of an interruption of the nature described in the Uniform Customs Article 36, this Letter of Credit will be duly honored if the specified Documents are presented by you within thirty (30) days after such office is reopened for business.

*Provided* that the presentation under this Letter of Credit is made on or prior to the Expiration Date and the applicable Documents as set forth above conform to the requirements of this Letter of Credit, payment hereunder shall be made regardless of: (a) any written or oral direction, request, notice or other communication now or hereafter received by us from Bonanza Solar LLC or any other person except you, including without limitation any communication regarding fraud, forgery, lack of authority or other defect not apparent on the face of the documents presented by you, but excluding solely a written order issued by a court of competent jurisdiction, which order is legally binding on us and specifically orders us not to make such payment; (b) the solvency, existence or condition, financial or other, of EDF Renouvelables S.A. or any other person or property from whom or which we may be entitled to reimbursement for such payment; and (c) without limiting clause (b) above, whether we are in receipt of or expect to receive funds or other property as reimbursement in whole or in part for such payment.

We agree that the time set forth herein for payment of any demand(s) for payment is sufficient to enable us to examine such demand(s) and the related Document(s) referred to above with care so as to ascertain that on their face they appear to comply with the terms of this credit and that if such demand(s) and Document(s) on their face appear to so comply, failure to make any such payment within such time shall constitute dishonor of such demand(s).

Continued on page 3, which forms an integral part of this Letter of Credit

This Letter of Credit shall terminate upon the earliest to occur of (i) our receipt of a notice in the form of Exhibit III hereto signed by an authorized officer of Beneficiary, accompanied by original of this Letter of Credit and all amendments (if any) for cancellation, (ii) our close of business at our aforesaid office on the Expiration Date, or if the Expiration Date is not a Business Day, then on the next Business Day.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one (1) year from the Expiration Date, or any future Expiration Date, unless at least thirty (30) calendar days prior to the Expiration Date (or any future expiration date), we send you notice by registered mail, return receipt requested or overnight courier at your address herein stated or such other address of which you notify us in advance in writing that we elect not to consider this Letter of Credit extended for any such additional period.

The Stated Amount of this Letter of Credit may be increased or decreased, and the Expiration Date of this Letter of Credit may be extended, by an amendment to the Letter of Credit. Any such amendment for decrease shall become effective only upon acceptance by your signature on a hard copy amendment.

You shall not be bound by any written or oral agreement of any type between us and Bonanza Solar LLC or any other person relating to this credit, whether now or hereafter existing.

We hereby engage with you that your demand(s) for payment in conformity with the terms of this Letter of Credit will be duly honored as set forth above. All fees and other costs associated with the issuance of and any drawing(s) against this Letter of Credit shall be for the account of EDF Renouvelables S.A. All of the rights of the Beneficiary set forth above shall inure to the benefit of your successors by operation of law.

Except so far as otherwise expressly stated herein, this Letter of Credit is subject to the “Uniform Customs and Practices for Documentary Credits,” (2007 Revision) of the International Chamber of Commerce Publication No. 600 (the “Uniform Customs”). As to matters not governed by the Uniform Customs, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of California. Any litigation arising out of, or relating to this Letter of Credit, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

Continued on page 3, which forms an integral part of this Letter of Credit

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except for Exhibit I, II, and III hereto and the notices referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as otherwise provided in this paragraph.

Please address all correspondence regarding this Letter of Credit to the attention of the Standby Letter of Credit Department located at [\_\_\_\_], referring to our Standby Letter of Credit No. SB24.XXX. For online assistance, please contact the Standby Letter of Credit Department at [\_\_\_\_]and quote this Letter of Credit number in your subject header.

MM/DD/YYYY  
[\_\_\_\_\_]

Authorized Signature

Authorized Signature

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:



**EXHIBIT I**

**DEMAND FOR PAYMENT**

Re: Irrevocable and Unconditional Standby Letter of Credit No. SB24.XXX  
Dated \_\_\_\_\_, 20\_\_

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]

To Whom It May Concern:

Demand is hereby made upon you for payment to us of USD\_\_\_\_\_ by deposit to our account no. \_\_\_\_\_ at [insert name of bank]. This demand is made under, and is subject to and governed by, your Irrevocable and Unconditional Standby Letter of Credit No. SB24.XXX dated \_\_\_\_\_, 20\_\_ in the amount of USD\_\_\_\_\_ established by you in our favor by order of Bonanza Solar LLC and for the account of EDF Renouvelables S.A.

DATED: \_\_\_\_\_, 20\_\_.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By\_\_\_\_\_

Title\_\_\_\_\_

**EXHIBIT II**  
**STATEMENT**

Re: Your Irrevocable and Unconditional Standby Letter of Credit No. \_\_\_\_\_  
Dated \_\_\_\_\_, 20\_\_

[\_\_\_\_\_]   
[\_\_\_\_\_]   
[\_\_\_\_\_]

To Whom It May Concern:

Reference is made to your Irrevocable and Unconditional Standby Letter of Credit No. SB24.XXX, dated \_\_\_\_\_, 20\_\_ in the amount of USD\_\_\_\_\_ established by you in our favor by order of Bonanza Solar LLC and for the account of EDF Renouvelables S.A.

We hereby certify to you that USD\_\_\_\_\_ is due, owing and unpaid to us by the Applicant in that certain [DESCRIBE AGREEMENT].

DATED: \_\_\_\_\_, 20\_\_.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By\_\_\_\_\_

Title\_\_\_\_\_

**EXHIBIT III**

**SURRENDER**

Re: Your Irrevocable and Unconditional Standby Letter of Credit No. SB24.XXX  
Dated \_\_\_\_\_, 20\_\_

[\_\_\_\_\_]
[\_\_\_\_\_]
[\_\_\_\_\_]

Notice of Surrender of Letter of Credit

Date: \_\_\_\_\_

Attention: Standby Letter of Credit Department

Ladies and Gentlemen:

We refer to your above-mentioned Irrevocable and Unconditional Standby Letter of Credit (the “Letter of Credit”). The undersigned, an authorized signer of the Southern California Public Power Authority, hereby surrenders this Letter of Credit to you for cancellation as of the date set forth above. No payment is demanded of you under this Letter of Credit in connection with this surrender.

Very truly yours,

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By \_\_\_\_\_

Title \_\_\_\_\_

**APPENDIX F  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**INSURANCE**

**I. GENERAL REQUIREMENTS**

Within thirty (30) days after the Effective Date, Seller shall furnish Buyer evidence of commercial automobile liability, commercial general liability, excess liability, and workers' compensation coverage meeting the requirements set forth in this Appendix F from insurers acceptable to Buyer and in a form acceptable to the risk management section of the project manager for Buyer or acceptable to Buyer's agent for this purpose. Such insurance shall be maintained by Seller at Seller's sole cost and expense. Prior to the date on which each of Builders' Risk, Property All Risk and Professional Liability insurance is required to be obtained, Seller shall furnish Buyer evidence of coverage meeting the requirements of this Appendix F.

Such insurance shall not limit or qualify the liabilities and obligations of Seller assumed under this Agreement. Buyer shall not by reason of its inclusion under these policies incur liability to the insurance carrier for payment of premium for these policies.

Any insurance carried by Buyer which may be applicable shall be deemed to be excess insurance and Seller's insurance is primary for purposes under this Agreement despite any conflicting provision in Seller's policies to the contrary.

Such insurance shall not be canceled or reduced in coverage or amount without Seller first giving thirty (30) days' prior notice thereof (ten (10) days for non-payment of premium) by registered mail to Executive Director, Southern California Public Power Authority, 1160 Nicole Court, Glendora, CA 91740.

Should any portion of the required insurance be on a "Claims Made" policy, Seller shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

## **II. SPECIFIC COVERAGES REQUIRED**

### **A. Commercial Automobile Liability**

Seller shall provide Commercial Automobile Liability insurance which shall include coverages for liability arising out of the use of owned (if applicable), non-owned, and hired vehicles for performance of the work by Seller or its officers, agents, or employees, as required, to be licensed under the California or any other applicable state vehicle code. The Commercial Automobile Liability insurance shall have not less than One Million Dollars (\$1,000,000.00) combined single limit per occurrence and shall apply to all operations of Seller.

The Commercial Automobile Liability policy shall include Buyer, its members, and their officers, agents, and employees while acting within the scope of their employment, as additional insureds with Seller, and shall insure against liability for death, bodily injury, or property damage resulting from the performance of this Agreement by Seller or its officers, agents, or employees. The evidence of insurance shall be a form acceptable to Buyer's risk management agent.

### **B. Commercial General Liability**

Seller shall provide Commercial General Liability insurance that includes coverage for Bodily Injury, Contractual Liability, Independent Contractors, Property Damage, Premises and Operations, Products and Completed Operations, and Personal & Advertising Injury coverages included. Such insurance shall provide coverage for total limits actually arranged by Seller, but not less than Ten Million Dollars (\$10,000,000.00) per occurrence and in the aggregate. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such coverage shall be a form acceptable to Buyer's risk management agent, and shall include the following:

1. Include Buyer and its officers, agents, and employees as additional insureds with the Named Insured for the activities and operations of Seller and its officers, agents, or employees under this Agreement.
2. Severability-of-Interest or Cross-Liability Clause.
3. A description of the coverages included under the policy.

### **C. Excess Liability**

Seller may use an Umbrella or Excess Liability Coverage to meet coverage limits specified in this Agreement. Seller shall require the carrier for Excess Liability to properly schedule and to identify the underlying policies to the policy acceptable to Buyer's risk management agent. Such policy shall include, as appropriate, coverage for Commercial General Liability, Commercial Automobile Liability, Employer's Liability, or other applicable insurance coverages on a follow form basis.

#### **D. Workers' Compensation/Employer's Liability Insurance**

Seller shall provide Workers' Compensation insurance covering all of Seller's employees in accordance with the laws of any state in which the work is to be performed and including Employer's Liability insurance and a Waiver of Subrogation in favor of Buyer. The limit for Employer's Liability coverage shall be not less than One Million Dollars (\$1,000,000.00) each accident and shall be a separate policy if not included with Workers' Compensation coverage. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such insurance shall be a form of Buyer Special Endorsement of insurance or an endorsement to the policy acceptable to Buyer's risk management agent will be provided. Workers' Compensation/Employer's Liability exposure may be self-insured *provided* that Buyer is furnished with a copy of the certificate issued by the state authorizing Seller to self-insure. Seller shall notify Buyer's Risk Management Section by receipted delivery as soon as possible of the state withdrawing authority to self-insure.

#### **E. Builders' Risk**

Prior to commencing Site construction activities, Seller, or Seller's EPC Contractor, shall provide Builder's Risk insurance, which shall be of the "all risk" type, shall be written in completed value form, and shall protect Seller, Southern California Public Power Authority, the Board of Directors, and Buyer's members against risks of damage to buildings, structures, and materials and equipment that constitute part of the Facility, whether on site or in transit from any location worldwide. Outside of the United States; this transit insurance requirement may be satisfied by the purchase of a global marine specific policy, if applicable. The amount of such insurance shall be not less than the insurable value of the of the work at completion except for sublimits that are prudent with industry practice. Buyer shall be named additional insured on the policy as their interest may appear. The Builder's Risk insurance shall provide for losses to be payable to Seller and the aforementioned additional insured, as their interests may appear. The policy shall contain a provision that in the event of payment for any loss under the coverage provided, the insurance company shall have no rights of recovery against Seller and the aforementioned named additional insured. The Builders' Risk policy shall insure against all risks of direct physical loss or damage to property from any cause including testing, ensuing loss, commissioning, and, to the extent available in the insurance market on generally commercially reasonable terms, earthquake and flood, *provided*, that should Seller determine that either coverage is not available on generally commercially reasonable terms as aforesaid, Seller shall notify Buyer not less than thirty (30) days in advance of the date when such coverage will not, or will no longer, be available together with a description of Seller's efforts to obtain such coverage and an explanation of the basis for Seller's determination in reasonable detail. The policy shall be in full force and effect until the earlier of (1) the Commercial Operation Date or substantial completion date of the Facility, whichever completion date is the later or (2) the effective date of the Property All Risk Insurance referenced below.

