AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, OCTOBER 24, 2018
1:00 PM

50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

I. CALL TO ORDER

II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(Comments are restricted to matters within the Committee jurisdiction. The Committee will hear public comments at this time for up to thirty minutes. Please be brief and limit comments to three minutes.)

III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve September 27, 2018, CAC Meeting Minutes

IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

2. Receive Operations Report and Provide Input as Appropriate

3. Receive Legislative and Regulatory Updates and Provide Input as Appropriate

4. Receive Update and Discussion on 431 E Street; Delegation of Authority to CEO to Execute Amended and Restated Agreement with EHDD

5. Recommend Board Approval of an Amended and Restated Power Purchase Agreement with Cloverdale Solar Center, LLC under the ProFIT Program and Delegation of Authority to the CEO to Execute such PPA and Related Documents on Behalf of SCP.

6. Recommend Board Adoption of Resolution Supporting and Agreeing to Become a Signatory to the Bay Area Air Quality Management District Diesel-Free by ‘33 Statement of Purpose

7. Discussion regarding the Power Charge Indifference Adjustment; Review, Comment and Recommend Board Action Concerning Rate Adjustments

V. COMMITTEE MEMBER ANNOUNCEMENTS

VI. ADJOURN

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Clerk of the Board at (707) 978-3467, as soon as possible to ensure arrangements for accommodation.
MINUTES
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, SEPTEMBER 27, 2018

50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

I. CALL TO ORDER

Chair Dowd called the meeting to order at 1:03 P.M.

Committee Members Present: Chair Dowd, CM Chaban, CM Como, CM Fenichel, CM Nicholls, CM Quinlan, and CM Wells

Staff Present: Geof Syphers, Chief Executive Officer; Stephanie Reynolds, Director of Internal Operations; and Jessica Mullan, General Counsel

II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Public Comment: None

III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve minutes from the July 24, 2018 meeting

Public Comment: None

Motion to approve the July 24, 2018 meeting minutes of the Community Advisory Committee as presented by CM Nicholls

Second: CM Fenichel

Motion Approved: 4-0-2 (with Chair Dowd and CM Quinlan abstaining)
CM Como arrived at 1:09 P.M.

IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

2. Receive operations report and provide input as appropriate

CEO Syphers introduced SCP’s new General Counsel, Jessica Mullan, and SCP’s new Administrative Services Officer, Beau Anderson.

Stephanie Reynolds, Director of Internal Operations, provided an update on current SCP enrollment rates in Sonoma & Mendocino counties, which
currently total approximately 87% of customers in those service areas. The 2017 Annual Power Content label mass mailer was recently sent out to all current SCP customers as well as anyone that received service from SCP in 2017. In addition to describing SCP’s power content portfolio, the mailer highlights some of SCP’s achievements over the last year and the current DriveEV program.

CEO Syphers gave additional context on the 2017 mailer. He stated that in 2017 SCP provided 45% eligible renewal resources and that 87% of power provided was carbon free. SCP is well on track to reach goal of 50% qualifying renewables by 2020. CEO Syphers stated that these numbers are validated by the California Energy Commission (CEC) and reported to both the CEC and the California Public Utilities Commission (CPUC). In addition, SCP hires an independent auditor to verify the agency’s numbers.

CM Quinlan asked why is it that large hydro is not considered a renewable resource. CEO Syphers detailed that when the renewable portfolio standard was enacted, there were concerns over including large hydro as “renewable” since it could be interpreted to encourage development of new large-scale hydro projects, which could have adverse environmental impacts through construction of dams.

CM Fenichel asked who the 3rd party verifier is for the power company. CEO Syphers responded that Pisenti & Brinker, a local accounting firm, is the 3rd party verifier.

Director Reynolds detailed the Annual CalCCA meeting in Monterey which featured SCP staff on several panels and provided valuable networking opportunities.

SCP Director of Public Affairs, Kate Kelly, provided an update on outreach initiatives to the Spanish-speaking and Hispanic communities of Sonoma & Mendocino Counties. SCP is working with a local Hispanic marketing company, Nexo Advertising, for translation services, events that SCP should be aware of, etc. Director Kelly thanked CM Nicholls for being at the Los Cien State of the Latino Union event with SCP staff. SCP has started social media outreach and Director Kelly described growth in use of SCP’s new Spanish webpage, and that community outreach, programs, and billing are the most visited pages. Director Kelly detailed SCP’s attendance events like the recent Fiesta de Independencia. Although additional outreach efforts are underway, SCP will continue to try and make strides in this area.

Director Kelly detailed how call local center staff are Spanish speaking as well as SCP’s primary call taker. CM Fenichel asked what percentage of the customer base primarily speaks Spanish. CEO Syphers stated that Director of Customer Service would know that number and she is currently out of the
office on vacation. CM Nicholls asked whether DriveEV participants can be tracked by primary language spoken. Programs Manager Nelson Lomeli stated that this is not asked on the DriveEV application form, although it is an optional question on the application questionnaire and not every applicant answers. CM Chaban asked about providing the Annual Power Content Mailer in Spanish. CEO Syphers stated that State of California will not allow deviation from the provided template, and as a result, the Mailer cannot be provided in Spanish. Director Kelly detailed how the SCP website is likely the most common way that Spanish speakers access SCP’s programs. In addition, Director Kelly described how many of SCP’s promotional materials are available in both Spanish and English.

SCP Administrative Assistant Dora Barrera detailed a recent visit by Spanish speaking customers who wanted to check out an induction cooktop, and they shared how happy they were that the SCP website is available in Spanish, that SCP has bilingual staff, and SCP’s overall efforts to provide services in Spanish.

Director Reynolds then gave a DriveEV program update. 340 applications are being processed as of this week. Staff continues to attend events and promote the program. She then provided an Energy Education Program update. The school year has started and the partnership continues with Sonoma Water.

The Advanced Energy Program (AER) is up to 120 applicants, with lots of walk-ins to the SCP office, and it is anticipated that these numbers will continue to increase. Program Manager Rachel Kuykendall detailed that over 20 AER trainings have taken place and roughly 1,000 people have been through the trainings.

The storefront lease still for the Lead Locally grant is under negotiation. The RFQ for design services went out and responses are currently under review.

CEO Syphers then provided an update on preliminary Year-End Financial Statements. SCP continues to build reserves, with approximately $13 million in net income for the prior fiscal year, with about $10 million available in cash that will go to reserves. Current projections are that reserves will reach $60 million at end of the fiscal year and SCP is on track for reserve goals.

CM Como asked why only half of development & programs fund has been spent. CEO Syphers stated that budget was intentionally set high for DriveEV, with the knowledge that any excess from programs will flow to reserves.

Chair Dowd asked for how many accounts in Sonoma & Mendocino Counties were lost due to fires. CEO Syphers replied that approximately 5,800 accounts were lost, with a majority of those being residential customers.
CEO Syphers stated that SCP’s service territory suffered both the costliest fire in CA history as well as the largest fire in CA history. He then highlighted that SCP was able to disburse $1 million in funds to over 20 organizations for fire recovery.

Director of Power Services, Deb Emerson, detailed a new power contract with Proxima Solar in Stanislaus County for 50MW with 5MW of onsite battery storage. The project is scheduled to come online in 2023. CM Wells asked what type of storage and Director Emerson stated lithium ion.

Public Comment: None

3. Receive legislative and regulatory updates and provide input as appropriate.

CEO Syphers summarized the busy legislative season. He highlighted the success of SB 100 which was signed by the Governor. The bill calls for 100% renewable and carbon-free (e.g., hydropower) electricity by 2045, with a required date of 2026 for 50% renewable. The Governor also signed an Executive Order stating that by 2046 we need to remove more carbon than is placed into atmosphere.

He then detailed SB 1088 (Dowd). When the bill initially came out it contained language stating that only electric distribution utilities have the right to administer demand response programs if they provide a service to the distribution grid that’s related to reliability. SCP asked to remove this language because it would have prevented both customers and CCAs from using smart-grid technologies and blocked the GridSavvy program. SCP later learned that the sponsor of the language was San Francisco’s Local 1245 Electrical Union. The language wasn’t removed but that version of bill was frozen and a new version (SB 901) was introduced without the harmful language. SB 901 passed and the Governor signed the bill.

SB 237 (Hertzberg) initially proposed an unlimited expansion of California’s direct access program, to allow all large commercial and industrial customers to exit from both utilities like PG&E and CCAs like SCP. Those customers would have been allowed to buy power directly from private energy companies and exit from contributing to the state’s climate goals or supporting local CCA programs. In addition to the serious environmental consequences of backsliding on the state’s climate goals, the bill would have caused a major increase in rates for all the remaining residential and small business customers.

CEO Syphers then described the coalition-building effort to oppose SB 237. In the end the bill passed; but not before it was scaled back to a 20% increase in the current state program.
Director of Regulatory Affairs Neal Reardon provided an update on the PCIA exit fee and the two proposals currently under consideration by the CPUC. One proposal is from the presiding judge and the alternate proposed decision was issued from one of the Commissioner's offices. The meeting to vote on this was delayed and the Commissioners held a private rate-setting deliberative meeting. Following the Commissioner's meeting there was an announcement that they would not be voting on the PCIA. Director Reardon suggested that the Commissioners are most likely looking at the first proposed decision and the 2nd proposal as bookends, and evaluating the differences between them on where they want to land. As its scheduled now the deciding vote will be October 11th.

CEO Syphers summarized the process as follows: how costs get allocated will be determined on the 11th then how the utilities will be required to minimize costs as the 2nd phase. This will provide greater clarity on costs for forecasting financials, mitigating risks, and more.

Chair Dowd stated that in the committee report that other CCAs opposed, but there was no mention of CalCCA, and he requested to know their role in the process. Director Reardon detailed how CalCCA was opposed to the alternate proposed decision and led advocacy efforts.

Public Comment: None

4. Receive update on renovation project at 431 E Street

Director of Programs, Cordel Stillman stated EHDD was hired to perform full architectural services, as described in the RFQ. SCP ended up with a shorter-term contract to do schematic design at SCP’s request, so SCP could develop a detailed cost estimate for the project before releasing a full-scope contract. However, staff have learned that it is now considered best practice to sign a full scope contract and negotiate budget adjustments to account for changes in scope rather than wait for a full cost estimate. As a result, an amendment and restated agreement will come back to CAC at later meeting.

Chair Dowd stated his support for the process, and that its better to end up with the right facility as opposed to cheapest design.

Director of Programs Stillman detailed how EHDD looked at existing space, SCP’s plans to grow, and applied that to the new building. This includes the number of offices, size of boardroom, etc. The schematic design will be completed shortly and presented at the next meeting of the CAC. Staff is in the process of developing construction budgets and will issue an RFQ for construction management. Director of Operations Stephanie Reynolds stated that the new building is almost double the size of SCP’s existing office suite.

Public Comment: None
5. Receive report on potential EV Charging Infrastructure program and provide input as appropriate

Director of Programs, Cordel Stillman, provided an update on the program. He stated that the DriveEV program is ahead of last year’s numbers and staff are trying to push this program harder. Next year, the focus will be on developing electric vehicle charging infrastructure now that vehicles are on the road. The residential EV charging station program has shipped over 2,100 level 2 chargers to customers in SCP’s territory. The Workplace Charging program is ongoing, although it has proved tough to get commitments from large employers.

He then detailed some ideas to promote charging stations such as:

- Level 3 chargers: Given that there are not a lot of level 3 charging in SCP territory, go to each member jurisdictions and find sites that they own to facilitate installations.

- Streetlights: LED street lights create capacity opportunities to use light standards and existing power source to create on street charging. The City of Lancaster has a pilot program, and this could help with ADA requirements.

- Additional funding sources: Bay Area Air Quality Management, Mendocino Air Pollution District, etc. for funding opportunities

Public Comment:

Chris Meyer, asked if there were meeting materials for this agenda item, as she was having a hard time hearing everyone.

Jerry Glaser, Sebastopol Planning Commission Alternate Member, expressed support for the expanded charging program.