**F. Property All Risk Insurance**

Seller shall procure and maintain or cause to be procured and maintained an All Risk Physical Damage policy to insure for the full replacement value of the property located at Facility under commercially available and reasonable terms as described in this Agreement and with sublimits prudent with industry practice and commercial availability. The policy shall include coverage for expediting expense, extra expense, Business Interruption, ensuing loss from faulty workmanship, faulty materials, or faulty design (LEG 2/96). This policy shall be obtained and placed in full force and effect prior to the expiration of the Builder's Risk Policy. This policy shall have the same insured and all losses shall be payable in the same manner, as provided for the Builders' Risk Policy in Paragraph II.E.

**G. Professional Liability**

Prior to the commencement of work by Seller's EPC Contractor under Seller's engineering, procurement and construction contract for the Facility, and subject to the following paragraph, Seller shall provide (or cause its EPC Contractor to provide) Professional Liability insurance with contractual liability coverage included covering Seller's (or such EPC Contractor's, as applicable) liability arising from errors and omissions made directly or indirectly during the execution of this Agreement (or the engineering, procurement and construction contract, as applicable) and shall provide coverage for the total limits actually arranged by Seller, but not less than \$1,000,000.00, each claim. Such policy shall be maintained for not less than three (3) years after the Commercial Operation Date under this Agreement. Evidence of such insurance shall be in the form of a special endorsement of insurance and shall include a Waiver of Subrogation in favor of Buyer, its officers, agents and employees.

The Parties agree to confer in good faith prior to the hiring of Seller's EPC Contractor (i) to determine whether the preceding requirement for Professional Liability insurance is reasonably necessary to be included in this Agreement to protect Buyer or the Buyer's Participating Members consistent with Prudent Utility Practices and (ii) to modify (or eliminate) such requirement as mutually agreed to be appropriate based on the foregoing standard in clause (i).

**APPENDIX G  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**QUALITY ASSURANCE PROGRAM**

Seller shall implement a Quality Assurance (“Q/A”) Program to ensure that the performance of the Facility fulfills the Requirements. The Q/A Program shall provide assurance that the Facility will comply with the Requirements and the manufacturers’ or suppliers’ requirements for successful operation of the Facility.

**Quality at Seller**

Seller believes that quality is the unit of measure for assessing fulfillment of project goals. A quality project meets or exceeds the contract requirements and accepted standards of professional and industry practice. Furthermore, high quality projects are those that address client and societal needs more successfully than “low” quality projects. While this may seem like a straightforward definition, the process to ensure quality is much more involved and includes quality management, quality planning, quality control, quality assurance, a quality system, and total quality management.

“Quality assurance” refers to a process that reduces the potential for error throughout the phases of a project. On projects with a Q/A Program, the chances of producing a poor quality deliverable are substantially reduced. Quality control procedures are an integral part of quality assurance. Historically, industry has used the term “quality control” to indicate a checking procedure for verifying the quality of deliverables. This checking commonly occurs at the end of the process, long after an error may have been made and compounded by subsequent work. While quality control checks at the end of a project are an essential exercise, scheduled periodic reviews at each phase of project conceptual and final design are integral to the Seller’s Q/A Program. In addition, quality maintenance which meets or exceeds manufacturers’ or suppliers’ requirements and best industry practices must be an integral part of Seller’s Q/A Program.

**The Quality Management Process**

The surest way to achieve satisfactory quality is to adhere to a proven quality process. The term “quality” most accurately refers to a project’s ability to satisfy needs when considered as a whole and each part of the process meets or exceeds the standards of Prudent Utility Practices.

Seller’s project management team is responsible for proactively planning and directing the quality of the work process, services, and deliverables. Seller’s project management team targets the following areas to monitor quality:

- 1) A written Quality Plan.



- 2) Independent engineering review of the entire project process, from design review through Commercial Operation.
- 3) A written maintenance manual for the Facility for the duration of the commercial operations that complies with the maintenance manuals of the manufacturers and suppliers from whom Seller has purchased equipment and/or material and best industry practices.

## **Quality Plan**

The idea of a Quality Plan is to incorporate quality assurance in all areas of project execution. Seller has found that quality needs to be institutionalized into the project process, not only in the budgeting process, but everywhere. For example, specific tasks and duties need to be allocated to specific individuals; roles and interface points need to be clearly defined; individual assignments need to be realistic; special attention needs to be paid to complex areas within projects; schedules need to be realistic and achievable; and lastly the work culture needs to be enjoyable and open so that employees are empowered to react quickly to symptoms of quality problems before they actually manifest.

The Seller's quality program shall be documented in a Quality Plan (the "Quality Plan"). The form and the format of the Quality Plan shall be developed by Seller, but must comply with Prudent Utility Practices and follow manufacturers' and suppliers' recommendations without deviation. The content of the Quality Plan shall provide written descriptions of policies, procedures and methodology to accomplish a quality project. Seller shall submit three (3) copies of the Quality Plan within ninety (90) days after the Effective Date to Buyer or Buyer's Authorized Representative. The Quality Plan shall be kept current by Seller throughout the term of this Agreement through the submittal of revisions, as appropriate, by Seller to Buyer or Buyer's Authorized Representative.

The Quality Plan shall describe the authority and the responsibility of the Persons in charge of the Q/A Program and inspection activities. Furthermore, it shall provide the plan and strategy for quality control and review during the construction period. The Quality Plan shall strive, at a minimum, to define control procedures or methods to assure the following:

- (a) The design documents, drawings, specifications, Q/A procedures, records, inspection procedures and purchase documents are maintained to be current, accurate and in compliance with all applicable law.
- (b) The purchased materials, equipment and services comply with the Requirements.
- (c) The materials received at the site are inspected for compliance with specifications.
- (d) The subcontracted work is adequately inspected by third parties as necessary.
- (e) Proper methods are employed for the qualification of personnel who are performing work for the construction of the Facility.
- (f) Proper documentation, control and disposition of nonconforming equipment and materials is maintained.

- (g) Proper records are kept and available following project completion to ensure accurate documentation of as-built conditions.
- (h) Detailed and complete plan for maintenance and operation during commercial operations consistent with manufacturers' and suppliers' recommendations and best industry practices.

### **Conceptual Design Review**

Seller has a team of professionals who develop and review conceptual design. The team consists of specialists in land-use and planning, permitting, meteorology, engineering, construction, project management, and finance. A preliminary site plan is developed in order to assess the solar resource, project constructability, site access, cultural and biological impact, land use restrictions, and landowner requirements. At this stage, the site plan is reviewed, modified as necessary, and used to begin the permitting and public review process. The site plan may be further modified based on comments received during the permitting and public review process. Subsequent to this phase, final third party engineering will commence.

### **Final Engineering Design**

Third party engineering firms, licensed to practice in the state in which the project is to be constructed, will commence the detailed design necessary for the permitting and construction of the Facility. Seller and an Independent Engineer will review the final work products to ensure conformance with this Agreement. When Seller and an Independent Engineer have completed a review process, and all substantial comments have been addressed, the design is considered final.

### **Quality Assurance at the Construction Site**

Seller will employ a contractor to construct the project. The contractor will be required to have a quality assurance program implemented by its own staff, and utilizing third party inspectors as necessary. The primary areas of focus are assuring conformance of construction to design drawings, conformance of materials to specifications, and to ensure prudent industry standards and best practices are being utilized. The contractor will be required to provide third party inspection and testing as necessary. The contractor will also be required to maintain a set of drawings during the course of construction, which will be used to document any changes to the design documents. Proposed project changes would be reviewed and approved in the field by Seller's construction management team prior to implementation.

The contractor will provide the required oversight and training of its installation crew to ensure the construction of the Facility meets its quality guidelines. As necessary, equipment suppliers may have technical advisors on site to inspect, advise, and sign off on installation means and methods. In addition, Seller will have its own construction management team on site consisting of a construction manager and quality inspectors who will observe performance of all areas of the work and ensure compliance with design documents and Q/A procedures. The contractor and appropriate equipment suppliers will commission the Facility per prudent industry standards, equipment specifications, and utility requirements. Prior to construction completion, a punchlist will be developed by the contractor, Seller, Seller's representatives, and an Independent Engineer. This punchlist is maintained by the contractor, and is signed off by Seller upon completion of all

punchlist items. Lastly, the independent engineer may perform periodic audits during construction to oversee critical items, confirm construction progress, and provide independent reporting and assessments to the project stakeholders.

Following completion of the project, the contractor will be required to provide to Seller as-built design drawings, record of all testing documentation, and final permit approvals. This documentation will be maintained at the project site during operations of the Facility.

### **Quality Assurance (“Q/A”) and Quality Control (“Q/C”) After Commercial Operation**

Seller shall perform Q/A and Q/C activities on all materials and equipment associated with the Facility, including any and all photovoltaic solar power generation equipment and BESS, on a periodic basis, and at a minimum once every six (6) months. At the completion of such Q/A and Q/C activities, Seller shall provide Buyer a detailed report identifying all areas of inspections performed, a detailed checklist, results found, remedial actions taken, if any, and follow up for any corrective actions. Seller shall provide Buyer with a schedule for performance actions needed as result of Q/A and Q/C activities. Buyer shall review the schedule, and provide comments to Seller. At or following the Construction Start Date, Buyer may request that Seller provide Buyer with a quality assurance plans that addresses the Q/A and Q/C activities in this paragraph and contains a checklist of items to cover for Q/A and Q/C activities.

**APPENDIX H  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC  
[RESERVED]**

**APPENDIX I  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC  
MILESTONE SCHEDULE**

<b>Pre-Commercial Operation Date</b>				
<b>No.</b>	<b><u>Guaranteed Date</u></b>	<b><u>Milestone Description</u></b>	<b><u>Daily Liquidated Damages (Y/N)</u></b>	<b><u>Security Deposit at Milestone Achievement</u></b>
1.	20 days following Vesting Date	Provision of Project Development Security	N	\$100/kW of PV Contract Capacity and BESS Contract Capacity.
2.	Upon the Commercial Operation Date	Provision of Delivery Term Security	N	\$150/kW of PV Contract Capacity and BESS Contract Capacity.
3.	Executed	Execute Interconnection Agreement	N	
4.	5/2/2025	NEPA Approval Obtained	N	
5.	5/2/2025	Clark County Land Use Permit, Grading and Building Permits	N	
6.	5/2/2025	Nye County Land Use Permit	N	
7.	6/1/2025	Execute Site Control Documents	N	
8.	6/1/2025	Nevada DOT Approval	N	
9.	6/15/2025	Nevada Compliance Order under Utility Environmental Protection Act	N	
10	6/15/2025	Nevada Permit to Construct Electric Utility Facilities under Utility Environmental Protection Act	N	
11	6/15/2025	Nevada Dust Control Permit and Enhanced Fugitive Dust Plan	N	

12	6/15/2025	Nevada Hazardous Materials Permit	N	
13	6/15/2025	Nevada Coverage under Clark County Multiple Species Habitat Conservation Plan and Incidental Take Permit	N	
14	6/15/2025	Nevada Department of Transportation Encroachment Permit	N	
15	7/31/2027 as may be extended by an Excused Delay Extension	Construction Start	Y. Delay damages are provided on a daily basis in an amount equal to (Project Development Security/180).	
16	12/31/2027	Target Commercial Operation Date	N	
17	12/31/2028, as may be extended by an Excused Delay Extension	Guaranteed Commercial Operation Date	Y. Starting on the COD Delay Damages Start Date, delay damages are provided on a daily basis in an amount equal to (Project Development Security/180).	
18	12/26/2029	Commercial Operation Date Deadline	N	
<b>Post-Commercial Operation Date</b>				
19	Within six(6) months after COD	Proof of CEC Certification	N	
20	Ongoing	Verification of WREGIS Registration (pre-COD, Seller must provide sufficient evidence to Buyer that it has prepared and registered all required documents and have taken all necessary steps for final WREGIS approval, including the Notice of Substantial Completion or COD notice to WREGIS, as appropriate. Post-COD Seller must provide sufficient evidence to Buyer that substantial completion of the Facility is verified, and it has provided WREGIS with the notice of COD and are only waiting for WREGIS to approve the unit so that RECs can be created.	N	

21	Monthly on-going	Seller to provide monthly reports of expected generation and indicators of when there may be a shortfall.	N	
22	Monthly on-going	Seller to provide monthly reports of past generation performance that include but are not limited to: Facility performance summary with month/year to date Facility performance on MWh, capacity factor, comparison of actual vs. expected, availability, wind speed/average illumination; operational summary including weather for the month, reasons for downtime, scheduled maintenance and repairs, curtailment events; safety and environmental summary.	N	

**APPENDIX J  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**AUTHORIZED REPRESENTATIVES;  
BUYER AND SELLER BILLING, NOTIFICATION AND  
SCHEDULING CONTACT INFORMATION**

1. **Authorized Representative.** The initial Authorized Representatives of Buyer and Seller pursuant to Section 14.1 are as follows:

1.1 Buyer:

Southern California Public Power Authority  
1160 Nicole Court  
Glendora, CA 91740  
Telephone: (626) 793-9364  
Facsimile: (626) 704-9461  
Email: projects@scppa.org

1.2 Seller:

Bonanza Solar, LLC  
15445 Innovation Drive, San Diego, CA 92128  
Attn: Blaine Sundwall  
Phone: (503) 593-9698  
Email: blaine.sundwall@edf-re.com

With a copy to:

EDF Renewable Development, Inc.  
505 14th Street, Suite 1150, Oakland, CA 94612  
Attn: Sohinaz Sotoudeh  
Phone: (917) 549-3346  
Email: Sohinaz.sotoudeh@edf-re.com

2. **Billings.** Billings and payments pursuant to ARTICLE XI and Appendix A-1 shall be transmitted to the following addresses:

2.1 If Billing to Buyer:

Southern California Public Power Authority  
1160 Nicole Court



Glendora, CA 91740  
Attention: Accounts Payable  
Telephone: (626) 793-9364  
Facsimile: (626) 704-9461  
Email: projectinvoices@scppa.org (with a copy to projects@scppa.org)

2.2 If Payment to Buyer:

Southern California Public Power Authority  
1160 Nicole Court  
Glendora, CA 91740  
Attention: Finance and Accounting  
Telephone: (626) 793-9364  
Facsimile: (626) 704-9461  
Email: projectinvoices@scppa.org

2.3 If Payment or Billing to Seller:

EDF RE Account Receivable  
15445 Innovation Drive, San Diego, CA 92128

Phone: 858-521-3300  
Email: Accounts.Payable@edf-re.com

3. **Notices.** Unless otherwise specified by Buyer all notices (other than Scheduling notices, curtailment notices, and Deemed Generated Energy notices):

If to Buyer:

Southern California Public Power Authority  
1160 Nicole Court  
Glendora, CA 91740  
Attention: Executive Director  
Telephone: 626-793-9364  
Facsimile: 626-793-9461  
Email: projects@scppa.org

And with a copy to:

Southern California Public Power Authority  
1160 Nicole Court  
Glendora, CA 91740  
Telephone: 626 793 9364  
Attention: Randy Krager, rkrager@scppa.org  
Email: projects@scppa.org

If to Seller:

Bonanza Solar, LLC  
15445 Innovation Drive, San Diego, CA 92128  
Attn: Blaine Sundwall  
Phone: (503) 593-9698  
Email: blaine.sundwall@edf-re.com

With a copy to:

EDF Renewable Development, Inc.  
505 14th Street, Suite 1150, Oakland, CA 94612  
Attn: Sohinaz Sotoudeh  
Phone: (917) 549-3346  
Email: Sohinaz.sotoudeh@edf-re.com

**APPENDIX K-1  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**BESS PERFORMANCE GUARANTEES**

A. BESS Performance Guarantees

- a. Round Trip Efficiency Performance Guarantee shall be the efficiency rate listed in the table below for the applicable Contract Year.
- b. The “*Minimum Round Trip Efficiency Performance Guarantee*” means the Round Trip Efficiency shall be no less than seventy five percent (75%).
- c. “*Guaranteed Dischargeable Energy*” shall be the MWh values listed in the table below for the applicable Contract Year as measured in accordance with Sections B and C below.
- d. The “*Minimum Dischargeable Energy Performance Guarantee*” shall be ninety percent (90%) of Guaranteed Dischargeable Energy.
- e. Peak Season BESS Availability Guarantee shall be ninety-eight percent (98%).
- f. Off-Peak Season BESS Availability Guarantee shall be ninety-six percent (96%).

<b>Contract Year</b>	<b>Guaranteed Dischargeable Energy (MWh)</b>	<b>Round Trip Efficiency Performance Guarantee</b>
1	260.0	89.00%*
2	260.0	88.70%
3	260.0	88.50%
4	260.0	88.30%
5	260.0	88.10%
6	260.0	87.90%
7	260.0	87.70%
8	260.0	87.50%
9	260.0	87.30%
10	260.0	87.10%
11	260.0	86.90%
12	260.0	86.70%
13	260.0	86.50%
14	260.0	86.30%
15	260.0	86.10%

<b>Contract Year</b>	<b>Guaranteed Dischargeable Energy (MWh)</b>	<b>Round Trip Efficiency Performance Guarantee</b>
16	260.0	85.90%
17	260.0	85.70%
18	260.0	85.50%
19	260.0	85.30%**

\* Figure shall apply to Initial Stub Year.

\*\* Figure shall apply to Final Stub Year.

**B. Storage Capacity Tests**

The following methods shall be used to track, measure and verify the applicable metrics for determining Seller’s satisfaction of the BESS Performance Guarantees:

Following the Commercial Operation Date, once each Contract Year Seller will perform a Storage Capacity Test and will give Buyer ten (10) Business Days prior notice of such test. At least twice per Contract Year, Buyer shall have the right to require Seller to schedule and complete a Storage Capacity Test at any time upon no less than five (5) Business Days prior written notice to Seller if Buyer provides data with such notice reasonably indicating that the Dischargeable Energy has varied materially from the results of the most recent Storage Capacity Test. Seller shall have the right to run a retest of any Storage Capacity Test upon five (5) Business Days’ prior written notice to Buyer (or any shorter period reasonably acceptable to Buyer consistent with Prudent Utility Practices).

No later than ten (10) days following any Storage Capacity Test, Seller shall submit a testing report detailing results and findings of the test and a certificate of the Independent Engineer substantially in the form attached as Appendix K-4 hereto, *provided*, that such certificate shall only be required (i) in the event of a reasonable dispute by Buyer of the results or (ii) if the results from such Storage Capacity Test varied materially from the results of the most recent Storage Capacity Test. The report shall include BESS Energy Meter readings and plant log sheets verifying the operating conditions and output of the BESS. In accordance with Section 9.6 of the Agreement and Appendix K-3, the actual Round Trip Efficiency and Dischargeable Energy determined pursuant to a Storage Capacity Test shall become the new Round Trip Efficiency and Dischargeable Energy at the beginning of the day following the completion of the test for calculating the BESS Capacity Price and all other purposes under this Agreement. Seller or Buyer each may cause to be conducted two additional Storage Capacity Tests each per Contract Year; *provided* that written notice requesting any such additional test must be provided within thirty (30) days from receipt of the testing report from the previously conducted Storage Capacity Test and such additional Storage Capacity Test must be conducted within thirty (30) days of the receipt of the testing report from the previously conducted Storage Capacity Test. If an initially conducted Storage Capacity Test is subject to one or more retests pursuant to the preceding sentence, the last of such retests shall be considered the applicable Storage Capacity Test for purposes of satisfaction of applicable BESS Performance Guarantees.

### C. BESS Performance Guarantee Calculations

For purposes of this Appendix K-1, the following terms shall have the respective meanings ascribed to them:

- **“Energy In”** has the meaning set forth in Part II.B of Appendix K-3.
- **“Energy Out”** has the meaning set forth in Part II.B of Appendix K-3.
- **“Cycle”** means a single cycle of operation of the BESS during which the BESS is fully charged and discharged, as tracked by the BMS.
- **“UNAVAILHRS”** means the total number of hours in the applicable measurement period during which the BESS (including BESS inverters) was unavailable to receive charging Energy (both from PV System Energy and Grid Charging Energy), store Energy, or deliver discharging Energy to the Point of Delivery up to the BESS Contract Capacity (as such unavailability is prorated for any BESS Contract Capacity that is available to charge, store, and discharge Energy at any given time) for any reason other than the occurrence of any BESS Excused Condition. To be clear, hours of unavailability caused by any BESS Excused Condition will not be included in UNAVAILHRS for such applicable measurement period. Any other event that results in unavailability of the BESS for less than a full hour will count as an equivalent percentage of the applicable hour(s) for this calculation.

(i) Dischargeable Energy (DE):

The total amount of Energy Out during each of the first four (4) hours of discharge, measured at the BESS Energy Meter pursuant to a Storage Capacity Test in accordance with Appendix K-3, shall be the new Dischargeable Energy (“**DE<sub>y</sub>**”) and shall be compared to the Guaranteed Dischargeable Energy (“**GDE<sub>y</sub>**”) until updated pursuant to a subsequent Storage Capacity Test. If the new Dischargeable Energy is lower than the Guaranteed Dischargeable Energy, the Dischargeable Energy divided by four (4) is the BESS Contract Capacity (in MW) for the given Contract Year.

(ii) Round Trip Efficiency:

The total amount of Energy Out divided by the total amount of Energy In, measured at the BESS Energy Meter pursuant to a Storage Capacity Test in accordance with Appendix K-3, exclusive of electrical losses to the Point of Delivery and separately metered station use and BESS auxiliary/parasitic loads in accordance with Section 4.3(b) associated with battery cooling and other thermal management equipment, and expressed as a percentage, shall be the new Round Trip Efficiency (“**RTE<sub>y</sub>**”) and shall be compared to the Round Trip Efficiency Performance Guarantee for the applicable Contract Year (“**RTE Performance Guarantee<sub>y</sub>**”), until updated pursuant to a subsequent Storage Capacity Test.

(iii) **“Peak Season BESS Availability”:**

Calculated for each Peak Season and compared to a fixed constant:

$$\text{Peak Season BESS Availability} = \frac{TH_y - UNAVAILHRS_y}{TH_y}$$

$$\geq \text{Peak Season BESS Availability Guarantee}$$

where  $UNAVAILHRS_y$  is calculated by the summation of Unavailable BESS Hour<sub>i,y</sub> for  $y^{th}$  Peak Season and  $TH_y$  represents the total number of hours in the same corresponding Peak Season. Unavailable BESS Hour<sub>i,y</sub> is the prorated unavailability of the BESS for each hour “i” for  $y^{th}$  Peak Season. Unavailable BESS Hour<sub>i,y</sub> shall be calculated as follows:

$$\text{Unavailable BESS Hour }_{i,y} = 1 - \frac{\text{Available BESS Capacity}}{\text{BESS Contract Capacity}}$$

where “Available BESS Capacity” shall be the sum of the available capacity of each of the system inverters, in MW AC, to receive charging energy, store energy, and deliver discharging energy to the Point of Delivery for the corresponding Peak Season.