CEO Syphers introduced the item and gave background on IRP process. Power Services Manager Rebecca Simonson stated that the draft IRP was presented at the July CAC meeting for review and comment. Based on CAC comments and review, staff revised some items then presented to the Board of Directors for review. She stated that there was content added that detailed progress on GHG reductions, but overall, this version is very similar to the draft that was previously presented to the CAC. She then described how the IRP is an internal planning document on how SCP intends to reach its goals and serve customer’s energy needs through 2030. Manager Simonson then
described how this is a concurrent filing to the compliance IRP that was recently filed with the CPUC.

CEO Syphers stated that this IRP is a complete document with SCP’s best available data, as opposed to the CPUC filing which limits data because of required formulas and datasets.

CEO Syphers read comments from CM Brophy, which included a desire to see figure numbers on tables and the need to spell out acronyms.

Director of Regulatory Affairs, Neal Reardon, highlighted the work of Compliance Analyst CB Hall in completing the IRP, as other CCAs have hired outside consultants to complete.

CM Quinlan asked about page 68 of the document and the figure which shows GHG emissions and why is there an uptick of GHG. CEO stated the wet winter allowed greater use of hydro in that year.

CM Fenichel acknowledged staff’s efforts on the IRP, as in her experience working at the CPUC, other IRPs were inferior by comparison. Chair Dowd echoed CM Fenichel’s statements.

Motion to recommend approval of the final 2018 SCP Integrated Resource Plan with corrections by CM Nichols.

Second: CM Wells

Motion Passed: (6-0-0)

Public Comment: None

V. COMMITTEE MEMBER ANNOUNCEMENTS

None

VI. ADJOURN

Chair Dowd adjourned the meeting at 2:30 P.M.
Staff Report – Item 02

To: Sonoma Clean Power Authority Community Advisory Committee
From: Stephanie Reynolds, Director of Internal Operations
         Geof Syphers, CEO
Issue: Receive Operations Report and provide input as appropriate
Date: October 24, 2018

WINE COUNTY FIRE (2017) UPDATE

In March 2018, SCP received approval from the Board to work with PG&E to write-off accounts receivable balances and return payments to victims of the wildfires. This process required significant work with our billing team at Calpine Energy Solutions and PG&E to ensure balances and write-off amounts were accurate. The final batch of returned payments was completed in August. Here are the final numbers: 4,523 accounts received a courtesy credit as a result of the fire for a total of $231,468.73 and 3,000 accounts received a check as a result of the fire for a total of $240,094.55.

FPPC BIENNIAL NOTICE

SCP staff recently filed the agency’s 2018 Multi-County Biennial Notice with the Fair Political Practices Commission (FPPC). Under the Political Reform Act, each Multi-County agency is required to review their conflict of interest code biennially and notify the FPPC whether any amendments to the code are needed. SCP General Counsel and staff reviewed the code and determined no amendments were necessary. The next required filing is on or around October 1, 2020. The annual FPPC Form 700 is filled out by each Board and CAC member in the early part of the calendar year and will be due again in April, 2019.
PROGRAM UPDATES

Drive EV in full swing

Drive EV began on August 1, 2018, and will run until November 16, 2018. As of October 15, 2018, SCP has provided incentives on 277 vehicles. Participating dealerships include Chevrolet, Nissan, Kia, BMW and Chrysler. Staff has attended 15 community events, like farmer markets and golf tournaments, with more scheduled throughout October and into November.

The Drive EV campaign continues, and is being communicated (in both English and Spanish) via a variety of media including: TV, radio, print, digital, and outdoor ads, email, social media, direct mail, streaming radio and by engaging our influencers’ personal/trust networks to spread the word.

Drive EV 2.0 program participants cited direct mail and word of mouth among the top ways they heard about the program, and we STILL need your help to get the word out. Tell your neighbors, friends, and colleagues, as well posting about it on your various social media networks.

Energy Education Program

The highly successful Energy Education Program continues. On November 5th, SCP staff will be guests on a tour of the Water Education Facility run by Sonoma Water. A 5th grade class will be present on a field trip, so we will be able to see the program in action!

GridSavvy

GridSavvy allows SCP to run automated demand response programs with customer-owned devices (like EV chargers) to provide grid reliability services. The program is in full testing mode now, with approximately 500 participants, and staff are excited about the recent progress on this innovative program.

Advanced Energy Rebuild

The program is up and running, and 124 applications have been received so far. Many more are reportedly being prepared and walk-in traffic with questions about the program has increased. Rebuild-focused classes the North Coast Builder’s Exchange have started, including 35 customers that came to a Solar and Battery Storage class at SCP’s offices on October 13th. SCP will also be helping to facilitate the Rebuild Green Expo in Santa Rosa in February.
Lead Locally (CEC Grant)

The Lead Locally grant team issued a Request for Qualifications for design teams to provide architectural and engineering design services for a renovation of the Energy Marketplace. Staff have selected TLCD Architects to perform the work. An agreement for services is being prepared and will be brought to the Committee soon for review.

The grant team is also developing a site screening matrix to recruit 16 homes and 3 commercial properties to participate in the applied research experiments for advance technologies including: heat pump water heaters, radiant ceiling heating and cooling panels, residential attic phase change materials, air to water heat pumps, and commercial daylighting retrofits. Pre-monitoring instrumentation to be installed by December 2018.

The Technical Advisory Committee (TAC) for the Lead Locally Project had great attendance to their first meeting held on October 17th. The Committee’s engaged participation has led to the potential for joint efforts on other CEC & CPUC projects where committee members are also TAC representatives in those projects.

Do-It-Yourself Energy and Water Saving Toolkits

The Do-It-Yourself Energy and Water Saving Toolkits continue to be available to library patrons. As of October 11, 2018, the kits have been checked out a total of 174 times from Sonoma County libraries in 2018 and 26 total checkouts so far in Mendocino County libraries. Rebranding of the toolkits has been completed in Mendocino County, with rebranding underway in Sonoma County.

Induction Cooktops have also been a popular item loaned out by SCP. As of October 18th, 72 of our customers have checked out the single-burner induction cooktops from our office, at no charge, to try out at home!

SOLAR AND STORAGE DEAL SIGNED

Earlier this month, SCP inked a deal with Proxima Solar, a NextEra company for 50 MW of solar with 5 MW of battery storage over a 20-year period. The production facility is located in Stanislaus County, Northern California and is scheduled to come online in 2023. The storage on this project exceeds SCP’s storage obligation for the year 2024.

FY 2018/2018 BUDGETARY COMPARISON SCHEDULE

The preliminary monthly Budgetary Comparison Schedule for the last fiscal year is attached. Staff is currently working with Maher Accountancy and the firm...
performing our outside audit, Pisenti & Brinker, to complete the FY 17/18 audited financial statements. These statements will be presented to the CAC in November with a request to recommend approval by the Board at the December meeting.

MONTHLY COMPILED FINANCIAL STATEMENTS

The summer rate season continues into August, a period where aggregate rates are more than in the winter season. The year-to-date growth in net position is above projections due primarily to lower than anticipated operating costs. Year-to-date operating revenues reached $33,681,000.

Electricity sales (as reported on the Statement of Revenues, Expenses and Changes in Net Assets) is being offset by our estimate of uncollectible accounts, which is currently set at approximately 0.5% of electricity sales. Note that the accounts receivable line on the Statement of Net Position is presented net of allowance for uncollectibles.

SCP continues to procure electricity from multiple sources. Net position reached a positive $80,224,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Of this net position, approximately $42,466,000 and $7,494,000 is considered set aside for operating and project reserves, respectively. These reserve balances do not include the contribution that will occur after the completion of the fiscal year 2017/18 audit.

Overall, other operating expenses continued near or slightly below planned levels for the year.

BUDGETARY COMPARISON SCHEDULE

The accompanying budgetary comparisons for July and August 2019 include the 2018/19 budget approved by the Board of Directors in May 2018.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2018/19 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc. This column represents our best estimates and this granular approach was not part of the Board approved budget.

Revenue from electricity sales to customers is under the year-to-date budget by approximately 5%.
The cost of electricity is also slightly under budget-to-date by less than 3%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

Major operating categories of Data Management fees and PG&E Service fees are based on the customer account totals. While Data Management fees are closely aligned to the annual budgeted amount, PG&E fees greatly exceed the year-to-date budget due to change in the per meter rate. SCP intends to adjust the budget for this category in future months.

In addition to the items mentioned above, SCP continues its trend of remaining near or under budget for most of its operating expenses.

**UPCOMING MEETINGS:**

SCPA Board Meeting – November 1, 2018

SCPA Community Advisory Committee Meeting – November 29, 2018

SCPA Board Meeting – December 6, 2018
## REVENUE AND OTHER SOURCES:

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<tr>
<th>Description</th>
<th>2017/18 Amended Budget</th>
<th>2017/18 YTD Actual</th>
<th>Variance</th>
<th>2017/18 Actual/Budget %</th>
<th>2017/18 Budget</th>
<th>2017/18 YTD Actual Variance</th>
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<tr>
<td>Revenue - Electricity (net of allowance) *</td>
<td>$173,796,000</td>
<td>$171,105,818</td>
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<td>98%</td>
<td>$173,796,000</td>
<td>$(2,690,182)</td>
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<td>Revenue - Evergreen Premium (net of allowance)</td>
<td>392,000</td>
<td>429,525</td>
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<td>110%</td>
<td>392,000</td>
<td>(37,525)</td>
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<td>Revenue - Electricity sales for resale **</td>
<td>-</td>
<td>590,963</td>
<td>590,963</td>
<td>-</td>
<td>-</td>
<td>(590,963)</td>
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<td>Revenue - Interest income</td>
<td>475,000</td>
<td>562,637</td>
<td>87,637</td>
<td>118%</td>
<td>475,000</td>
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<td><strong>Total revenue and other sources</strong></td>
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<td>1,731,113,383</td>
<td>$(1,551,617)</td>
<td>99%</td>
<td>1,746,633,000</td>
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## EXPENDITURES AND OTHER USES:

### CURRENT EXPENDITURES

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<th>Description</th>
<th>2017/18 YTD Budget</th>
<th>2017/18 YTD Actual</th>
<th>Variance</th>
<th>2017/18 Actual/预算 %</th>
<th>2017/18 Budget</th>
<th>2017/18 YTD Variance</th>
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<tr>
<td>Cost of energy and scheduling</td>
<td>142,643,000</td>
<td>141,874,572</td>
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<td>Data management</td>
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<td>Service fees- PG&amp;E</td>
<td>1,234,000</td>
<td>1,133,099</td>
<td>$(100,901)</td>
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<td>3,034,920</td>
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<td>Outreach and communications</td>
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<td>Customer service</td>
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<td>Technical consultants</td>
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<td>$(79,851)</td>
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<tr>
<td>Other consultants</td>
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<td>52,770</td>
<td>$(12,230)</td>
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<td>65,000</td>
<td>$(12,230)</td>
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<td>Program implementation and development</td>
<td>6,000,000</td>
<td>3,128,898</td>
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<td>52%</td>
<td>6,000,000</td>
<td>$(2,871,102)</td>
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<td>General and administration</td>
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<td>763,010</td>
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<td>98%</td>
<td>780,000</td>
<td>$(16,990)</td>
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<td>Fire relief donations</td>
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<td>997,200</td>
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<td>1,000,000</td>
<td>$(2,800)</td>
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<td><strong>Total current expenditures</strong></td>
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<td>97%</td>
<td>160,807,000</td>
<td>$(4,612,215)</td>
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### OTHER USES

<table>
<thead>
<tr>
<th>Description</th>
<th>2017/18 Budget</th>
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<th>2017/18 Budget</th>
<th>2017/18 YTD Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collateral deposit payments</td>
<td>2,000,000</td>
<td>620,867</td>
<td>$(1,379,133)</td>
<td>31%</td>
<td>2,000,000</td>
<td>$(1,379,133)</td>
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<tr>
<td>Capital outlay</td>
<td>3,364,000</td>
<td>3,179,196</td>
<td>$(184,804)</td>
<td>95%</td>
<td>3,364,000</td>
<td>$(184,804)</td>
</tr>
<tr>
<td><strong>Total expenditures and Other Uses</strong></td>
<td>166,171,000</td>
<td>159,994,348</td>
<td>$(6,176,152)</td>
<td>96%</td>
<td>166,171,000</td>
<td>$(6,176,152)</td>
</tr>
</tbody>
</table>

**Net increase (decrease) in available fund balance**  

<table>
<thead>
<tr>
<th>Description</th>
<th>2017/18 Budget</th>
<th>2017/18 YTD Actual</th>
<th>Variance</th>
<th>2017/18 Actual/预算 %</th>
<th>2017/18 Budget</th>
<th>2017/18 YTD Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase (decrease) in available fund balance</td>
<td>$ 8,492,000</td>
<td>$ 13,116,535</td>
<td>$(4,624,535)</td>
<td>154%</td>
<td>$ 8,492,000</td>
<td>$(4,624,535)</td>
</tr>
</tbody>
</table>

* Represents sales of approximately 2,374,000 MWh for 2017/18 YTD actual.