(iv) **“Off-Peak Season BESS Availability”:**

Calculated for each Off-Peak Season and compared to a fixed constant:

$$\text{Off – Peak Season BESS Availability} = \frac{TH_y - UNAVAILHRS_y}{TH_y}$$

$$\geq \text{Off – Peak Season BESS Availability Guarantee}$$

where  $UNAVAILHRS_y$  is calculated by the summation of Unavailable BESS Hour<sub>i,y</sub> for each  $y^{th}$  Off-Peak Season and  $TH_y$  represents the total number of hours in the corresponding Off-Peak Season. Unavailable BESS Hour<sub>i,y</sub> is the prorated unavailability of the BESS for each hour “i” in  $y^{th}$  Season. Unavailable BESS Hour<sub>i,y</sub> shall be calculated as follows:

$$\text{Unavailable BESS Hour }_{i,y} = 1 - \frac{\text{Available BESS Capacity}}{\text{BESS Contract Capacity}}$$

where “Available BESS Capacity” shall be the sum of the available capacity of each of the system inverters, in MW AC, to receive charging energy, store energy, and deliver discharging energy to the Point of Delivery for in the corresponding Off-Peak Season.

**APPENDIX K-2**  
**TO**  
**POWER PURCHASE AGREEMENT**  
**BETWEEN**  
**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**AND**  
**BONANZA SOLAR, LLC**  
**REMEDY CALCULATIONS FOR FAILURE OF BESS PERFORMANCE**  
**GUARANTEES**

- A. For purposes of determining the Modified BESS Capacity Price due to a failure of the Dischargeable Energy Performance Guarantee, the “***Dischargeable Energy Adjustment Factor***” shall be equal to the result of the following formula (where y represents the applicable Contract Year during which such guarantee is not satisfied):

$$\frac{\textit{Dischargeable Energy}_y}{\textit{Guaranteed Dischargeable Energy}_y}$$

- B. For purposes of determining the Modified BESS Capacity Price due to a failure of the Round Trip Efficiency Performance Guarantee, the “***Round Trip Efficiency Adjustment Factor***” shall be equal to the result of the following formula (where y represents the applicable Contract Year during which such guarantee is not satisfied):

$$\frac{\textit{Round Trip Efficiency}_y}{\textit{RTE Performance Guarantee}_y}$$

- C. For purposes of determining the Modified BESS Capacity Price due to a failure of the Peak Season BESS Availability Guarantee, the “***Peak Season BESS Availability Adjustment Factor***” shall be equal to the result of the following formula (where y represents the applicable Peak Season during which such guarantee is not satisfied):

$$\frac{\textit{Peak Season BESS Availability}_y}{\textit{Peak Season BESS Availability Guarantee}}$$

- D. For purposes of determining the Modified BESS Capacity Price due to a failure of the Off-Peak Season BESS Availability Guarantee, the “***Off-Peak Season BESS Availability Adjustment Factor***” shall be equal to the result of the following formula (where y represents the applicable Off-Peak Season during which such guarantee is not satisfied):

$$\frac{\textit{Off-Peak Season BESS Availability}_y}{\textit{Off-Peak Season BESS Availability Guarantee}}$$

**APPENDIX K-3  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**STORAGE CAPACITY TEST PROCEDURES**

PART I. GENERAL.

Each Storage Capacity Test shall be conducted in accordance with the Requirements and the provisions of this Appendix K-3. For ease of reference, a Storage Capacity Test is sometimes referred to in this Appendix K-3 as a “*SCT*”. Buyer or its representative may be present for the SCT and may, for informational purposes only, use its own metering equipment (at Buyer’s sole cost).

PART II. REQUIREMENTS APPLICABLE TO ALL STORAGE CAPACITY TESTS.

A. Purpose of Test. Each SCT shall:

- (1) Determine the amount of Energy required to fully charge the BESS;
- (2) Determine the BESS charge ramp rate;
- (3) Determine the BESS discharge ramp rate;
- (4) Determine an updated Dischargeable Energy;
- (5) Determine an updated Round Trip Efficiency.

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

- The measurement of charging energy exclusive of station use and electrical losses, as measured by the BESS Energy Meter or other mutually agreed meter, that is required to charge the BESS up to the Maximum Stored Energy Level (as defined in Appendix Q) (“*Energy In*”);
- The measurement of discharging energy exclusive of station use and electrical losses, as measured by the BESS Energy Meter or other mutually agreed meter, that is discharged from the BESS to the Point of Delivery until the Stored Energy Level reaches zero MWh as indicated by the battery management system (“*Energy Out*”);
- Electrical output at Maximum Discharging Capacity (as defined in Appendix Q) at the BESS Energy Meter (MW);



- Electrical input at Maximum Charging Capacity (as defined in Appendix Q) at the BESS Energy Meter (MW);
  - Amount of time between the BESS's electrical output going from 0 to Maximum Discharging Capacity;
  - Amount of time between the BESS's electrical input going from 0 to Maximum Charging Capacity;
  - Amount of energy required to go from 0% Stored Energy Level to 100% Stored Energy Level charging at a rate equal to the Maximum Charging Capacity;
  - Amount of energy required to go from 100% Stored Energy Level to 0% Stored Energy Level discharging at a rate equal to the Maximum Discharging Capacity;
  - Ability to utilize either PV System Energy and Grid Charging Energy, and both, up to the BESS Contract Capacity.
- C. Parameters. During each SCT, the following parameters shall be measured and recorded simultaneously for the BESS, at ten (10) minute intervals:
- (1) charging and discharging time (minutes);
  - (2) charging energy (MWh);
  - (3) discharging energy (MWh);
  - (4) Stored Energy Level (MWh).
- D. Site Conditions. During each SCT, the following conditions at the Site shall be measured and recorded simultaneously at thirty (30) minute intervals:
- (1) Relative humidity (%); and
  - (2) Ambient air temperature (°F).
- E. Test Showing. Each SCT must demonstrate that the BESS:
- (1) successfully started;
  - (2) operated for at least four (4) consecutive hours at Maximum Discharging Capacity;
  - (3) operated for at least four (4) consecutive hours at Maximum Charging Capacity;

- (4) is able to deliver discharging energy to the Point of Delivery as measured by the BESS Energy Meter for four (4) consecutive hours at a rate equal to the Maximum Discharging Capacity.

F. Test Conditions.

- (i) General. At all times during a SCT, the BESS shall be operated in compliance with Prudent Utility Practices and all operating protocols recommended, required or established by the manufacturer for operation at Maximum Discharging Capacity and Maximum Charging Capacity (as each is defined in Appendix Q).
- (ii) Abnormal Conditions. If abnormal operating conditions that prevent the recordation of any required parameter occur during a SCT (including a level of irradiance that does not permit the PV System to produce sufficient charging energy), Seller may postpone or reschedule all or part of such SCT in accordance with Part II.G below.
- (iii) Instrumentation and Metering. Seller shall provide all instrumentation, metering and data collection equipment required to perform the SCT. The instrumentation, metering and data collection equipment electrical meters shall be calibrated in accordance with Prudent Utility Practices, and as applicable, the CAISO Tariff.

G. Incomplete Test. If any SCT is not completed in accordance herewith, Buyer may in its sole discretion: (i) accept the results up to the time the SCT stopped; (ii) require that the portion of the SCT not completed, be completed within a reasonable specified time period; or (iii) require that the SCT be entirely repeated. Notwithstanding the above, if Seller is unable to complete a SCT due to a Force Majeure event or the actions or inactions of Buyer or the CAISO or the PTO or the Transmission Provider, Seller shall be permitted to reconduct such SCT on dates and at times reasonably acceptable to the Parties.

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

- (1) a record of the personnel present during the SCT that served in an operating, testing, monitoring or other such participatory role;
- (2) the measured data for each parameter set forth in Part II.A through C, including copies of the raw data taken during the test;
- (3) the level of Dischargeable Energy, Energy In, Energy Out, Round Trip Efficiency, Maximum Charging Capacity, the current charge and discharge ramp rate, and Stored Energy Level determined by the SCT, including supporting calculations; and

- (4) Seller's statement of either Seller's acceptance of the SCT or Seller's rejection of the SCT results and reason(s) therefor.

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

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

- I. Supplementary Storage Capacity Test Protocol. No later than sixty (60) days prior to commencing Facility construction, Seller shall deliver to Buyer for its review and approval (such approval not to be unreasonably delayed or withheld) an updated supplement to this Appendix K-3 with additional and supplementary details, procedures and requirements applicable to Storage Capacity Tests based on the then current design of the Facility ("***Supplementary Storage Capacity Test Protocol***"). Thereafter, from time to time, Seller may deliver to Buyer for its review and approval (such approval not to be unreasonably delayed or withheld) any Seller recommended updates to the then current Supplementary Storage Capacity Test Protocol. The initial Supplementary Storage Capacity Test Protocol (and each update thereto), once approved by Buyer, shall be deemed an amendment to this Appendix K-3.

Part III. SUPPLEMENTARY STORAGE CAPACITY TEST PROTOCOL.

A. **Conditions Precedent to SCT**

- Control System Functionality: The storage facility control system shall be successfully configured to receive data from the battery system, exchange distributed network protocol 3 data (or other mutually agreed upon communication protocol between Parties) with the Buyer SCADA device, and transfer data to the database server for the calculation, recording and archiving of data points.
- Communications: Remote Terminal Unit (RTU) testing should be successfully completed prior to SCT. The interface between Buyer's RTU and the storage facility SCADA system should be fully tested and functional prior to starting testing. This includes verification of data transmission pathway between the Buyer's RTU and Seller's control system interface and the ability to record SCADA data.
- Commissioning Checklist: The commissioning checklist shall be successfully completed on all installed facility equipment, including verification that all controls, set points, and instruments of the control system are configured.
- Control System Functionality: The control system is operable within the requirements and has been successfully configured to receive data from the

battery system and transfer data to the onsite servers for the calculation, recording and archiving of data points.

- The following Commercial Operation tests will be repeated annually:
  - Round-Trip Efficiency and Dischargeable Energy Test

## **B. Round-Trip Efficiency and Dischargeable Energy Test**

1. The following test demonstrates the updated Round Trip Efficiency and amount of Energy required to fully charge the BESS (when performed annually or ad hoc).
  - i. The resulting quantity of discharging energy is the Energy Out (as reported in Part II.B above) and the resulting quantity charging energy is the Energy In (as reported in Part II.B above).
  - ii. The Qualified Energy is the sum of the total quantity of discharging energy at the BESS Energy Meter.
2. The BESS will be operated in both the charge and discharge and the BESS will be operated in the same fashion as normal day-to-day operation. No special changes will be made to the control system or BESS Operating Restrictions for the SCT.
3. Procedure:
  - i. System Starting State: The BESS will be in the on-line state with each battery subsystem at zero percent (0%) SOC.
  - ii. Verify that in the previous twenty-four (24) hour period, each battery subsystem completed the cell balancing procedure allowing full cell balancing to occur, as described in steps (i)-(iv).
  - iii. Verify that ambient temperature measurements at all battery subsystems are between 20°C and 30°C throughout this test. Exception can be made if the BESS is liquid cooled and the ambient temperature inside the BESS enclosures are not conditioned.
  - iv. Record initial values of each battery subsystem SOC. Exception can be made if the BESS is liquid cooled and the ambient temperature inside the BESS enclosures are not conditioned.
  - v. Command a real power charge that results in an AC power of the BESS's full charging power and continue the charge until the power is two percent (2%) different.
  - vi. Record and store the AC energy charged to the system as measured at the BESS Energy Meter. Measurements will be made by the BESS Energy Meter with recording in the storage facility historian.
  - vii. Within the amount of time required by the BESS supplier, command a real power discharge that results in an AC power output of the BESS's maximum discharge power.
  - viii. Maintain the discharging until the power is two percent (2%) different.

- ix. Record and store the AC energy discharged as measured at the BESS Energy Meter. Measurements will be made by the BESS Energy Meter with recording in the BESS historian.

Pass/Fail Criteria		
The Dischargeable Energy is greater than or equal to the Guaranteed Dischargeable Energy.		
Passed	Failed	Date:
Test Performed by:		
Test Witnessed by:		

Pass/Fail Criteria		
The measured Round Trip Efficiency is greater than or equal to the Round Trip Efficiency Performance Guarantee.		
Passed	Failed	Date:
Test Performed by:		
Test Witnessed by:		

Notes/Test Conditions:

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**APPENDIX K-4  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**FORM OF STORAGE CAPACITY TEST CERTIFICATE**

This certification (“*Certification*”) of Installed Capacity and related characteristics of the Facility is delivered by [licensed professional engineer] (“*Engineer*”) to Southern California Public Power Authority (“*Buyer*”) in accordance with the terms of that certain Power Purchase Agreement dated \_\_\_\_\_ (“*Agreement*”) by and between Bonanza Solar, LLC and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

I hereby certify the following:

- a. The Storage Capacity Test conducted on [Date] demonstrated a maximum dependable operating capability to discharge electric energy of [ ] MW AC to the Point of Delivery at four (4) hours of continuous discharge, in accordance with the testing procedures, requirements and protocols set forth in Section 9.6, Appendix K-1 and Appendix K-3;
- b. Such Storage Capacity Test demonstrated (i) a Round Trip Efficiency of [ ]% and (ii) Dischargeable Energy of [ ] MWh, each in accordance with the testing procedures, requirements and protocols set forth in Section 9.6, Appendix K-1 and Appendix K-3.

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

[LICENSED PROFESSIONAL ENGINEER]

By: \_\_\_\_\_

Its: \_\_\_\_\_

**APPENDIX L-1  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**FORM OF CONSTRUCTION START DATE CERTIFICATION**

This certification (“*Certification*”) of the Construction Start Date is delivered by Bonanza Solar, LLC (“*Seller*”) to Southern California Public Power Authority (“*Buyer*”) in accordance with the terms of that certain Power Purchase Agreement dated \_\_\_\_\_ (“*Agreement*”) by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Seller hereby certifies and represents to Buyer the following:

1. the engineering, procurement and construction contract related to the Facility was executed on \_\_\_\_\_;
2. the notice provided by Seller to EPC Contractor by which Seller authorizes the EPC Contractor to begin construction of the Facility without any delay or waiting periods was issued on \_\_\_\_\_ (attached);
3. the precise location of the Facility, which must be within the boundaries of the previously identified Site is: \_\_\_\_\_; and
4. the Construction Start Date has occurred today.

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

**Bonanza Solar, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX L-2**  
**TO**  
**POWER PURCHASE AGREEMENT**  
**BETWEEN**  
**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**AND**  
**BONANZA SOLAR, LLC**

**FORM OF COMMERCIAL OPERATION DATE CERTIFICATION**

In accordance with the terms of that certain Power Purchase Agreement dated as of [\_\_\_\_], 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “*Agreement*”) by and between Southern California Public Power Authority (“*Buyer*”) and Bonanza Solar, LLC (“*Seller*”), in order to determine achievement of Commercial Operation of the Facility, Seller shall demonstrate to Buyer that the Facility is operating and able to produce and deliver Delivered Energy to Buyer in accordance with the terms of the Agreement by delivery of a Commercial Operation Date Certification (the “*Certificate*”), signed by an authorized representative of Seller as to all of the items below, and which shall include a certificate in the form attached hereto of an Independent Engineer, licensed in the State of California and/or Nevada (as applicable), regarding the Facility’s ability to deliver Delivered Energy and confirming the items set forth therein. Any capitalized term used herein but not defined in the Certificate shall have the meaning set forth in the Agreement. The Certificate shall be submitted by Seller, along with reasonable documentation as may be requested by Buyer, and certify as to the following:

1. The Facility is operational and interconnected with the Point of Delivery and capable of delivering the Delivered Energy and receiving and storing the BESS Metered Input as required under the Agreement.
2. Construction and Commercial Operation of the Facility has been completed in accordance with the terms and conditions of the Agreement, the Facility possesses all of the characteristics required by this Agreement.
3. The Facility has successfully completed all testing required by the Transmission Provider under the Generator Interconnection Agreement and consistent with the Facility design and manufacturer’s requirements to be completed prior to Commercial Operation. Testing shall include but not be limited to operating the Facility for a period of not less than seven (7) consecutive days delivering PV Delivered Energy in an amount equal to at least ninety-five percent (95%) of the PV Contract Capacity and BESS Metered Output in an amount equal to at least ninety-five percent (95%) of the BESS Contract Capacity, in each case, during such period to the Point of Delivery.
4. Seller has segregated and separately metered station use to the extent reasonably possible in accordance with the metering diagram set forth in Appendix O, and any such meter(s) have the same or greater level of accuracy as required by the CAISO for such meters.



5. The BESS and its meters have been designed and installed in a manner that all Energy used for auxiliary use and station use within the BESS portion of the Facility is metered, and any such meter(s) have the same or greater level of accuracy as required by the CAISO for such meters.

6. Seller has obtained the insurance specified on Appendix F of the Agreement.

7. Seller shall have entered into an agreement providing for the operation and maintenance of the Facility with a Qualified Operator, unless Seller provides the operation and maintenance of the Facility.

8. Buyer has received the Performance Security that complies with the terms of the Agreement.

9. Buyer has accepted (which acceptance shall not be unreasonably withheld, conditioned or delayed) Seller's proof of timely registration with NERC for all applicable function types and the NERC Compliance Registry in accordance with the currently affective NERC Rules Of Procedure, including Seller's registration as both Generator Owner and Generator Operator.

10. Buyer has accepted (which acceptance shall not be unreasonably withheld, conditioned or delayed) Seller's mapping of NERC registered Function Types in accordance with the currently-effective WECC Entity Function Mapping procedures.

11. Buyer has received and found reasonably acceptable Seller's Q/A Program in accordance with Appendix G of the Agreement.

Upon reasonable notice and during regular business hours, Buyer's representative(s) may inspect the Facility and observe the testing associated with achievement of Commercial Operation, provided that such representative(s) of Buyer shall at all times comply with Seller's written instructions regarding safety and security while on the Site.

Signed,

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Name:  
Title:  
Date:

**APPENDIX 1**  
to  
**APPENDIX L-2**  
to  
**POWER PURCHASE AGREEMENT**  
**BETWEEN**  
**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**AND**  
**BONANZA SOLAR, LLC**

**FORM OF INDEPENDENT ENGINEER’S CERTIFICATE (COMMERCIAL  
OPERATION DATE CERTIFICATE)**

This Independent Engineer Certificate is delivered by [*selected Independent Engineer*] (“**Independent Engineer**”) in accordance with the terms of that certain Power Purchase Agreement dated as of [\_\_\_\_], 2023 (the “**Agreement**”) by and between Southern California Public Power Authority (“**Buyer**”) and Bonanza Solar, LLC (“**Seller**”). Capitalized terms used herein but not defined in this Certificate shall have the meaning set forth in the Agreement.

In order to determine achievement of Commercial Operation of the Facility, Independent Engineer hereby certifies the following regarding the Facility’s ability to deliver Delivered Energy:

1. The PV System is fully operational, reliable and interconnected, fully integrated and synchronized with the Transmission System and has been installed in accordance with the manufacturer’s specifications.

2. The battery comprising the BESS has been installed in accordance with the manufacturer’s specifications. The BESS is fully operational, reliable and interconnected, fully integrated and synchronized with the Transmission System and has been installed in accordance with the manufacturer’s specifications.

3. The Facility has successfully completed all testing required by the Transmission Provider under the Generator Interconnection Agreement and consistent with the Facility design and manufacturer’s requirements to be completed prior to Commercial Operation, including operating the Facility for a period of not less than seven (7) consecutive days and delivering PV Delivered Energy equal to at least ninety-five percent (95%) of PV Contract Capacity and BESS Metered Output equal to at least ninety-five percent (95%) of the BESS Contract Capacity, in each case, during such period to the Point of Delivery.

4. Seller has installed equipment for the PV System with an Installed PV Capacity of no less than ninety-five percent (95%) of the PV Contract Capacity.

5. Seller has installed equipment for the BESS with an Installed Storage Capacity of no less than ninety-five percent (95%) of the BESS Contract Capacity.

6. Authorization to parallel the Facility was obtained by the Transmission Provider, [Name of Transmission Provider as appropriate] on \_\_\_[DATE]\_\_\_.

7. The Transmission Provider has provided documentation supporting full unrestricted release for Commercial Operation by [Name of Transmission Provider as appropriate] on \_\_\_\_\_[DATE]\_\_\_\_\_.

8. The CAISO has provided notification supporting Commercial Operation, in accordance with the CAISO Tariff on \_\_\_\_\_[DATE]\_\_\_\_\_.

9. Seller has installed meters in accordance with Prudent Utility Practice, and any such meter(s) have the same or greater level of accuracy as is required by the CAISO for such meters.

The undersigned is a Licensed Professional Engineer in the State of California.

*[Signature page follows]*

Sincerely,

[SELECTED INDEPENDENT ENGINEER]

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Name:

Title:

Date:

**APPENDIX 2**  
to  
**APPENDIX L-2**  
to  
**POWER PURCHASE AGREEMENT**  
**BETWEEN**  
**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**AND**  
**BONANZA SOLAR, LLC**

**FORM OF INSTALLED CAPACITY CERTIFICATE**

This certification (“*Certification*”) of Installed Capacity and related characteristics of the Facility is delivered by [licensed professional engineer] (“*Engineer*”) to Southern California Public Power Authority (“*Buyer*”) in accordance with the terms of that certain Power Purchase Agreement dated \_\_\_\_\_ (“*Agreement*”) by and between Bonanza Solar, LLC and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

I hereby certify the following:

- a. The peak electrical output of the PV System at the Point of Delivery is [ ] MW AC (“*Installed PV Capacity*”);
- b. The Commercial Operation Storage Capacity Test conducted on [Date] demonstrated a maximum dependable operating capability to discharge electric energy of [ ] MW AC to the Point of Delivery at four (4) hours of continuous discharge, in accordance with the testing procedures, requirements and protocols set forth in Section 9.6, Appendix K-1 and Appendix K-3 (the “*Installed Storage Capacity*”);
- c. The sum of the Installed PV Capacity [and the Installed Storage Capacity] is [ ] MW AC and shall be the “*Installed Capacity*”; and
- d. Such Commercial Operation Storage Capacity Test demonstrated (i) a Round Trip Efficiency of [ ]% and (ii) Dischargeable Energy of [ ] MWh, each in accordance with the testing procedures, requirements and protocols set forth in Section 9.6, Appendix K-1 and Appendix K-3.

[Signature Page Follows.]

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

[LICENSED PROFESSIONAL ENGINEER]

By: \_\_\_\_\_

Its: \_\_\_\_\_

Title: \_\_\_\_\_

**APPENDIX M  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**SITE CONTROL DOCUMENTS**

1. Federal Land and Policy Management Act Title V Right of Way Grant

Note that the above Site Control Documents may be assigned from EDF Renewables Development, Inc. or another Affiliate to Bonanza Solar, LLC after the Effective Date.



**APPENDIX N  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**SALE LEASEBACK REQUIREMENTS**

(a) Performance of Lease Obligations. Seller shall at all times keep, perform, observe and comply with, or cause to be kept, performed, observed and complied with, all material covenants, agreements, conditions and other provisions required to be kept, performed, observed and complied with by or on behalf of Seller from time to time pursuant to the Lease, and Seller shall not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which, would reasonably be expected to impair the rights of Seller under the Lease, or could be grounds for the Sale Leaseback Lessor to terminate the Lease.