** Electricity sales for resale represents sales to other utilities.

### RESERVES

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Reserve</td>
<td>$ 42,391,161</td>
</tr>
<tr>
<td>Program Cash Reserve</td>
<td>$ 7,480,793</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 49,871,954</strong></td>
</tr>
</tbody>
</table>
ACCOUNTANTS’ COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended July 31, 2018, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of Sonoma Clean Power Authority.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user’s conclusions about the Authority’s results of operations. Accordingly, this special purpose budgetary comparison statement is not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy
San Rafael, CA
September 27, 2018
## REVENUE AND OTHER SOURCES:

<table>
<thead>
<tr>
<th>Revenue/Grant</th>
<th>2018/19 YTD Budget</th>
<th>2018/19 YTD Actual</th>
<th>Variance (Under/Over)</th>
<th>2018/19 YTD Actual/ Budget %</th>
<th>2018/19 YTD Budget Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue - Electricity (net of allowance)*</td>
<td>$17,223,881</td>
<td>$17,404,178</td>
<td>$180,297</td>
<td>101%</td>
<td>$165,331,822</td>
</tr>
<tr>
<td>Revenue - Evergreen Premium (net of allowance)</td>
<td>38,833</td>
<td>32,675</td>
<td>(6,158)</td>
<td>84%</td>
<td>379,325</td>
</tr>
<tr>
<td>CEC Grant Proceeds</td>
<td>50,000</td>
<td>11,891</td>
<td>(38,109)</td>
<td>24%</td>
<td>2,588,109</td>
</tr>
<tr>
<td>Revenue - Interest income</td>
<td>51,083</td>
<td>62,547</td>
<td>11,464</td>
<td>122%</td>
<td>550,453</td>
</tr>
<tr>
<td><strong>Total revenue and other sources</strong></td>
<td>$17,363,797</td>
<td>$17,511,291</td>
<td>$147,494</td>
<td>101%</td>
<td>$168,849,709</td>
</tr>
</tbody>
</table>

## EXPENDITURES AND OTHER USES:

<table>
<thead>
<tr>
<th>Expenditure/Use</th>
<th>2018/19 YTD Budget</th>
<th>2018/19 YTD Actual</th>
<th>Variance (Under/Over)</th>
<th>2018/19 YTD Actual/ Budget %</th>
<th>2018/19 YTD Budget Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of energy and scheduling</td>
<td>15,302,502</td>
<td>15,399,851</td>
<td>97,349</td>
<td>101%</td>
<td>138,977,149</td>
</tr>
<tr>
<td>Data management</td>
<td>257,417</td>
<td>262,386</td>
<td>4,969</td>
<td>102%</td>
<td>2,826,614</td>
</tr>
<tr>
<td>Service fees- PG&amp;E</td>
<td>47,000</td>
<td>31,671</td>
<td>15,329</td>
<td>167%</td>
<td>485,329</td>
</tr>
<tr>
<td>Personnel</td>
<td>305,083</td>
<td>246,419</td>
<td>(58,664)</td>
<td>81%</td>
<td>3,414,581</td>
</tr>
<tr>
<td>Outreach and communications</td>
<td>105,333</td>
<td>98,753</td>
<td>(6,580)</td>
<td>94%</td>
<td>1,045,247</td>
</tr>
<tr>
<td>Customer service</td>
<td>36,667</td>
<td>31,256</td>
<td>(5,411)</td>
<td>85%</td>
<td>408,744</td>
</tr>
<tr>
<td>Legal</td>
<td>25,833</td>
<td>37,452</td>
<td>11,619</td>
<td>145%</td>
<td>272,548</td>
</tr>
<tr>
<td>Accounting and auditing</td>
<td>17,000</td>
<td>204,000</td>
<td>190,000</td>
<td>179,109</td>
<td></td>
</tr>
<tr>
<td>Technical consultants</td>
<td>10,667</td>
<td>128,000</td>
<td>121,000</td>
<td>121,500</td>
<td></td>
</tr>
<tr>
<td>Legislative and regulatory advocacy</td>
<td>10,667</td>
<td>10,482</td>
<td>(185)</td>
<td>97%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Other consultants</td>
<td>21,667</td>
<td>266,000</td>
<td>252,000</td>
<td>252,347</td>
<td></td>
</tr>
<tr>
<td>Program implementation</td>
<td>459,167</td>
<td>5,510,000</td>
<td>5,448,956</td>
<td>5,448,956</td>
<td></td>
</tr>
<tr>
<td>Program - CEC grant</td>
<td>253,333</td>
<td>3,040,000</td>
<td>3,002,536</td>
<td>3,002,536</td>
<td></td>
</tr>
<tr>
<td>Program development and evaluation</td>
<td>14,583</td>
<td>350,000</td>
<td>350,000</td>
<td>350,000</td>
<td></td>
</tr>
<tr>
<td>General and administration</td>
<td>94,250</td>
<td>531,000</td>
<td>439,593</td>
<td>439,593</td>
<td></td>
</tr>
<tr>
<td>CalCCA Trade Association</td>
<td>25,000</td>
<td>348,000</td>
<td>323,000</td>
<td>323,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total current expenditures</strong></td>
<td>16,991,335</td>
<td>174,146,000</td>
<td>296,719,012</td>
<td>296,719,012</td>
<td></td>
</tr>
</tbody>
</table>

## OTHER USES

<table>
<thead>
<tr>
<th>Use</th>
<th>2018/19 YTD Budget</th>
<th>2018/19 YTD Actual</th>
<th>Variance (Under/Over)</th>
<th>2018/19 YTD Actual/ Budget %</th>
<th>2018/19 YTD Budget Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collateral deposit payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>16,667</td>
<td>11,060</td>
<td>(5,607)</td>
<td>66%</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Total expenditures, Other Uses and Debt Service</strong></td>
<td>17,008,002</td>
<td>16,415,197</td>
<td>(592,805)</td>
<td>97%</td>
<td>297,907,952</td>
</tr>
<tr>
<td>Net increase (decrease) in available fund balance</td>
<td>$ 355,795</td>
<td>$1,096,094</td>
<td>$740,299</td>
<td>308%</td>
<td>$ (129,058,243)</td>
</tr>
</tbody>
</table>

*Represents sales of approximately 220,000 MWh for 2018/19 YTD actual.

## RESERVES

<table>
<thead>
<tr>
<th>Reserve</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Reserve</td>
<td>$42,454,414</td>
</tr>
<tr>
<td>Program Cash Reserve</td>
<td>7,491,955</td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
<td><strong>$49,946,369</strong></td>
</tr>
</tbody>
</table>

See accountants’ compilation report.
Net increase (decrease) in available fund balance per budgetary comparison schedule: $1,096,094

Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:

- Subtract depreciation expense: (5,032)
- Add back capital asset acquisitions: 11,060

Change in net position: $1,102,122
ACCOUNTANTS’ COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended August 31, 2018, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy
San Rafael, CA
October 8, 2018
## SONOMA CLEAN POWER AUTHORITY
### OPERATING FUND
#### BUDGETARY COMPARISON SCHEDULE

July 1, 2018 through August 31, 2018

<table>
<thead>
<tr>
<th>2018/19 YTD Budget</th>
<th>2018/19 YTD Actual</th>
<th>2018/19 YTD Variance</th>
<th>YTD Budget</th>
<th>Percentage</th>
<th>2018/19 Remaining</th>
</tr>
</thead>
</table>

### REVENUE AND OTHER SOURCES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018/19 YTD Budget</th>
<th>2018/19 YTD Actual</th>
<th>Variance</th>
<th>(Under) Over</th>
<th>Percentage</th>
<th>2018/19 Budget</th>
<th>2018/19 Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue - Electricity (net of allowance) *</td>
<td>$35,256,023</td>
<td>$33,449,154</td>
<td>$(1,806,869)</td>
<td>95%</td>
<td>$182,736,000</td>
<td>$149,286,846</td>
<td></td>
</tr>
<tr>
<td>Revenue - Evergreen Premium (net of allowance)</td>
<td>79,489</td>
<td>69,436</td>
<td>$(10,053)</td>
<td>87%</td>
<td>412,000</td>
<td>342,564</td>
<td></td>
</tr>
<tr>
<td>CEC Grant Proceeds</td>
<td>200,000</td>
<td>134,387</td>
<td>$(65,613)</td>
<td>67%</td>
<td>2,600,000</td>
<td>2,465,613</td>
<td></td>
</tr>
<tr>
<td>Revenue - Interest income</td>
<td>102,167</td>
<td>126,792</td>
<td>24,625</td>
<td>124%</td>
<td>613,000</td>
<td>486,208</td>
<td></td>
</tr>
<tr>
<td>Total revenue and other sources</td>
<td>$35,637,679</td>
<td>$33,779,769</td>
<td>$(1,857,910)</td>
<td>95%</td>
<td>186,361,000</td>
<td>152,581,231</td>
<td></td>
</tr>
</tbody>
</table>

### EXPENDITURES AND OTHER USES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018/19 YTD Budget</th>
<th>2018/19 YTD Actual</th>
<th>Variance</th>
<th>(Under) Over</th>
<th>Percentage</th>
<th>2018/19 Budget</th>
<th>2018/19 Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of energy and scheduling</td>
<td>$29,188,676</td>
<td>$28,195,586</td>
<td>$(993,090)</td>
<td>97%</td>
<td>154,377,000</td>
<td>126,181,414</td>
<td></td>
</tr>
<tr>
<td>Data management</td>
<td>514,833</td>
<td>525,218</td>
<td>10,385</td>
<td>102%</td>
<td>3,089,000</td>
<td>2,563,782</td>
<td></td>
</tr>
<tr>
<td>Service fees- PG&amp;E</td>
<td>94,000</td>
<td>157,458</td>
<td>63,458</td>
<td>168%</td>
<td>564,000</td>
<td>406,542</td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>610,167</td>
<td>512,750</td>
<td>$(97,417)</td>
<td>84%</td>
<td>3,661,000</td>
<td>3,148,250</td>
<td></td>
</tr>
<tr>
<td>Outreach and communications</td>
<td>210,667</td>
<td>149,497</td>
<td>$(61,170)</td>
<td>71%</td>
<td>1,144,000</td>
<td>994,503</td>
<td></td>
</tr>
<tr>
<td>Customer service</td>
<td>120,000</td>
<td>109,266</td>
<td>$(10,734)</td>
<td>91%</td>
<td>440,000</td>
<td>330,734</td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>51,667</td>
<td>66,965</td>
<td>15,298</td>
<td>130%</td>
<td>310,000</td>
<td>243,035</td>
<td></td>
</tr>
<tr>
<td>Accounting and auditing</td>
<td>34,000</td>
<td>20,742</td>
<td>$(13,258)</td>
<td>61%</td>
<td>204,000</td>
<td>183,258</td>
<td></td>
</tr>
<tr>
<td>Technical consultants</td>
<td>31,667</td>
<td>37,400</td>
<td>5,733</td>
<td>118%</td>
<td>190,000</td>
<td>152,600</td>
<td></td>
</tr>
<tr>
<td>Legislative and regulatory advocacy</td>
<td>21,333</td>
<td>13,000</td>
<td>$(8,333)</td>
<td>61%</td>
<td>128,000</td>
<td>115,000</td>
<td></td>
</tr>
<tr>
<td>Other consultants</td>
<td>43,333</td>
<td>16,797</td>
<td>$(26,536)</td>
<td>39%</td>
<td>260,000</td>
<td>243,203</td>
<td></td>
</tr>
<tr>
<td>Program implementation</td>
<td>918,333</td>
<td>228,309</td>
<td>$(689,424)</td>
<td>25%</td>
<td>5,510,000</td>
<td>5,281,091</td>
<td></td>
</tr>
<tr>
<td>Program - CEC grant</td>
<td>506,667</td>
<td>103,644</td>
<td>$(403,023)</td>
<td>20%</td>
<td>3,040,000</td>
<td>2,936,356</td>
<td></td>
</tr>
<tr>
<td>Program development and evaluation</td>
<td>29,167</td>
<td>-</td>
<td>$(29,167)</td>
<td>0%</td>
<td>350,000</td>
<td>350,000</td>
<td></td>
</tr>
<tr>
<td>General and administration</td>
<td>133,500</td>
<td>119,260</td>
<td>$(14,240)</td>
<td>89%</td>
<td>531,000</td>
<td>411,740</td>
<td></td>
</tr>
<tr>
<td>CalCCA Trade Association</td>
<td>50,000</td>
<td>50,000</td>
<td>-</td>
<td>100%</td>
<td>348,000</td>
<td>298,000</td>
<td></td>
</tr>
<tr>
<td>Total current expenditures</td>
<td>$32,558,010</td>
<td>$30,306,492</td>
<td>$(2,251,518)</td>
<td>93%</td>
<td>174,146,000</td>
<td>270,020,922</td>
<td></td>
</tr>
</tbody>
</table>