(b) Notice of Default. Seller shall give Buyer immediate notice of (i) any material default or of any event which, with the giving of notice or passage of time, or both, would become a default under the Lease or of the receipt by Seller of any notice from the Sale Leaseback Lessor thereof, or (ii) the commencement or threat of any action or proceeding or arbitration pertaining to the Lease. Buyer, at its option, may take any action (but shall not be obligated to take any action) from time to time deemed necessary or desirable by Buyer to prevent or cure, in whole or in part, any default by Seller under the Lease. Seller shall deliver to Buyer, promptly following service or delivery thereof on, to or by Seller, a copy of each petition, summons, complaint, notice of motion, order to show cause and other pleading or similar paper, however designated, which shall be served or delivered in connection with any such action, proceeding or arbitration.

(c) Sale Leaseback Lessor Bankruptcy. In the event of the termination, rejection, or disaffirmance by Sale Leaseback Lessor (or by any receiver, trustee, custodian, or other party that succeeds to the rights of the Sale Leaseback Lessor) under the Lease pursuant to the Bankruptcy Code (U.S.C. §§ 101 et seq.), Seller shall cooperate and work in good faith with Buyer to exercise Seller's rights under Section 365 of the Bankruptcy Code (including, without limitation, the election available pursuant to Section 365(h) of the Bankruptcy Code, and any successor provision) in a manner consistent with and in furtherance of the purpose of the Agreement and Buyer's interests in the Agreement (by which Seller acknowledges the importance of the Lease as security). Without limiting the generality of the foregoing sentence, Seller shall not, without Buyer's prior written consent, which shall not be unreasonably withheld, elect to treat the Lease or the leasehold estate created thereby as terminated under Section 365 of the Bankruptcy Code, after rejection or disaffirmance of the Lease by the Sale Leaseback Lessor (whether as debtor in possession or otherwise) or by any trustee of the Sale Leaseback Lessor, and any such election made without such consent shall be void at inception and of no force or effect. At the request of Buyer, Seller will join in any election made by Buyer under the Bankruptcy Code and will take no action in contravention of the rights granted to Buyer pursuant this Section (c). In the event there is a termination, rejection, or disaffirmance by the Sale Leaseback Lessor (whether as debtor in possession or otherwise) or by any trustee of the Sale Leaseback Lessor pursuant to the Bankruptcy

Code and, Seller elects, with Buyer's consent, to have Seller remain in possession under any legal right Seller may have to occupy the property pursuant to the Lease, then Seller shall remain in such possession and shall perform all acts necessary for Seller to retain its right to remain in such possession, whether such acts are required under the then existing terms and provisions of the Lease or otherwise.

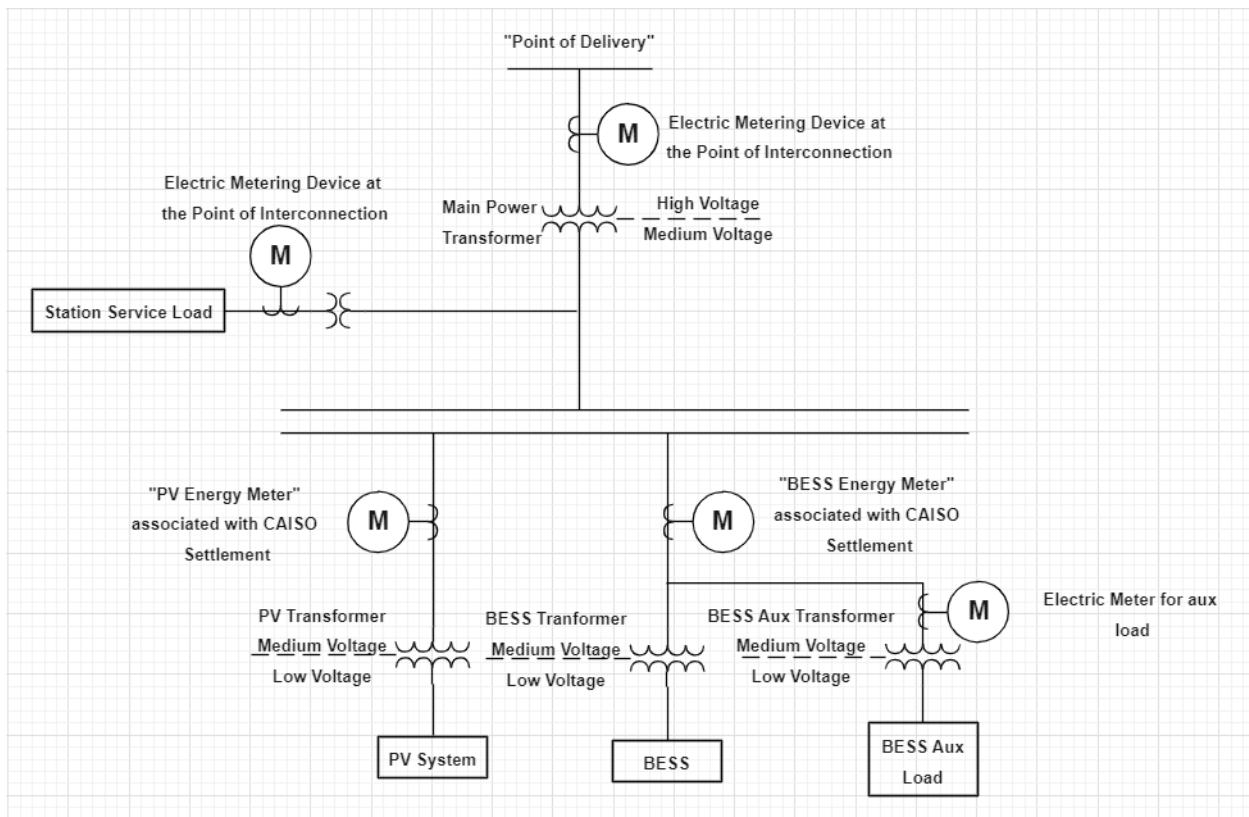
(d) Seller Bankruptcy. In the event that a petition under the Bankruptcy Code shall be filed by or against Seller and Seller or any trustee of Seller shall decide to reject or disaffirm the Lease pursuant to the Bankruptcy Code (or allow the same), Seller shall give Buyer at least ten (10) days prior notice of the date on which application shall be made to the court for authority to reject or disaffirm the Lease or the Lease will be otherwise rejected. Buyer shall have the right, but not the obligation, to serve upon Seller or such trustee within such ten (10) day period a notice stating that (i) Buyer demands that Seller (whether as debtor in possession or otherwise) or such trustee assume and assign the Lease to Buyer pursuant to the Bankruptcy Code, and (ii) Buyer covenants to cure, or to provide adequate assurance of prompt cure of, all defaults (except defaults of the type specified in Section 365(b)(2) of the Bankruptcy Code) and to provide adequate assurance of future performance under the Lease. In the event that Buyer serves any such notice as provided above, Seller (whether as debtor in possession or otherwise) shall not seek to reject or disaffirm the Lease and Seller (whether as debtor in possession or otherwise).

(e) Default Cure (non-bankruptcy). In the event of monetary default under the Lease other than in connection with a bankruptcy filing by or against Seller, upon any payment by Buyer to cure any default of Seller, as lessee thereunder, and thereby to prevent termination of the Lease or the exercise of any other remedy of the Sale Leaseback Lessor thereunder arising out of such default, Seller, within ten (10) days following receipt of notice from Buyer that it made such payment, shall pay the amount of such payment to Buyer plus interest accruing thereon at the Interest Rate, from and including the date of the payment by Buyer to cure such default to but excluding the date of such payment by the Seller.

(f) Memorandum. A memorandum of the Lease shall be recorded in the applicable county.

**APPENDIX O  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC  
METERING DIAGRAM**

Subject to change based on ISO or local utility service provider rules & regulations around metering at the time of implementation.



**APPENDIX P  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**FORM OF CONSENT AND AGREEMENT**

**CONSENT AND AGREEMENT**

This CONSENT AND AGREEMENT (this “Consent”), dated as of \_\_\_\_\_, 202\_\_, is executed by and among Southern California Public Power Authority, a public entity and joint powers authority formed and organized pursuant to the California Joint Exercise of Powers Act (California Government Code Section 6500, et seq.) (“Buyer”), [\_\_\_\_], in its capacity as collateral agent for the Secured Parties (as defined in the below defined Financing Agreement) (together with its successors and permitted assigns in such capacity, the “Collateral Agent”) and Bonanza Solar, LLC, a Delaware limited liability company (“Seller”). Each of Buyer, Seller and the Collateral Agent is referred to under this Agreement as a “Party,” and together they are referred to as the “Parties”. Capitalized terms used but not defined herein shall have the meanings set forth in the PPA (as defined below) in effect on the date hereof.

**RECITALS**

A. [\_\_\_\_] (“Borrower”)[, an indirect owner of Seller,] has entered into that certain Financing Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Financing Agreement”), with the financial institutions from time to time party thereto as lenders and letter of credit issuing banks (collectively, the “Lenders”), [\_\_\_\_], as administrative agent for the Lenders, the Collateral Agent, and the other agents and Persons party thereto, pursuant to which the Lenders have agreed to extend financing to Borrower, the proceeds of which are to be utilized for the [construction, ownership, operation and maintenance] of an approximately one hundred twenty-five (125) MWac solar-powered electric generating facility (the “PV System”) and up to sixty five (65) MWac (4 hour) battery energy storage system, if constructed, (“BESS” and, together with the PV System, the “Facility”, as further described in the PPA) located in Clark County, Nevada.

B. Seller and Collateral Agent have entered into a [Guarantee and Security Agreement], dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Security Agreement”) under which Seller collaterally assigned its interest under the PPA to Collateral Agent as collateral for the credit facilities under the Financing Agreement and a deed of trust or mortgage under which Seller has granted to Collateral Agent a lien on the Facility to be recorded in Clark County, Nevada (the “Financing Deed of Trust”). Additionally, [\_\_\_\_] (“Pledgor”) has entered into a [Guarantee, Pledge and Security Agreement], dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Pledge Agreement” and, together with the Security Agreement and Financing Deed of Trust, the “Construction Period Collateral

Documents” and, together with the Financing Agreement and any related agreements or documents, the “Financing Documents”) with Collateral Agent pursuant to which it has pledged to Collateral Agent all of the membership interests in Seller, to secure Borrower’s obligations under the Financing Agreement.

C. Buyer and Seller entered into that certain Power Purchase Agreement, dated as of [\_\_\_\_\_] (as may be amended, amended and restated, supplemented or otherwise modified from time to time, the “PPA”), pursuant to which Seller will develop, finance, construct, own, and operate the Facility, and will, except as otherwise provided in the PPA, sell the Energy from the Facility to Buyer.

D. Pursuant to Section 13.3 of the PPA, Seller has requested Buyer’s consent to collateral assignment, pursuant to the Security Agreement, by Seller to the Collateral Agent of all of Seller’s right, title and interest in, to and under the PPA, to the grant of the liens in the Facility pursuant to the Financing Deed of Trust and to the pledge of the direct and indirect membership interests in Seller to the Collateral Agent.

## **AGREEMENT**

### 1. Assignment and Agreement.

1.1 Consent to Assignment. Buyer hereby consents to the collateral assignment to the Collateral Agent, pursuant to the Security Agreement, of all of Seller’s rights, title and interest in, to and under the PPA (including, without limitation, the right to receive payment thereunder), the granting of Liens on all property of Seller pursuant to the Construction Period Collateral Documents, the pledge of direct membership interests in Seller to the Collateral Agent as security for Borrower’s obligations under the Pledge Agreement, the pledge of the indirect membership interests in Seller to the Collateral Agent pursuant to the terms of the Financing Agreement and Buyer acknowledges that the Collateral Agent and is a “Facility Lender” for purposes of the PPA. Subject to the terms and conditions of this Consent, Buyer agrees that, in exercising its remedies under the Construction Period Collateral Documents, the Collateral Agent may exercise Seller’s rights under the PPA.