### OTHER USES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018/19 YTD Budget</th>
<th>2018/19 YTD Actual</th>
<th>Variance</th>
<th>(Under) Over</th>
<th>Percentage</th>
<th>2018/19 Budget</th>
<th>2018/19 Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collateral deposit payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>33,333</td>
<td>74,540</td>
<td>41,207</td>
<td>224%</td>
<td>200,000</td>
<td>125,460</td>
<td></td>
</tr>
<tr>
<td>Total expenditures, Other Uses and Debt Service</td>
<td>$32,591,343</td>
<td>$30,381,032</td>
<td>$(2,210,311)</td>
<td>93%</td>
<td>175,346,000</td>
<td>271,146,382</td>
<td></td>
</tr>
</tbody>
</table>

### Net increase (decrease) in available fund balance

<table>
<thead>
<tr>
<th>2018/19 YTD</th>
<th>2018/19 YTD</th>
<th>YTD</th>
<th>2018/19</th>
<th>2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,046,336</td>
<td>$3,398,737</td>
<td>$352,401</td>
<td>112%</td>
<td>$11,015,000</td>
</tr>
</tbody>
</table>

* * Represents sales of approximately 420,000 MWh for 2018/19 YTD actual.

### RESERVES

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Reserve</td>
<td>$42,466,140</td>
</tr>
<tr>
<td>Program Cash Reserve</td>
<td>7,494,025</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$49,960,165</td>
</tr>
</tbody>
</table>

See accountants' compilation report.
Net increase (decrease) in available fund balance per budgetary comparison schedule: $ 3,398,737

Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:

Subtract depreciation expense (10,036)
Add back capital asset acquisitions 74,540
Change in net position $ 3,463,241
ACCOUNTANTS’ COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of August 31, 2018, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user’s conclusions about the Authority’s financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy
San Rafael, CA
October 8, 2018
SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION
As of August 31, 2018

ASSETS

Current assets
Cash and cash equivalents $ 44,326,458
Investment in Sonoma County Pooled Investment Fund 15,175,272
Accounts receivable, net of allowance 19,481,242
Other receivables 266,268
Accrued revenue 8,495,737
Prepaid expenses 828,962
Deposits 673,365
Total current assets 89,247,304

Noncurrent assets
Nondepreciable assets 860,520
Capital assets, net of depreciation 2,536,139
Deposits 4,114,922
Total noncurrent assets 7,511,581

Total assets 96,758,885

LIABILITIES

Current liabilities
Accounts payable 700,267
Accrued cost of electricity 14,497,984
Advance from grantors 500,000
Other accrued liabilities 337,215
User taxes and energy surcharges due to other governments 499,051
Total current liabilities 16,534,517

NET POSITION

Investment in capital assets 3,396,659
Unrestricted 76,827,709
Total net position $ 80,224,368

See accountants' compilation report.
**SONOMA CLEAN POWER AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES**

**AND CHANGES IN NET POSITION**

_July 1, 2018 through August 31, 2018_

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Electricity sales, net</td>
<td>$33,449,154</td>
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<tr>
<td>Evergreen electricity premium</td>
<td>69,436</td>
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<tr>
<td>Electricity sales for resale</td>
<td>28,000</td>
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<tr>
<td>Grant revenue</td>
<td>134,387</td>
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<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>33,680,977</strong></td>
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</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th></th>
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<tbody>
<tr>
<td>Cost of electricity</td>
<td>28,223,586</td>
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<tr>
<td>Staff compensation</td>
<td>512,750</td>
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<tr>
<td>Data manager</td>
<td>525,218</td>
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<tr>
<td>Service fees - PG&amp;E</td>
<td>157,458</td>
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<tr>
<td>Consultants and other professional fees</td>
<td>296,968</td>
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<tr>
<td>Legal</td>
<td>66,965</td>
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<td>Communications</td>
<td>260,258</td>
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<tr>
<td>General and administration</td>
<td>169,515</td>
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<tr>
<td>Program rebates and incentives</td>
<td>121,774</td>
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<tr>
<td>Depreciation</td>
<td>10,036</td>
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<td><strong>Total operating expenses</strong></td>
<td><strong>30,344,528</strong></td>
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<tr>
<td><strong>Operating income</strong></td>
<td><strong>3,336,449</strong></td>
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<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
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<tbody>
<tr>
<td>Interest income</td>
<td>126,792</td>
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<table>
<thead>
<tr>
<th>CHANGE IN NET POSITION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position at beginning of period</td>
<td>76,761,127</td>
</tr>
<tr>
<td><strong>Net position at end of period</strong></td>
<td><strong>$80,224,368</strong></td>
</tr>
</tbody>
</table>
CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales $32,993,839
Receipts from electricity sales for resale 59,013
Tax and surcharge receipts from customers 427,084
Payments to purchase electricity (27,366,433)
Payments for staff compensation (583,496)
Payments for data manager (524,698)
Payments for service fees - PG&E (157,287)
Payments for consultants and other professional fees (365,149)
Payments for legal services (84,829)
Payments for communications (493,233)
Payments for general and administration (207,243)
Tax and surcharge payments to other governments (419,583)
Payments for charitable contributions (108,000)

Net cash provided (used) by operating activities 2,919,211

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets (13,324)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received 148,025

Net cash provided (used) by investing activities 148,025

Net change in cash and cash equivalents (including County Pooled Investment Fund) 3,053,912
Cash and cash equivalents at beginning of year 56,447,818
Cash and cash equivalents at end of year $59,501,730

Reconciliation to the Statement of Net Position

Cash and cash equivalents $44,326,458
Investment in Sonoma County Pooled Investment Fund 15,175,272
Cash and cash equivalents $59,501,730

See accountants' compilation report.
# RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$3,336,449</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash provided (used) by operating activities</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>10,037</td>
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<tr>
<td>Revenue reduced for uncollectible accounts</td>
<td>168,436</td>
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<tr>
<td>Charitable contributions considered an operating activity for cash flow purposes only</td>
<td>(108,000)</td>
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<tr>
<td>(Increase) decrease in net accounts receivable</td>
<td>(1,785,530)</td>
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<tr>
<td>(Increase) decrease in other receivables</td>
<td>(104,755)</td>
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<tr>
<td>(Increase) decrease in accrued revenue</td>
<td>1,077,285</td>
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<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>(298,431)</td>
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<tr>
<td>(Increase) decrease in current deposits</td>
<td>(129,256)</td>
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<tr>
<td>Increase (decrease) in accounts payable</td>
<td>(325,896)</td>
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<tr>
<td>Increase (decrease) in accrued cost of electricity</td>
<td>95,998</td>
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<tr>
<td>Increase (decrease) in accrued liabilities</td>
<td>960,315</td>
</tr>
<tr>
<td>Increase (decrease) in user taxes and energy surcharges due to other governments</td>
<td>22,559</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$2,919,211</td>
</tr>
</tbody>
</table>
LEGISLATIVE REPORT

The next few months will be very quiet in Sacramento. As previously reported, the Legislature completed its two-year session at the end of August and Governor Brown acted on over 1,200 pieces of legislation by the September 30 deadline. The Capitol community is now waiting to see whom our next Governor and other constitutional officers will be for the next four years. We are also waiting to see who will fill the combined eleven “open” seats in the Assembly and Senate. The Assembly Speaker believes at least 56 of the 80 Assembly seats will go to the Democrats and this number could go as high as 60. The Senate might also gain a two-thirds supermajority if the seat currently held by Republican Anthony Cannella is won by Assembly Member Anna Caballero. The registration data and polling give Assembly Member Caballero a slight lead in the race against the Republican candidate Rob Poythress.

REGULATORY REPORT

Power Charge Indifference Adjustment (PCIA)

On October 11, 2018, the Commission unanimously adopted Commissioner Peterman’s Alternate Proposed Decision. The original Proposed Decision by ALJ Roscow was on the agenda, but was not voted on. Members of the public, community advocates (including CAC member Mike Nichols), and elected officials from a variety of jurisdictions attended the Commission meeting and spoke out against the Alternate Proposed Decision to no avail.
The Alternate Proposed Decision ("APD") was issued by Commissioner Carla Peterman on August 14th. It fails to recognize the inherent mismatch in valuing long-term assets by spot-market sales, and will significantly increase the PCIA. The increase is due to two main factors. First, it will hold CCA customers liable for utility-owned generation which was not included in AB 117, the legislation which allowed for community choice. Second, it will remove the existing ten-year limit in which IOUs can recover costs and generate profits on assets they own. The result of these two changes, combined with a reduced market price benchmark (the credit CCA customer receive in return for paying utility costs) means the PCIA will increase from 2019 onwards, and will be collected from customers for an unlimited amount of time.

Changes to the PCIA are planned to go into effect beginning January of 2019. SCP staff are evaluating the impact on rates as well as implications for customer programs and reserve contributions. This will be discussed further under Item 7 on the agenda.

**PG&E 2019 Forecast Energy Resource Recovery Account (ERRA)**

Sonoma Clean Power, joined by other Northern California CCAs, submitted a protest to PG&E’s 2019 ERRA Application. This is the process wherein electric rates, including the PCIA, are set for the following year. SCP continues to advocate that prudent management of contracts must be evaluated in this proceeding. The IOUs are required by the CPUC’s Standards of Procurement and Policy Manual to manage their portfolio to the benefit of all ratepayers. This manual explicitly states that, in performing this duty, IOUs may need to dispose of unneeded resources and/or purchase short-term resources instead.

Sonoma Clean Power and other CCAs have requested that PG&E provide all the underlying workpapers and testimony supporting these rate changes. As some of this information is confidential, the CCA parties will use an external consultant under an NDA - Richard McCann - to ensure that PG&E’s confidential calculations were done accurately and only include unavoidable costs.

On September 20th, the CPUC held a hearing on the ERRA Proceeding to discuss whether their rate calculations were accurate and done in compliance with existing directives.

After an update to ERRA figures is released in November, changes to bundled and CCA customer rates are planned to go into effect on January 1st, 2019.
To: Sonoma Clean Power Authority Community Advisory Committee

From: Cordel Stillman, Director of Programs

Issue: Update on 431 E. Street; Authorization for the CEO to Negotiate and Enter into an Amended and Restated Agreement with EHDD for Design Services

Date: October 24, 2018

Requested Committee Action

1. Receive an update from staff and discuss progress on the 431 E Street renovation.

2. Recommend that the Board authorize the Chief Executive Officer (“CEO”) to negotiate an Amended and Restated Professional Services Agreement with EHDD up to a maximum total not-to-exceed amount of one million, two-hundred and eighty-five thousand, five hundred and fifty-one dollars ($1,285,551) for full scope design services for 431 E. Street covering all design work including schematic design through construction.

3. Recommend that the Board delegate authority to the CEO to execute such an Amended and Restated Agreement in a legal form approved by the General Counsel, as well as other related documents necessary to administer the Agreement, including subsequent amendments that do not change the Agreement’s price or term, provided such documents are in a form approved by the General Counsel and are otherwise consistent with SCP’s Joint Powers Agreement and Board-adopted policies.

Background

Project Goal - To provide a headquarters for Sonoma Clean Power (“SCP”) that maintains a healthy workplace while showcasing energy efficiency and fuel switching in the built environment.
Update Regarding Progress on 431 E Street Renovation

As noted in prior updates, SCP purchased an office building located at 431 E Street in downtown Santa Rosa to serve as a headquarters for SCP earlier this year. The building will require significant renovation before it is ready to occupy.

Staff has been working with EHDD, SCP’s design consultant, on schematic design. Progress in this area is represented on the slides included with this staff report as Attachment 1.

In addition to working on the preliminary aspects of project design, Staff issued an RFQ for construction management services on October 1, 2018. Responses to the RFQ from interested firms are due back on October 19, 2018. Staff hopes to engage the CM early to assist with constructability review and begin the process of developing a good working relationship that will help facilitate project construction as well.

Finally, staff is beginning to refine its approach to the construction phase of the project, and evaluating options such as prequalification of construction contractors, phasing of demolition and construction work and developing preliminary schedules for key milestones in the process.

SCP staff will continue to communicate with the Community Advisory Committee (“CAC”) and the Board through a monthly newsletter that will document progress made and next steps.

Authorization for the CEO to Negotiate and Execute an Amended and Restated Agreement for Design Services with EHDD

Following a competitive selection process for the full scope of design services beginning with programming and schematic design and covering work through construction for the project, SCP selected a team lead by EHDD, an architectural firm based in San Francisco to perform design and other services for the full duration of the renovation project for the building SCP has purchased for its new headquarters. Under contract with SCP, EHDD has started preliminary schematic design work, at a cost of $195,551. The schematic design costs ($195,551) are included in the not-to-exceed amount of $1,285,551.

As noted above, staff requests that the CAC recommend that the Board:

- Authorize the CEO to negotiate an Amended and Restated Professional Services Agreement with EHDD up to a maximum total not-to-exceed amount of $1,285,551 (which includes $195,551 already budgeted for schematic design work) for full scope design services for 431 E. Street covering design work through construction; and

- Delegate authority to the CEO to execute such an Amended and Restated Agreement in a legal form approved by the General Counsel, as well as other
related documents necessary to administer the Agreement, including subsequent amendments that do not change the Agreement's price or term, provided such documents are in a form approved by the General Counsel and are otherwise consistent with SCP's Joint Powers Agreement and Board-adopted policies.

In addition to the parameters set forth above, the Board's authorization and delegation to the CEO would be subject to the following additional conditions:

- The full scope of design services will include the following phases of design services: schematic design, design development, construction document, permitting and bidding, and construction as well as furniture, fixture and equipment services.
- Staff will ensure that there is an opportunity to secure cost estimates before proceeding to subsequent phases of work, and that SCP has “off-ramps” that allow SCP to decline to proceed to a subsequent phase;
- Staff will continue regular check-ins on project progress, as planned; and
- Subsequent amendments to the Amended and Restated Agreement that modify Agreement price and term beyond the not-to-exceed amount (including contingency) will return to the CAC and Board for approval.

Staff considers it prudent to clarify and memorialize SCP’s overall and original intent to engage and set a budget with EHDD for full scope of design services in all phases, even as SCP finalizes estimates for its construction budget to (1) ensure that SCP is able to proceed through various design phases of the project without delay and with an overall budget for the full scope of design services; and (2) better reflects SCP’s original intent with respect to contracting approach for the full range of design services, which distinguishes SCP’s contracting approach from phased design contracts that have garnered additional FPPC scrutiny in the past year under conflict of interest sections of the California Government Code.

Next Steps:

1) CEO Negotiation and Execution of Final Amended and Restated Agreement for Professional Services with EHDD, subject to the parameters set forth in this Staff Report to memorialize the full scope engagement with EHDD for design services for the duration of the Project.

2) Prepare key project documents, including a construction budget, based on the schematic design.

3) Negotiate a contract with a firm to perform construction management services for the project.

4) Begin detailed design for building renovations.

Attachment(s) Slides - Schematic Design Progress
Test Fit Plan – Level 1
Test Fit Plan – Level 2
Architectural Plan – Level 1

Design Meeting #4 – 100% SD 10.22.18
Site Plan
Aerial view from Southeast
Entry View from E Street
Views from West approach

- View to entry garden from parking lot
- Pedestrian path on south side of parking lot
- Pedestrian path from Beaver Street and parking garage
Staff Report – Item 05

To: Sonoma Clean Power Authority Community Advisory Committee

From: Rebecca Simonson, Power Services Manager

Issue: Amended and Restated Power Purchase Agreement with Cloverdale Solar Center, LLC under ProFIT Program

Date: October 24, 2018

Requested Committee Action

The Community Advisory Committee Recommends that the Board:

1. Approve an Amended and Restated Power Purchase Agreement ("PPA") with Cloverdale Solar Center, LLC under ProFIT Program to extend the Guaranteed Commercial Operation Date for the Project to March 31, 2019 due to permitting delays, update and clarify the bonus payment structure under the PPA and make other conforming changes; and

2. Delegate to the Chief Executive Officer the authority to execute on behalf of SCP the PPA, and any other documents necessary to administer the PPA, including any subsequent amendments that do not change the PPA price or term, provided such documents are in a form approved by the General Counsel and are otherwise consistent with SCP's Joint Powers Agreement and Board-adopted policies.

A copy of the Amended and Restated PPA is included with this Staff Report as Attachment 1.

Background

Sonoma Clean Power ("SCP") and Cloverdale Solar Center, LLC entered into a Feed-in-Tariff Program ("Pro-FIT") Power Purchase Agreement ("Original PPA") for a 999 kW solar project located in Cloverdale, CA. The Original PPA was effective as of January 31, 2018.
The expected Commercial Operation Date (COD) in the Original PPA was October 20, 2018. The Original PPA included provisions allowing for a 6-month extension due to unanticipated delays in permitting.

Cloverdale Solar Center, LLC has taken commercially reasonable actions to obtain a Conditional Use Permit (“CUP”) with the Sonoma County Permit & Resource Management Department (“PRMD”), however delays at PRMD meant that the CUP was not received according to the milestone dates in the Original PPA. Cloverdale Solar, LLC requested a 6-month extension on June 19, 2018 due to these delays.

This Amended and Restated PPA provides the extension, with a new guaranteed COD of March 31, 2019. In granting the extension to March 31, 2019, Cloverdale Solar, LLC, SCP has eliminated any additional 6-month extension in the Amended and Restated other than for reasons related to Force Majeure.

The Cloverdale Project’s developer is also in the process of negotiating financing for the Project. In connection with such financing, SCP may be asked by the lender and developer to execute a lender consent. SCP is in the process of reviewing and negotiating the terms of the lender consent, and if the CAC and Board approve the delegation of authority to the CEO to execute documents necessary to administer the PPA as staff has recommended, the CEO would have authority to execute such lender consent on SCP’s behalf if SCP can reach acceptable terms with the developer and its lender.

In addition to the specific changes noted above, this Amended & Restated PPA also:

- Memorializes changes to financing of the project in the Recitals;
- Updates project contacts;
- Clarifies contract price and bonus payment structure; and
- Details documentation required to receive bonus payment.

**Next Steps**

Secure Board Approval of Amended and Restated PPA for Cloverdale Solar, LLC.

**Attachment(s)**

Attachment 1 - Amended and Restated PPA between SCP and Cloverdale Solar Center, LLC.
AMENDED AND RESTATED
FEED-IN TARIFF
POWER PURCHASE AGREEMENT BETWEEN
SONOMA CLEAN POWER AUTHORITY AND CLOVERDALE SOLAR CENTER, LLC
AMENDED AND RESTATED
FEED-IN TARIFF
POWER PURCHASE AGREEMENT

The Sonoma Clean Power Authority, a California Joint Powers Authority ("Buyer" or "SCPA"), and Cloverdale Solar Center, LLC ("Seller"), a Delaware Limited Liability Company, hereby enter into this Amended and Restated Power Purchase Agreement ("Agreement") made and effective as of ____________, 2018 (the “Execution Date”). Seller and Buyer are sometimes referred to in this Agreement jointly as “Parties” or individually as “Party.”

RECITALS

1. Buyer and Seller entered into that certain Feed-in-Tariff Power Purchase Agreement, effective as of January 31, 2018 ("Original PPA") with respect to the Project.

2. Pursuant to a Lease-Financing Agreement, Key Equipment Finance (a Division of KeyBank National Association) has agreed to finance the Project by purchasing the Project from Seller and leasing it back to Seller.

3. Pursuant to section 15.2 of the Original PPA, Seller is permitted to assign the Original Agreement as collateral for any financing or refinancing of the Project, including lease financing, with the prior written consent of SCPA, which consent shall not be unreasonably withheld or delayed.

4. In order to comply with section 15.2 of the Original PPA, Seller has requested that Buyer execute a Consent and Agreement ("Consent").

5. Subject to the approval by the SCPA Board of Directors of this Agreement and the Consent, this Agreement amends, restates and replaces the Original Agreement, and the Original Agreement shall be of no further force and effect.

In consideration of the mutual promises and obligations stated in this Agreement and its appendices, the Parties agree as follows:

1 DOCUMENTS INCLUDED

This Agreement includes the following appendices, which are specifically incorporated herein and made a part of this Agreement:

Appendix A Definitions
Appendix B Commercial Operation Date Confirmation Letter
Appendix C Forecasting Requirements
Appendix D Description of the Facility
Appendix E Seller’s Milestone Schedule
2 SELLER’S FACILITY AND COMMERCIAL OPERATION DATE

This Agreement governs Buyer’s purchase of the Product from the electrical generating facility (hereinafter referred to as the “Facility” or “Project”) as described in this Section.

2.1 Facility Location. The Facility is physically located at:

1255 Hiatt Road
Cloverdale, CA 95425

2.2 Facility Name. The Facility is named Cloverdale Solar Center.

2.3 Type of Facility.

2.3.1 The Facility is a(n) (check one):

☐ Baseload Facility
☒ As-Available Facility

2.3.2 The Facility’s renewable resource is solar photovoltaic.

2.4 Interconnection Point. The Facility is connected to the Pacific Gas & Electric Company (“PG&E”) electric system at Cloverdale 1102 distribution circuit, i.e. Interconnection Point, at a service voltage of 12 kV.

2.5 Delivery Point. The Delivery Point for Energy is the Interconnection Point.

2.6 Facility Description. A description of the Facility, including a summary of its significant components, a drawing showing the general arrangements of the Facility, and a single line diagram illustrating the interconnection of the Facility and loads with the Transmission/Distribution Owner’s electric distribution system, is attached and incorporated herein as Appendix D.

2.7 Commercial Operation.

2.7.1 The Facility’s Guaranteed Commercial Operation Date is March 31, 2019.

2.7.2 Seller shall achieve Commercial Operation no later than the Guaranteed Commercial Operation Date specified in Section 2.7.1. The Guaranteed Commercial Operation Date specified in Section 2.7.1 may only be extended due to Force Majeure, as follows:

2.7.2.1 In the event of Force Majeure, the Guaranteed Commercial Operation Date specified in Section 2.7.1 shall be extended to the extent, and only to the extent
that performance hereunder is prevented by Force Majeure, and any such Force Majeure time periods cannot extend for a cumulative period of not more than six (6) months; provided that Seller complies with Section 11.

2.7.2.2 Extensions due to Force Majeure under this section, to the extent they may occur concurrently, shall run concurrently.

2.7.3 Seller shall provide Notice to Buyer of the Commercial Operation Date of the Facility no later than thirty (30) days before such date.