1.2 Notices: Right to Cure by the Collateral Agent. Upon the occurrence of a Default (as defined under the PPA) by Seller under the PPA, Buyer shall give concurrent notice of such Default to Seller and the Collateral Agent. Upon receipt of notice from the Collateral Agent, Buyer agrees to accept the exercise and cure by the Collateral Agent of the Default if such exercise and cure is in compliance with the PPA and this Consent. Buyer shall not terminate or suspend its performance under the PPA until the Collateral Agent has been given: (a) if such Default is a monetary Default, thirty (30) days after the later of (i) the expiration of all cure periods available to Seller under the PPA and (ii) receipt of such notice to cure a monetary Default or, (b) if such Default is a nonmonetary Default, sixty (60) days after the later of (i) the expiration of all cure periods available to Seller under the PPA and (ii) receipt of such notice (or up to thirty (30) additional days, so long as the Collateral Agent reasonably demonstrates to Buyer that it is diligently pursuing appropriate action to cure and is making sufficient progress toward curing such Default); provided, however, that (x) if possession of the Facility is necessary to cure any such nonmonetary Default and the Collateral Agent commenced foreclosure proceedings within thirty

(30) days after the Collateral Agent's receipt of notice of Default from Buyer and are diligently pursuing such foreclosure proceedings, the Collateral Agent will be allowed a reasonable additional period of time, not to exceed ninety (90) days after receipt of such notice of Default from Buyer, to complete such proceedings and cure such Default, and (y) if the Collateral Agent is prohibited from curing any such Default by any process, stay or injunction issued by any Governmental Authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving Seller, then the time periods specified herein for curing a Default shall be extended for the period of such prohibition, so long as the Collateral Agent has diligently pursued removal of such process, stay or injunction, but in no event more than two hundred thirty (230) days. Failure of Buyer to provide such notice to the Collateral Agent shall not constitute a breach of the PPA or this Consent by Buyer and the Collateral Agent agrees that Buyer shall have no liability to the Collateral Agent for such failure whatsoever; provided that no claim of Default or termination of the PPA by Buyer shall be binding without such notice and the lapsing of the applicable periods set forth above. If the Collateral Agent fails to cure a Default within the applicable period, Buyer shall have all its rights and remedies with respect to such Default as set forth in the PPA.

1.3 Subsequent Owner. Subject to the terms and conditions of this Consent, the Parties agree that the Collateral Agent shall, concurrent with any statutory notice required to be delivered to Seller, give notice in writing to Buyer not less than thirty (30) days prior to the date of any foreclosure or transfer of the Facility and the PPA (a "Foreclosure Sale") and, in addition, the Collateral Agent shall subsequently notify Buyer following any transfer pursuant to such foreclosure. If the Collateral Agent notifies Buyer in writing that it has completed foreclosure on the Facility and PPA pursuant to the Construction Period Collateral Documents, taken a "deed in lieu of foreclosure" with respect to the Facility and PPA, or otherwise transferred the Facility and PPA, the Collateral Agent or its permitted successors or assigns, or any other purchaser of the Facility (each such Person, including the Collateral Agent that is a transferee, a "Subsequent Owner"), shall be recognized as a party substituting for Seller under the PPA so long as such the Subsequent Owner meets the qualifications for a Qualified Transferee and each Subsequent Owner expressly assumes Seller's obligations under the PPA, and the terms and conditions of the PPA as in effect on such date of transfer or foreclosure shall continue to apply to such Subsequent Owner; provided, however, it is acknowledged and agreed that [insert name of Collateral Agent that is a party to this Consent] is a Qualified Transferee.

1.4 [Reserved].

1.5 Foreclosure Sale. In the event a Foreclosure Sale or deed in lieu of foreclosure under the Construction Period Collateral Documents shall take place, Buyer or any Participating Member shall have the right to bid at such Foreclosure Sale for the purchase of the Facility. The Collateral Agent may sell the membership interests in Seller pursuant to such Foreclosure Sale.

1.6 Third Party Beneficiary. No action of Buyer taken pursuant to the exercise of its rights as provided in this Consent shall be deemed to be a waiver of any right accruing to Buyer on account of the occurrence of any matter which constitutes a default or a breach of Seller's obligations under the Financing Agreement or the PPA.

1.7 No Assignment. Buyer agrees that it shall not, without the prior written joint consent of Seller and the Collateral Agent (such consent to not be unreasonably withheld, conditioned or delayed) sell, assign or transfer any of its rights under the PPA, other than in accordance with Section 14.7 of the PPA. The Collateral Agent shall be deemed to have consented to such sale, assignment or transfer should it fail to respond within forty-five (45) days after the date of the notice from Buyer is received by the Collateral Agent.

1.8 Limitation of Liability.

(a) Seller agrees that it shall indemnify and hold Buyer harmless, and, at Buyer's option, defend, Buyer and its Indemnitees from and against from any third-party claims, losses, liabilities, damages, judgments, fines, penalties, costs or expenses (including, without limitation, any direct, indirect or consequential claims, losses, liabilities, damages, costs or expenses, including legal fees) in connection with or arising out of any of the transactions related to the Financing Agreement and the Construction Period Collateral Documents or this Consent.

(b) In the event of any Foreclosure Sale, or the taking of any deed in lieu of foreclosure, in connection with an exercise of remedies under any Construction Period Collateral Documents, the Collateral Agent shall, if performance of the PPA is reasonably possible, cause the Subsequent Owner to assume in writing and agree to be bound by the covenants and agreements of Seller in the PPA; provided, however, that until the Subsequent Owner executes and delivers to Buyer a written assumption of Seller's obligations under the PPA, in form and substance reasonably acceptable to Buyer, such Person will not be entitled to any of the benefits of the PPA. The Collateral Agent agrees that in no event shall Buyer be liable to the Collateral Agent or any Subsequent Owner for any claims, losses, expenses or damages whatsoever under the PPA other than liability Buyer may have to Seller under the PPA. In the event a Subsequent Owner elects to perform Seller's obligations under the PPA in accordance with Section 1.3 hereof, the recourse of Buyer in seeking the enforcement of such obligations shall be limited to any Project Development Security, or the Delivery Term Security, as applicable, provided pursuant to the PPA and the value (taking into account indebtedness secured by the Facility, including indebtedness arising in connection with such Project Development Security or the Delivery Term Security, as applicable) of the Subsequent Owner's interest in the Facility.

1.9 Reinstatement. In the event that the PPA is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding, and if, within forty-five (45) calendar days after such rejection, the Collateral Agent shall so request, Buyer will execute and deliver to the Collateral Agent a new power purchase agreement, which power purchase agreement shall be on the same terms and conditions as the original PPA for the remaining term of the original PPA before giving effect to such rejection, and which shall require the Collateral Agent to cure any defaults then existing under the original PPA other than the default under the original PPA attributed to the bankruptcy or insolvency of Seller.

2. Payments under the PPA. Without limiting the rights of Buyer under the PPA, Buyer shall pay any amounts owed in the manner and when required under the PPA directly to the accounts specified below or otherwise designated by the Collateral Agent to Buyer in writing. From and after such time as an entity qualifies as a Subsequent Owner, Buyer shall pay all such amounts owed directly to or at the written direction of such Subsequent Owner. Commencing on

the date of this Consent and until the occurrence of the Term Conversion Date (as defined in the Financing Agreement and which shall only occur for purposes of this Consent after Buyer receives written notice thereof from the Collateral Agent) (the "Construction Loan Discharge Date"), Seller hereby directs Buyer, and Buyer agrees, to make all payments and amounts Buyer is obligated to pay to Seller under the PPA, which payments shall satisfy any such payment obligations of Buyer to Seller in full and complete satisfaction of Buyer's obligations to Seller under the PPA to the following account:

Bank Name: [\_\_\_\_\_]

Account Number: [\_\_\_\_\_]

ABA Number: [\_\_\_\_\_]

Account Name: [\_\_\_\_\_]

Ref: [\_\_\_\_\_]

The Collateral Agent and Seller agree that any change in payment notification shall become effective within thirty (30) days after receipt by Buyer of written notice thereof in accordance with this Consent. Buyer shall have no liability to Seller or any Secured Party (or their successors and assigns) for making payments due or to become due under the PPA to any Secured Party or for failure to direct any payments to the Collateral Agent rather than Seller.

3. Acknowledgements; Representations and Warranties.

3.1 Buyer. Buyer hereby represents and warrants to the Collateral Agent as of the date of this Consent as follows:

Buyer agrees that any foreclosure by the Collateral Agent on the direct or indirect membership interests in Seller, or any parent entity of Seller and any subsequent transfer to a third party by the Collateral Agent after such foreclosure, upon the occurrence of a default under the Financing Agreement shall not constitute a breach under the PPA so long as the Facility is operated and maintained by a Qualified Operator following any such foreclosure and subsequent transfer. Collateral Agent shall obtain Buyer's consent (such consent not to be unreasonably withheld) prior to any transfer by Collateral Agent of the membership interests in Borrower or Pledgor upon the occurrence of a default by Borrower under the Financing Agreement to an entity other than a Qualified Transferee.

3.2 Seller and Collateral Agent.

(a) Seller and the Collateral Agent acknowledge that Buyer has not made and hereby makes no representation or warranty, expressed or implied, that Seller has any right, title or interest in the collateral secured by the Construction Period Collateral Documents (the "Collateral") and the Collateral Agent acknowledges that it has not relied upon any such representations of Buyer. The Collateral Agent acknowledges that it is responsible for satisfying itself as to the existence and extent of Seller's right, title, and interest in the Collateral.



(b) Except as otherwise expressly provided herein, the Collateral Agent acknowledges that Buyer shall not have any contractual obligations to the Collateral Agent, and the Collateral Agent acknowledges that it has not relied upon any representations of Buyer in connection with its lending arrangements with Borrower for the Facility.

(c) Except with respect to performance of the agreements contained herein, Seller and the Collateral Agent acknowledge that Buyer shall have no liability to Seller or the Collateral Agent resulting from or related to this Consent, or for consenting to any future assignments of the Collateral or any interest of Seller or the Collateral Agent therein.

(d) Seller and the Collateral Agent each agree that Buyer shall, at all times, have (and Buyer hereby expressly reserves) the right to set off or deduct from payments due to Seller under the PPA amounts owing to Buyer by Seller under the PPA, in each case solely in accordance with Section 11.5 of the PPA.

(e) Collateral Agent represents and warrants that it is duly authorized, on behalf of the Secured Parties it represents, to enter into and perform its obligations under this Consent.

#### 4. Miscellaneous.

##### 4.1 Governing Law; Submission to Jurisdiction.

(a) This Consent shall be governed by, interpreted, and enforced in accordance with the laws of the State of California, without regard to conflict of law principles.

(b) All litigation arising out of, or relating to this Consent, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

4.2 Conflicts. Except as otherwise set forth herein, this Consent does not modify or alter any of the terms of the PPA. As between the Buyer and the Seller, to the extent the terms and conditions herein conflict with those in the PPA, the terms and conditions of the PPA shall control. Except as set forth herein, Buyer shall have no obligation or liability to the Collateral Agent with respect to the PPA. For purposes of this provision, Seller and Buyer agree that the acknowledgments and consents provided in Section 1.1, the extended cure periods provided in Section 1.2, the rights of a Subsequent Owner in Section 1.3, the restriction on assignment in Section 1.7, the payments pursuant to Article 2, and the agreement regarding change in control in Section 3.1 do not conflict with the PPA.

4.3 Counterparts. This Consent may be executed in any number of counterparts and by the different Parties on separate counterparts, each of which, when so executed and delivered, shall be an original, but all of which shall together constitute one and the same instrument. Any signature page of this Consent may be detached from any counterpart of this Consent without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Consent identical in form hereto by having attached to it one or more signature pages.

4.4 Amendment; Waiver. Neither this Consent nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by Buyer, Seller and the Collateral Agent.

4.5 Successors and Assigns. This Consent shall be binding upon and inure to the benefit of Buyer, Seller, the Collateral Agent and each of their respective successors and permitted assigns.

4.6 Attorneys' Fees. Seller shall reimburse Buyer for all actual and documented costs and expenses incurred by Buyer in connection with the facilitation of Seller's collateral assignment or pledge of the PPA, or any other action taken in connection with the transactions contemplated in this Consent, or otherwise pursuant to any request made by Seller or the Collateral Agent.

4.7 Representation by Counsel. Each of the Parties was represented by its respective legal counsel during the negotiation and execution of this Consent.

4.8 Estoppel Certificate. Buyer agrees to deliver to the Collateral Agent and any Tax Investor a customary estoppel certificate, substantially in the form of Exhibit A, on or about the date of delivery of this Consent[, in connection with the initial funding by the Tax Investors,] and in connection with the achievement of Commercial Operation of the Facility following receipt of a written request therefor from Seller.

4.9 Notices. Any communications between the Parties or notices provided herein to be given shall be given to the following addresses:

If to Seller:

Bonanza Solar, LLC  
c/o [\_\_\_\_\_]

If to Buyer:

Southern California Public Power Authority  
1160 Nicole Court  
Glendora, CA 91740  
Attn: Executive Director  
Tel: (626) 793-9364  
Fax: (626) 793-9461

If to the Collateral Agent:

[\_\_\_\_\_]

as Collateral Agent

[\_\_\_\_\_]

[\_\_\_\_\_]

Attention: [\_\_\_\_\_]

Email: [\_\_\_\_\_]

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service, (c) if mailed by first-class United States Mail, postage prepaid, registered or certified with return receipt requested, or (d) if sent by prepaid telegram or by facsimile. Any Party may change its address for notice hereunder by giving written notice of such change to the other Parties.

4.10 Termination of Collateral Documents and Consent. Seller and Collateral Agent agree that upon the termination of the Construction Period Collateral Documents on the Term Conversion Date, the only remaining collateral security of the Collateral Agent securing the obligations of the Borrower under the Financing Agreement will be the membership interests in, and any assets of, the Pledgor and the Borrower and [\_\_\_], and there will be no remaining collateral security of the Collateral Agent in the Seller or its assets that secures the obligations of the Borrower under the Financing Documents. Seller agrees to deliver notice of the occurrence of the Term Conversion Date to Buyer (with a copy to Collateral Agent) promptly but in no event more than 10 days after such Term Conversion Date. The Parties agree that, as of such date, any rights, duties or obligations arising hereunder shall terminate and no longer be applicable; provided, that Sections 1.1, 1.8(a), 3, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.9 and 4.10 shall survive the termination of this Consent. Upon the occurrence of the Term Conversion Date, if requested by Seller, Buyer shall enter into an agreement that provides to Seller's direct or indirect tax equity investors rights substantially the same as those set forth in Section 4.11 of the Form of Consent to Collateral Assignment attached as Appendix P to the PPA.

4.11 Tax Investor Accession. Each of Buyer, Lender, Seller and the Tax Investors hereby agree as follows:

(a) Effective as of the earlier to occur of (1) the date that the obligations under the Financing Documents are repaid in full; (2) the Term Conversion Date and (3) [\_\_\_\_\_]; provided that clause 4.11(a)(i) below shall not be applicable until the earlier to occur of one of subclauses (1) or (2) of this clause 4.11(a):

i. The rights of the Lender under Section 1 hereof and the payment direction in Section 2 hereof will terminate.

ii. Buyer will not terminate the PPA or suspend its performance under the PPA on account of any Default (as defined under the PPA) of Seller thereunder, without

written notice to the Tax Investors and first providing to the Tax Investors and the right to cure the relevant Default during the cure period (if any) applicable to such Default under the PPA. Failure of Buyer to provide notice to the Tax Investors shall not constitute a breach of the PPA or this Consent by Buyer, and Buyer shall have no liability to any Tax Investor for any such failure; provided that no claim of Default or termination of the PPA by Buyer shall be binding without such notice and the lapsing of the applicable cure periods (if any) set forth in the PPA. Following notice to the Tax Investors and the lapsing of any applicable cure period, Buyer may exercise any remedies under the PPA with respect to such Default, including terminating the PPA or suspending its performance under the PPA.

(b) The address of the Tax Investors for purposes of all notices and other communications is:

[\_\_\_\_\_]

*and*

[\_\_\_\_\_]

*With copies to:*

[\_\_\_\_\_]

*and*

[\_\_\_\_\_]

*and*

[\_\_\_\_\_]

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Consent and Agreement to be duly executed and delivered as of the date first above written.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY,

as Buyer

By: \_\_\_\_\_

President

Date:

Attest: \_\_\_\_\_

Assistant Secretary

Bonanza Solar, LLC,

a Delaware limited liability company

as Seller

By: \_\_\_\_\_

Name:

Title:

[\_\_\_\_\_],

as Collateral Agent for the Secured Parties

By: \_\_\_\_\_

Name:

Title:

**EXHIBIT A  
TO  
CONSENT AND AGREEMENT**

**FORM OF PPA ESTOPPEL CERTIFICATE**

[Insert Date]

Reference is made to that certain Power Purchase Agreement, dated as of [\_\_\_\_], 202[\_\_\_] (as amended, amended and restated, supplemented or otherwise modified from time to time, the “PPA”), by and between the Southern California Public Power Authority, a public entity and joint powers agency formed and organized pursuant to the California Joint Exercise of Powers Act (California Government Code Section 6500, et seq.) (“Buyer”), and Bonanza Solar, LLC, a Delaware limited liability company (“Seller”). Terms used herein but not defined herein have the same meanings as in the PPA.

Buyer hereby confirms and agrees as of the date hereof as follows:

1. The copy of the PPA, as amended, attached hereto as Exhibit A, constitutes a true and complete copy of the PPA.

2. The PPA is in full force and effect and has not been modified or amended in any way [since [\_\_\_\_], 20[\_\_\_]], and constitutes the only agreement between Buyer and Seller, other than that certain Consent and Agreement dated as of [\_\_\_\_], 202[\_\_\_], by and among Buyer, Seller and [\_\_\_\_], as the Collateral Agent (as defined therein).

3. Buyer has not transferred or assigned its interest in the PPA.

4. Buyer is not in default under the PPA, nor has Buyer breached any of its representations, warranties, agreements or covenants under the PPA and, to Buyer’s knowledge, no facts or circumstances exist which, with the passage of time or the giving of notice nor both, would constitute a default or breach by Buyer under the PPA or which would give Seller the right to terminate the PPA. To Buyer’s knowledge, Seller is not in default under the PPA nor, to Buyer’s knowledge, has Seller breached any of its representations, warranties, agreements or covenants under the PPA and, to Buyer’s knowledge, no facts or circumstances exist which, with the passage of time or the giving of notice nor both, would constitute a default or breach by Seller under the PPA or which would allow Buyer to terminate the PPA.

5. All representations made by Buyer in the PPA were true and correct as of the effective date of the PPA and continue to be true and correct as of the date hereof.

6. To Buyer’s knowledge, no event, act, circumstance, or condition constituting an event of Force Majeure under the PPA has occurred and is continuing.

7. Seller has not claimed any amounts under the indemnification obligation of Buyer set forth in the PPA (except as disclosed to the investors in the applicable Tax Monetization Financing).

8. To Buyer's knowledge, Buyer has no existing counterclaims, offsets, or defenses against Seller under the PPA. Buyer has no present knowledge of any facts entitling Buyer to any material claim, counterclaim or offset against Seller in respect of the PPA.

9. All payments due and payable as of the date hereof, if any, under the PPA, by Buyer have been paid in full through the period ending on the date hereof.

10. Seller has achieved each Milestone set forth in Appendix I to the PPA that is to be completed on or prior to the date hereof.

11. To Buyer's knowledge, Buyer has no notice of, and has not consented to, any previous assignment of all or any part of Seller's rights under the PPA.

12. The Commercial Operation Date of the Facility occurred on [\_\_\_\_\_], 20[\_\_\_].

13. The PV Contract Capacity of the Facility as of the Commercial Operation Date is [\_\_\_] MW.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Buyer has caused this Certificate to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: \_\_\_\_\_

Name

Title:



**Exhibit A to Estoppel Certificate**

**PPA**

*See attached.*

**APPENDIX Q  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**BESS AND FACILITY OPERATING RESTRICTIONS**

A. BESS Operating Restrictions

The BESS shall be subject to the following Operating Restrictions:

	<b>Description</b>	<b>Value</b>	<b>Notes</b>
1.	BESS Contract Capacity	65 MW	As determined by the procedure stated in Appendix K-1 Section C.(i)
2.	Maximum Stored Energy Level	260 MWh	
3.	Minimum Stored Energy Level	0 MWh	Maximum time at Minimum Stored Energy Level is 48 hrs and immediately following any such 48-hour period the SOC must be increased to at least 5%
4.	Maximum Charging Capacity	65 MW	Or as determined by the procedure stated in Appendix K-1 Section C.(i)
5.	Minimum Charging Capacity	0 MW	
6.	Maximum Discharging Capacity	65 MW	Or as determined by the procedure stated in Appendix K-1 Section C.(i)
7.	Minimum Discharging Capacity	0 MW	
8.	Maximum State of Charge (SOC) during Charging	100 %	SOC is relative to Maximum Stored Energy Level
9.	Minimum State of Charge (SOC) during Discharging	0 %	SOC is relative to Maximum Stored Energy Level
11.	Annual Cycle Limit	365 Cycles / year	One (1) Cycle is equal to one (1) kWh discharge throughput per kWh calculated by the

			product of the BESS Contract Capacity and discharge hours Not to exceed the stated value Measured during each Contract Year
12.	Daily Dispatch Limits	2 Cycles per operating day	One (1) Cycle is equal to 1 kWh throughput per kWh calculated by the product of the BESS Contract Capacity and discharge hours Not to exceed the stated value
13.	Manual Dispatch Commands	All dispatch commands from the Buyer must use the Seller-supplied EMS	
14.	Annual Average State of Charge Range (SOC)	<50%	Measured during each Contract Year

C. Additional Operating Restrictions

The Facility shall be subject to the follow Operating Restrictions:

1. Dispatch cannot cause Delivered Energy to exceed the PV Contract Capacity.

C. Minimum BESS Ancillary Services Expected Capability as of the Effective Date

Minimum BESS Ancillary Services Capabilities are subject to those defined in the CAISO Tariff. The Facility is designed and is expected be able to provide the following Minimum BESS Ancillary Services Capabilities as of the Effective Date:

<b>BESS Ancillary Service</b>	<b>Included</b>
Spinning Reserve	Yes
Non-spinning Reserve	Yes
Regulation Up	Yes
Regulation Down	Yes
Black Start	No
Voltage Support	Yes

**SCHEDULE 12.2(h)  
TO  
POWER PURCHASE AGREEMENT  
BETWEEN  
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
AND  
BONANZA SOLAR, LLC**

**UPSTREAM EQUITY OWNERS, SELLER'S ULTIMATE PARENT AND  
ORGANIZATIONAL AND OWNERSHIP STRUCTURE OF SELLER AND UPSTREAM  
EQUITY OWNERS**