2.7.4 Notwithstanding anything in this Agreement, if Seller is unable to achieve Commercial Operation by the Guaranteed Commercial Operation Date specified in Section 2.7.1, which may be extended pursuant to Section 2.7.2, then Seller shall either (i) terminate the Agreement, in which case Buyer may retain the full Reservation Deposit, or (ii) pay to Buyer daily delay damages in the amount of twenty cents ($0.20) for each kilowatt of Contract Capacity for each day beyond the Guaranteed Commercial Operation Date specified in Section 2.7.1, as may be extended pursuant to Section 2.7.2, that Seller requires to achieve Commercial Operation.

2.7.5 Commercial Operation shall occur only when all of the following conditions have been satisfied:

2.7.5.1 the Facility’s status as an Eligible Renewable Energy Resource is demonstrated by Seller’s receipt of pre-certification from the CEC;

2.7.5.2 the Parties have executed and exchanged the “Commercial Operation Date Confirmation Letter” attached as Appendix B;

2.7.5.3 Seller has obtained and is in compliance with the Interconnection Agreement for the Facility, and Seller has satisfied all applicable CAISO Tariff requirements and metering requirements in Sections 6.1 and 6.2;

2.7.5.4 Seller has furnished to Buyer all insurance documents required under Section 10;

2.7.5.5 Seller has provided thirty (30) days Notice prior to the Commercial Operation Date as required under Section 2.7.3;

2.7.5.6 Seller has obtained all permits necessary to operate the Facility and is compliance with all Laws applicable to the operation of the Facility;

2.7.5.7 Seller has successfully installed and tested the Facility at its full Contract Capacity, and the Facility is capable of reliably generating at its full Contract Capacity; and
3.7.5.8 Seller has satisfied the Collateral Requirement set forth in Section 3.9.

3 CONTRACT CAPACITY AND QUANTITY; TERM; CONTRACT PRICE; BILLING; COLLATERAL REQUIREMENT

3.1 Contract Capacity. The Contract Capacity is 999 kW, alternating current (AC). The Contract Capacity shall not exceed 1,000 kW AC.

3.2 Contract Quantity. The “Contract Quantity” during each Contract Year is the amount set forth in the applicable Contract Year in the “Delivery Term Contract Quantity Schedule,” set forth below, which amount is net of Station Use. Seller shall have the option to update the Delivery Term Contract Quantity Schedule one (1) time prior to the Commercial Operation Date.

<table>
<thead>
<tr>
<th>Contract Year</th>
<th>Contract Quantity (kWh/Yr)</th>
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<tbody>
<tr>
<td>1</td>
<td>2,345,565</td>
</tr>
<tr>
<td>2</td>
<td>2,333,837</td>
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<tr>
<td>3</td>
<td>2,322,168</td>
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<tr>
<td>4</td>
<td>2,310,557</td>
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<td>2,143,201</td>
</tr>
<tr>
<td>20</td>
<td>2,132,485</td>
</tr>
</tbody>
</table>

3.3 Transaction. During the Delivery Term, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, all Product produced by or associated with the Facility that is delivered to the Delivery Point. In no event shall Seller have the right to procure the Product from sources other than the Facility for sale or delivery to Buyer under this Agreement. Buyer shall have no obligation to receive or purchase the Product from Seller prior to the Commercial Operation Date or after the end of the Delivery Term.

3.4 Term of Agreement; Survival of Rights and Obligations.
3.4.1 The term shall commence upon the Execution Date of this Agreement and shall remain in effect until the conclusion of the Delivery Term unless terminated sooner pursuant to Sections 11.4 or 12 of this Agreement (the “Term”).

3.4.2 Notwithstanding anything to the contrary in this Agreement, all of the rights and obligations that this Agreement expressly provides survive termination as well as the rights and obligations that arise from Seller’s or Buyer’s covenants, agreements, representations, and warranties applicable to, or to be performed, at or during any time before or as a result of the termination of this Agreement.

3.5 Delivery Term. Seller shall deliver the Product from the Facility to Buyer for a period of twenty (20) Contract Years for all generation technology, with the exception of baseload facilities which shall have a Delivery Term of ten (10) Contract Years (“Delivery Term”). The Delivery Term shall commence on the Commercial Operation Date and continue until the end of the last Contract Year unless the Agreement is terminated sooner pursuant to the terms of the Agreement.

3.6 Contract Price; Bonus Payment.

3.6.1 Contract Price. Throughout the Delivery Term, and subject to and in accordance with the terms of this Agreement, Buyer shall pay the Contract Price to Seller for the Product based on the amount of Delivered Energy. The Contract Price is $0.095 per kWh of Delivered Energy.

3.6.2 Curtailment.

3.6.2.1 Seller shall curtail production of the Facility upon: (a) Notice has been instructed by the CAISO or the Transmission/Distribution Owner or any other jurisdictional entity to curtail Energy deliveries; or (b) Notice that Seller has been given a curtailment order or similar instruction in order to respond to an Emergency.

3.6.2.2 Buyer shall have no obligation to pay Seller for any Product delivered in violation of Section 3.6.2 or for any Product that Seller would have been able to deliver but for the fact of a curtailment pursuant to Section 3.6.2. Seller shall assume all liability and reimburse Buyer for any and all costs and charges incurred by Buyer, including but not limited to CAISO penalties, as a result of Seller delivering Energy in violation of Section 3.6.2.

3.6.3 Bonus Payment. In addition to the Contract Price, Buyer agrees to pay Seller a Bonus Payment in accordance with the terms set forth in Appendix G, only where Seller has satisfactorily demonstrated to Buyer its eligibility for such Bonus Payment, including by providing Buyer with the information and documentation required by Appendix G.
3.6.4 Delivered Energy Adjustments. In any Contract Year, if the amount of Delivered Energy exceeds one hundred fifteen percent (115%) of the annual Contract Quantity amount, the Contract Price and Bonus Payment for such Delivered Energy in excess of one hundred fifteen percent (115%) shall be adjusted to be seventy-five percent (75%) of the applicable Contract Price and any applicable Bonus Payment.

3.7 Billing.

3.7.1 The amount Delivered Energy shall be determined by the meter specified in Section 6.2.1 or Check Meter, as applicable. Buyer has no obligation to purchase from Seller any Energy that is not or cannot be delivered to the Delivery Point, regardless of circumstance.

3.7.2 For the purpose of calculating monthly payments under this Agreement, the amount recorded by the meter specified in Section 6.2.1 or Check Meter, as applicable, will be multiplied by the Contract Price, as possibly adjusted under Section 3.6, less any Energy produced by the Facility for which Buyer is not obligated to pay Seller as set forth in Section 3.7.1.

3.7.3 On or before the last Business Day of the month immediately following each calendar month, Seller shall determine the amount of Delivered Energy received by Buyer pursuant to this Agreement for each monthly period and issue an invoice showing the calculation of the payment. Seller shall also provide to Buyer: (a) records of metered data sufficient to document and verify the generation of Delivered Energy by the Facility during the preceding month; (b) access to any records; and (c) an invoice, in the format specified by Buyer.

In the event an invoice or portion thereof or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with Notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. In the event adjustments to payments are required as a result of inaccurate meter(s), Buyer in its reasonable discretion shall determine the correct amount of Delivered Energy received under this Agreement during any period of inaccuracy and recompute the amount due from Buyer to Seller for the Delivered Energy delivered during the period of inaccuracy. The Parties agree to use good faith efforts to resolve the dispute or identify the adjustment as soon as possible. Upon resolution of the dispute or calculation of the adjustment, any required payment shall be made within thirty (30) days of such resolution.

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

3.9 **Collateral Requirement.** On or before the Commercial Operation Date, Seller shall post and thereafter maintain a collateral requirement equal to twenty dollars ($20.00) for each kilowatt of Contract Capacity (the “Collateral Requirement”). The Collateral Requirement will be held by Buyer and must be in the form of either cash deposit or Letter of Credit. The Collateral Requirement shall be posted to Buyer and maintained at all times during the Delivery Term. Buyer shall be entitled to draw upon the Collateral Requirement for any damages arising upon Buyer’s declaration of an Early Termination Date as set forth in Section 12.3. In the event that Buyer draws on the Collateral Requirement, Seller shall promptly replenish such Collateral Requirement to the amount specified in this Section 3.9. Buyer shall return the unused portion of the Collateral Requirement to Seller promptly at the end of the Delivery Term, once all payment obligations of the Seller under this Agreement have been satisfied.

4 **GREEN ATTRIBUTES; RESOURCE ADEQUACY BENEFITS; ERR REQUIREMENTS**

4.1 **Green Attributes.** Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

4.2 **Conveyance of Product.** Throughout the Delivery Term, Seller shall provide and convey the Product to Buyer in accordance with the terms of this Agreement, and Buyer shall have the exclusive right to the Product. Seller shall, at its own cost, take all actions and execute all documents or instruments that are reasonable and necessary to effectuate the use of the Green Attributes, Resource Adequacy Benefits, if any, and Capacity Attributes, if any, for Buyer’s benefit throughout the Delivery Term.

4.3 **WREGIS.** Seller shall cause and allow Buyer, or Buyer’s agent, to be the “Qualified Reporting Entity” and “Account Holder” (as such terms are defined by WREGIS) for the Facility within thirty (30) days after the Commercial Operation Date. In the event that Buyer is not the Qualified Reporting Entity, Seller shall, at its sole expense, take all actions necessary and provide any documentation requested by Buyer in support of WREGIS account administration and compliance with the California Renewables Portfolio Standard. Seller, at its sole expense, shall take all necessary steps and submit/file all necessary documentation to ensure that the Facility remains an Eligible Renewable Energy Resource throughout the Delivery Term as outlined in Section 4.5 and that all WREGIS Certificates associated with the Product accrue to Buyer and will satisfy the requirements of the California Renewables Portfolio Standard.

4.4 **Resource Adequacy Benefits.**
4.4.1 During the Delivery Term, Seller grants, pledges, assigns and otherwise commits to Buyer all of the Contract Capacity, including Capacity Attributes, if any, from the Project to enable Buyer to meet its Resource Adequacy or successor program requirements, as the CPUC, CAISO or other regional entity may prescribe (“Resource Adequacy Requirements”).

4.4.2 If providing any Resource Adequacy, Seller shall comply with the Resource Adequacy requirements set forth in the CAISO Tariff, including Section 40 thereof, as may be changed from time to time.

4.4.3 If providing any Resource Adequacy, Seller shall cooperate in good faith with and comply with reasonable requests of Buyer and the CAISO to enable Buyer and/or the CAISO to assign Capacity Attributes and Resource Adequacy Benefits to the Facility.

4.5 Eligible Renewable Energy Resource. Seller shall take all actions necessary to achieve and maintain status as an Eligible Renewable Energy Resource or ERR throughout the Delivery Term. Within thirty (30) days after the Commercial Operation Date, Seller shall file an application or other appropriate request with the CEC for CEC Certification for the Facility. Seller shall expeditiously seek CEC Certification, including promptly responding to any requests for information from the requesting authority.

5 REPRESENTATION AND WARRANTIES; COVENANTS

5.1 Representations and Warranties. On the Execution Date, each Party represents and warrants to the other Party that:

5.1.1 it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation;

5.1.2 the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Laws;

5.1.3 this Agreement and each other document executed and delivered in accordance with this Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms;

5.1.4 it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt; and

5.1.5 there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement.
5.2 **General Covenants.** Each Party covenants that throughout the Term of this Agreement:

5.2.1 it shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation;

5.2.2 it shall maintain (or obtain from time to time as required, including through renewal, as applicable) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

5.2.3 it shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party, or any Law.

5.3 **Seller’s Representations, Warranties and Covenants.** In addition to the representations, warranties and covenants specified in Sections 5.1 and 5.2, Seller makes the following additional representations, warranties and covenants to Buyer, as of the Execution Date:

5.3.1 Seller has not participated in the Self-Generation Incentive Program (as defined in CPUC Decision 01-03-073), the California Solar Initiative (as defined in CPUC Decision 06-01-024), and/or other similar California ratepayer subsidized program relating to energy production or rebated capacity costs with respect to the Facility.

5.3.2 Seller’s execution of this Agreement will not violate Public Utilities Code Section 2821(d)(1), if applicable;

5.3.3 Seller has met all applicable legal and regulatory requirements to sell wholesale electricity in California;

5.3.4 Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project’s output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law;

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

5.3.6 Throughout the Delivery Term, Seller shall: (a) own and operate the Facility; (b) deliver the Product to Buyer free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any individual or entity; and (c) hold the rights to all of the Product;

5.3.7 Seller is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the Buyer in so doing, and is capable of assessing the merits of, and understands and accepts, the terms, conditions and risks of this Agreement;

5.3.8 Throughout the Delivery Term: (a) Seller shall not convey, transfer, allocate, designate, award, report or otherwise provide any or all of the Product, or any portion thereof, or any benefits derived therefrom, to any party other than Buyer; and (b) Seller shall not start-up or operate the Facility per instruction of or for the benefit of any third party, except as required by other Laws;

5.3.9 Seller has not relied on any promises, representations, statements or information of any kind that are not contained in this Agreement in deciding to enter into this Agreement;

5.3.10 The construction of the Facility shall comply with all Laws, including applicable state and local laws, building standards, and interconnection requirements;

5.3.11 No other person or entity, including any other generating facility, has any rights in connection with Seller’s Interconnection Agreement or Seller’s Interconnection Facilities and no other persons or entities shall have any such rights during the Term; and

5.3.12 During the Delivery Term, Seller shall not allow any other person or entity, including any other generating facility, to use Seller’s Interconnection Facilities.

6 GENERAL CONDITIONS

6.1 CAISO Agreements; CAISO Costs; Interconnection Agreements. During the Delivery Term, Seller shall comply with all contractual, metering and applicable interconnection requirements, including those set forth in the Interconnection Agreement, Transmission/Distribution Owner’s applicable tariffs, the CAISO Tariff and implementing CAISO standards and requirements, and all Laws so as to be able to deliver Energy to the Delivery Point. Seller shall provide and maintain during the Delivery Term, at its cost, all data processing gateways or remote intelligence gateways, telemetering equipment and data acquisition services, and
associated measuring and recording equipment necessary to meet all applicable WREGIS and CAISO requirements applicable to the Facility during the Delivery Term. Seller shall also secure and maintain in full force all of the CAISO agreements, certifications and approvals required in order for the Facility to comply with the CAISO Tariff and any other agreement necessary to deliver Product to Buyer during the Delivery Term. Seller shall submit its request to interconnect the Facility and obtain an Interconnection Agreement pursuant to Transmission/Distribution Owner’s Wholesale Distribution Tariff. For avoidance of doubt, Facilities that interconnect pursuant to CPUC Rule 21 are not eligible for this Agreement.

6.2 Metering Requirements.

6.2.1 All Energy from the Project must be delivered through a single revenue quality meter and that meter must be dedicated exclusively to the Project. All Delivered Energy purchased under this Agreement must be measured by the Project’s revenue quality meter(s) to be eligible for payment under this Agreement. Seller shall bear all costs relating to all metering equipment installed to accommodate the Project.

6.2.2 Buyer may, at its sole cost, furnish and install one Check Meter at the interconnection associated with the Facility at a location provided by Seller that is compliant with Buyer’s electric service requirements. The Check Meter may be interconnected with Buyer’s communication network, or the communication network of Buyer’s Agent, to permit periodic, remote collection of revenue quality meter data. In the event that Buyer elects to install a Check Meter, Buyer may compare the Check Meter data to the Facility’s revenue meter data. If the deviation between the Facility’s revenue meter data and the Check Meter data for any comparison is greater than 0.3%, Buyer may provide Notice to Seller of such deviation and the Parties shall mutually arrange for a meter check or recertification of the Check Meter or the Facility’s revenue meter, as applicable. Each Party shall bear its own costs for any meter check or recertification. Testing procedures and standards for the Check Meter shall be the same as for a comparable Buyer-owned meter. Parties shall have the right to have representatives present during all such tests. The Check Meter, if Buyer elects to install a Check Meter, is intended to be used for back-up purposes in the event of a failure or other malfunction of the Facility’s revenue meter, and Check Meter data shall only be used to validate the Facility’s revenue meter data and, in the event of a failure or other malfunction of the Facility’s revenue meter, in place of the Facility’s revenue meter until such time that the Facility’s revenue meter is recertified.

6.3 Meter Data. Seller hereby agrees to provide all meter data to Buyer in a form acceptable to Buyer, including any inspection, testing and calibration data and reports. Seller shall grant Buyer the right to retrieve the meter readings from Seller or Seller’s meter reading agent, which may be PG&E.

6.4 Standard of Care. Seller shall: (a) maintain and operate the Facility and
Interconnection Facilities in conformance with the Interconnection Agreement, the CAISO Tariff, all Laws, and Prudent Electrical Practices; (b) obtain any governmental authorizations and permits required for the construction and operation of the Facility and Interconnection Facilities; and (c) generate, schedule and perform transmission services in compliance with all applicable CAISO operating policies, criteria, rules, guidelines and tariffs and Prudent Electrical Practices. Seller shall reimburse Buyer for any and all losses, damages, claims, penalties, or liability Buyer incurs as a result of Seller’s failure to obtain or maintain any governmental authorizations and permits required for construction and operation of the Facility throughout the Term of this Agreement.

6.5 Access Rights.

6.5.1 Operations Logs. Seller shall maintain a complete and accurate log of all material operations and maintenance information on a daily basis. Such log shall include, but not be limited to, information on power production, fuel consumption (if applicable), efficiency, availability, maintenance performed, outages, results of inspections, manufacturer recommended services, replacements, electrical characteristics of the generators, control settings or adjustments of equipment and protective devices. Seller shall provide this information electronically to Buyer within twenty (20) days of Buyer’s request.

6.5.2 Access Rights. Buyer, its authorized agents, employees and inspectors may, on reasonable advance notice under the circumstances, visit the Project during normal business hours for purposes reasonably connected with this Agreement. Buyer, its authorized agents, employees and inspectors must (a) at all times adhere to all safety and security procedures as may be required by Seller; and (b) not interfere with the operation of the Project. Buyer shall make reasonable efforts to coordinate its emergency activities with the safety and security departments, if any, of the Project operator. Seller shall keep Buyer advised of current procedures for contacting the Project operator’s safety and security departments, if any exist.

6.6 Protection of Property. Seller shall be solely responsible for protecting its own facilities from possible damage resulting from electrical disturbances or faults caused by the operation, faulty operation, or non-operation of the Transmission/Distribution Owner’s facilities. Buyer shall not be liable for any such damages so caused.

6.7 Forecasting. Seller shall comply with the forecasting in Appendix C.

6.8 Greenhouse Gas Emissions. Seller acknowledges that a Governmental Authority may require Buyer to take certain actions with respect to greenhouse gas emissions attributable to the generation of Energy, including, but not limited to, reporting, registering, tracking, allocating for or accounting for such emissions. Promptly following Buyer’s written request, Seller agrees to take all commercially reasonable actions and execute or provide any and all documents, information or instruments with respect to generation by the Facility reasonably
necessary to permit Buyer to comply with such requirements, if any.

6.9 Reporting and Record Retention.

6.9.1 Seller shall use commercially reasonable efforts to meet the Milestone Schedule set forth in Appendix E and avoid or minimize any delays in meeting such schedule. Seller shall provide Project development status reports in a format and a frequency, which shall not exceed one (1) report per month, specified by the Buyer. The report shall describe Seller’s progress relative to the development, construction, and startup of the Facility, as well as a Notice of any anticipated change to the Commercial Operation Date and whether Seller is on schedule to meet the Commercial Operation Date.

6.9.2 Seller shall within ten (10) Business Days of receipt thereof provide to Buyer copies of any Interconnection Agreement and all other material reports, studies and analyses furnished by any Transmission/Distribution Owner, and any correspondence with the Transmission/Distribution Owner related thereto, concerning the interconnection of the Facility to the Transmission/Distribution Owner’s electric system or the transmission of Energy on the Transmission/Distribution Owners’ electric system.

6.9.3 Seller shall provide to Buyer on the Commercial Operation Date, and within thirty (30) days after the completion of each Contract Year thereafter during the Delivery Term, a copy of any inspection and maintenance report regarding the Facility that was also provided to the Transmission/Distribution Owner during the previous Contract Year.

6.10 Tax Withholding Documentation. Upon Buyer’s request, Seller shall promptly provide to Buyer Internal Revenue Service tax Form W-9 and California tax Form 590 (or their equivalent), completed with Seller’s information, and any other documentation necessary for Buyer to comply with its tax reporting or withholding obligations with respect to Seller.

6.11 Modifications to Facility. During the Delivery Term, Seller shall not repower or materially modify or alter the Facility without the written consent of Buyer. Material modifications or alterations include, but are not limited to, (a) movement of the Site, (b) changes that may increase or decrease the expected output of the Facility other than as allowed under Section 3.2, (c) changes that may affect the generation profile of the Facility, (d) changes that may affect the ability to accurately measure the output of Product from the Facility and (e) changes that conflict with elections, information or requirements specified elsewhere in this Agreement. Material modifications or alterations do not include maintenance and repairs performed in accordance with Prudent Electrical Practices. Seller shall provide to Buyer Notice not less than ninety (90) days before any proposed repowering, modification or alteration occurs describing the repowering, modification or alteration to Buyer’s reasonable satisfaction.
6.12 **No Additional Incentives.** Seller agrees that during the Term of this Agreement it shall not seek additional compensation or other benefits pursuant to the Self-Generation Incentive Program, as defined in CPUC Decision 01-03-073, the California Solar Initiative, as defined in CPUC Decision 06-01-024, Buyer’s net energy metering tariff, or other similar California ratepayer subsidized program relating to energy production with respect to the Facility.

6.13 **Small Hydro/Private Energy Producer.** Seller agrees to provide to Buyer copies of each of the documents identified in California Public Utilities Code Section 2821(d)(1), if applicable, as may be amended from time to time, as evidence of Seller’s compliance with such Public Utilities Code section prior to the Commercial Operation Date and, after the Commercial Operation Date, within thirty (30) days of Seller’s receipt of written request.

6.14 **Site Control.** Seller shall have Site Control as of the earlier of: (a) the Commercial Operation Date; or (b) any date before the Commercial Operation Date to the extent necessary for the Seller to perform its obligations under this Agreement and, in each case, Seller shall maintain Site Control throughout the Delivery Term. Seller shall promptly provide Buyer with Notice if there is any change in the status of Seller’s Site Control.

7 **INDEMNITY**

7.1 Each Party as indemnitor shall defend, save harmless and indemnify the other Party and the directors, officers, and employees of such other Party against and from any and all loss and liability (including reasonable attorneys’ fees) for injuries to persons, including employees of either Party, and physical damage to property, including property of either Party, resulting from or arising out of: (a) the engineering, design, construction, maintenance, or operation of the indemnitor’s facilities; (b) the installation of replacements, additions, or betterments to the indemnitor’s facilities; or (c) the negligence or willful misconduct of the indemnitor relating to its obligation under this Agreement. This indemnity and save harmless provision shall apply notwithstanding the active or passive negligence of the indemnitee. Neither Party shall be indemnified for liability or loss resulting from its sole negligence or willful misconduct. The indemnitor shall, on the other Party’s request, defend any suit asserting a claim covered by this indemnity and shall pay all costs, including reasonable attorneys’ fees that may be incurred by the other Party in enforcing this indemnity.

7.2 Each Party shall defend, save harmless and indemnify the other Party, its directors, officers, employees, and agents, assigns, and successors in interest, for and against any penalty imposed upon the Party to the extent caused by the other Party’s failure to fulfill its obligations under this Agreement.

7.3 Each Party releases and shall defend, save harmless and indemnify the other Party from any and all loss and liability (including reasonable attorneys’ fees) in connection with any breach made by the indemnifying Party of its representations, warranties and covenants in this Agreement.
LIMITATION OF DAMAGES

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 7 (INDEMNITY), IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

NOTICES

Notices (other than forecasts and scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail). A notice sent by facsimile transmission or e-mail will be recognized and shall be deemed received on the Business Day on which such notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a notice by overnight mail or courier shall be deemed to have been received on the next Business Day after such Notice is sent or such earlier time as is confirmed by the receiving Party unless it confirms a prior oral communication, in which case any such notice shall be deemed received on the day sent. A Party may change its addresses by providing notice of same in accordance with this provision. All Notices, requests, invoices, statements or payments for this Facility must reference this Agreements identification number. Notices shall be provided as indicated in Appendix F.

INSURANCE

10.1 Insurance Coverage. Seller shall, at its own expense, starting on the Execution Date and until the end of the Term, and for such additional periods as may be specified below, provide and maintain in effect the following insurance policies and minimum limits of coverage as specified below, and such additional coverage as may be required by Law, with insurance companies authorized to do business in the state in which the services are to be performed, with an A.M. Best’s Insurance Rating of not less than A-:VII.
10.1.1 Commercial general liability insurance, written on an occurrence, not claims-made basis, covering all operations by or on behalf of Seller arising out of or connected with this Agreement, including coverage for bodily injury, broad form property damage, personal and advertising injury, products/completed operations, contractual liability, premises-operations, owners and contractors protective, hazard, explosion, collapse and underground. Such insurance must bear a combined single limit per occurrence and annual aggregate of not less than one million dollars ($1,000,000.00), exclusive of defense costs, for all coverages. Such insurance must contain standard cross-liability and severability of interest provisions. If Seller elects, with Buyer’s written concurrence, to use a “claims made” form of commercial general liability insurance, then the following additional requirements apply: (a) the retroactive date of the policy must be prior to the Execution Date; and (b) either the coverage must be maintained for a period of not less than four (4) years after this Agreement terminates, or the policy must provide for a supplemental extended reporting period of not less than four (4) years after this Agreement terminates. Governmental agencies which have an established record of self-insurance may provide the required coverage through self-insurance.

10.1.2 Workers’ compensation insurance with statutory limits, as required by the state having jurisdiction over Seller’s employees, and employer’s liability insurance with limits of not less than: (a) bodily injury by accident - one million dollars ($1,000,000.00) each accident; (b) bodily injury by disease - one million dollars ($1,000,000.00) policy limit; and (c) bodily injury by disease - one million dollars ($1,000,000.00) each employee.

10.1.3 Commercial automobile liability insurance covering bodily injury and property damage with a combined single limit of not less than one million dollars ($1,000,000.00) per occurrence. Such insurance must cover liability arising out of Seller’s use of all owned, non-owned and hired automobiles in the performance of the Agreement.

10.1.4 Umbrella/excess liability insurance, written on an occurrence, not claims-made basis, providing coverage excess of the underlying employer’s liability, commercial general liability, and commercial automobile liability insurance, on terms at least as broad as the underlying coverage, with limits of not less than four million dollars ($4,000,000.00) per occurrence and in the annual aggregate.


10.2.1 On or before the later of (a) sixty (60) days after the Execution Date and (b) the date immediately preceding commencement of construction of the Facility, and again within a reasonable time after coverage is renewed or replaced, Seller shall furnish to Buyer certificates of insurance evidencing the coverage required above, written on forms and with deductibles reasonably
acceptable to Buyer. Notwithstanding the foregoing sentence, Seller shall in no event furnish Buyer certificates of insurance evidencing required coverage later than the Commercial Operation Date. All deductibles, co-insurance and self-insured retentions applicable to the insurance above must be paid by Seller. All certificates of insurance must note that the insurers issuing coverage must endeavor to provide Buyer with at least thirty (30) days’ prior written notice in the event of cancellation of coverage. Buyer’s receipt of certificates that do not comply with the requirements stated in this Section 10.2.1, or Seller’s failure to provide such certificates, do not limit or relieve Seller of the duties and responsibility of maintaining insurance in compliance with the requirements in this Section 10 and do not constitute a waiver of any of the requirements of Section 10.

10.2.2 Insurance coverage described above in Section 10.1 shall provide for thirty (30) days written Notice to Buyer prior to cancellation, termination, alteration, or material change of such insurance.

10.2.3 Evidence of coverage described above in Section 10.1 shall state that coverage provided in primary and is not excess to or contributing with any insurance or self-insurance maintained by Buyer.

10.2.4 Buyer shall have the right to inspect or obtain a copy of the original policy(ies) of insurance.

10.2.5 All insurance certificates, endorsements, cancellations, terminations, alterations, and material changes of such insurance must be issued, clearly labeled with this Agreement’s identification number and submitted in accordance with Section 9 and Appendix F.

10.2.6 The insurance requirements set forth in Section 10.1 shall apply as primary insurance to, without a right of contribution from, any other insurance maintained by or afforded to Buyer, its subsidiaries and Affiliates, and their respective officers, directors, shareholders, agents, and employees, regardless of any conflicting provision in Seller’s policies to the contrary. To the extent permitted by Law, Seller and its insurers shall be required to waive all rights of recovery from or subrogation against Buyer, its subsidiaries and Affiliates, and their respective officers, directors, shareholders, agents, employees and insurers. The commercial general liability insurance required in Section 10.1.1 and the umbrella/excess liability insurance required in Section 10.1.4 must name Buyer, its subsidiaries and Affiliates, and their respective officers, directors, shareholders, agents, employees and insurers, as additional insureds for liability arising out of Seller’s construction, use or ownership of the Facility.

10.2.7 Seller shall remain liable for all acts, omissions or default of any subcontractor or subsupplier and shall indemnify, defend and hold harmless Buyer for any and all loss or damages, as well as all costs, charges and expenses which Buyer may suffer, incur, or bear as a result of any acts, omissions or default by or on behalf
of any subcontractor or subsupplier.

10.2.8 If Seller fails to comply with any of the provisions of this Section 10, Seller, among other things and without restricting Buyer’s remedies under Law or otherwise, shall, at its own cost, act as an insurer and provide insurance in accordance with the terms and conditions of this Section 10. With respect to the required commercial general liability insurance set forth in Section 10.1.1, umbrella/excess liability insurance set forth in Section 10.1.4, and commercial automobile liability insurance set forth in Section 10.1.3, Seller shall provide a current, full and complete defense to Buyer, its subsidiaries and Affiliates, and their respective officers, directors, shareholders, agents, employees, assigns, and successors in interest, in response to a third party claim in the same manner that an insurer with an A.M. Best’s Insurance Rating of A-:VII would have, had the insurance been maintained in accordance with the terms and conditions set forth in this Section 10 and given the required additional insured wording in the commercial general liability insurance and umbrella/excess liability insurance, and standard “Who is an Insured” provision in commercial automobile liability form.

11  FORCE MAJEURE

11.1 No Default for Force Majeure. Neither Party shall be in default in the performance of any of its obligations set forth in this Agreement, except for obligations to pay money, when and to the extent failure of performance is caused by Force Majeure.

11.2 Requirements Applicable to Claiming Party. If a Party, because of Force Majeure, is rendered wholly or partly unable to perform its obligations when due under this Agreement, such Party (the “Claiming Party”) shall be excused from whatever performance is affected by the Force Majeure to the extent so affected. In order to be excused from its performance obligations under this Agreement by reason of Force Majeure:

11.2.1 The Claiming Party, on or before the fourteenth (14th) day after the initial occurrence of the claimed Force Majeure, must give the other Party Notice describing the particulars of the occurrence; and

11.2.2 The Claiming Party must provide timely evidence reasonably sufficient to establish that the occurrence constitutes Force Majeure as defined in this Agreement.

11.3 Limitations. The suspension of the Claiming Party’s performance due to Force Majeure may not be greater in scope or longer in duration than is required by such Force Majeure. In addition, the Claiming Party shall use diligent efforts to remedy its inability to perform. When the Claiming Party is able to resume performance of its obligations under this Agreement, the Claiming Party shall give the other Party prompt Notice to that effect.
11.4 Termination due to Force Majeure. Either Party may terminate this Agreement on at least five (5) Business Days’ prior Notice, in the event of Force Majeure which materially interferes with such Party’s ability to perform its obligations under this Agreement and which (a) extends for more than 365 consecutive days, or (b) extends for more than a total of 365 days in any consecutive 540-day period.

12 EVENTS OF DEFAULT AND TERMINATION

12.1 Termination. Unless terminated earlier pursuant to Section 11.4 or this Section 12, this Agreement automatically terminates immediately following the last day of the Delivery Term.

12.2 Events of Default. An “Event of Default” means, with respect to a Party, the occurrence of any of the following:

12.2.1 With respect to either Party:

12.2.1.1 A Party becomes Bankrupt;

12.2.1.2 Except for an obligation to make payment when due, if there is a failure of a Party to perform any material covenant or obligation set forth in this Agreement (except to the extent such failure provides a separate termination right for the non-breaching Party or to the extent excused by Force Majeure), if such failure is not remedied within thirty (30) days after Notice thereof from the non-breaching Party to the breaching Party;

12.2.1.3 A Party fails to make any payment due and owing under this Agreement, if such failure is not cured within five (5) Business Days after Notice from the non-breaching Party to the breaching Party; or

12.2.1.4 Any representation or warranty made by a Party (a) is false or misleading in any material respect when made or (b) becomes false or misleading in any material respect during the Term.

12.2.2 With respect to Seller:

12.2.2.1 Seller fails to take all corrective actions specified in any Buyer Notice, within the time frame set forth in such Notice, that the Facility is out of compliance with any term of this Agreement; provided that if such corrective action falls under a specific termination right under section 12.2.2, then the time frame, if any, set forth for such right shall apply.

12.2.2.2 The Facility has not achieved Commercial Operation by the Guaranteed Commercial Operation Date specified in Section 2.7.1 and Seller has not elected to pay daily delay damages pursuant to Section 2.7.4;

12.2.2.3 Subject to Section 11, Seller delivers less than 80% of the
applicable Contract Quantity from the Facility to Buyer for a period of two (2) consecutive Contract Years;

12.2.2.4 Seller fails to maintain its status as an ERR as set forth in Section 4.5 of the Agreement;

12.2.2.5 Seller abandons the Facility;

12.2.2.6 Seller installs generating equipment at the Facility that exceeds the Contract Capacity and such excess generating capacity is not removed within five (5) Business Days after Notice from Buyer;

12.2.2.7 Seller delivers or attempts to deliver to the Delivery Point for sale under this Agreement product that was not generated by the Facility;

12.2.2.8 Seller fails to install any of the equipment or devices necessary for the Facility to satisfy the Contract Capacity set forth in Section 3.1;

12.2.2.9 An unauthorized assignment of the Agreement, as set forth in Section 15;

12.2.2.10 Seller fails to reimburse Buyer any amounts due under this Agreement;

12.2.2.11 Seller breaches the requirements in Section 6.12 regarding incentives; or

12.2.2.12 Seller fails to maintain the Collateral Requirement set forth in Section 3.9.

12.3 Declaration of an Event of Default. If an Event of Default has occurred, the non-defaulting Party shall have the right to: (a) send Notice, designating a day, no earlier than five (5) days after such Notice and no later than twenty (20) days after such Notice, as an early termination date of this Agreement (“Early Termination Date”); (b) accelerate all amounts owing between the Parties; (c) terminate this Agreement and end the Delivery Term effective as of the Early Termination Date; (d) collect any Settlement Amount under Section 12.5; and (e) if the defaulting party is the Seller and Buyer terminates the Agreement prior to the start of the Commercial Operation Date, Buyer shall have the right to retain the entire Reservation Deposit.

12.4 Release of Liability for Termination. If an Event of Default shall have occurred, the non-defaulting Party has the right to immediately suspend performance under this Agreement and pursue all remedies available at Law or in equity against the defaulting Party (including monetary damages), except to the extent that such remedies are limited by the terms of this Agreement.

12.5 Calculation of Settlement Amount.

12.5.1 If either Party exercises a termination right under Section 12 after
the Commercial Operation Date, the non-defaulting Party shall calculate a settlement amount ("Settlement Amount") equal to the amount of the non-defaulting Party's aggregate Losses and Costs less any Gains, determined as of the Early Termination Date. Prior to the Commercial Operation Date, the Settlement Amount shall be Zero dollars ($0).

12.5.2 If the non-defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, determined as of the Early Termination Date, the Settlement Amount shall be Zero dollars ($0).

12.5.3 The Buyer shall not have to enter into replacement transactions to establish a Settlement Amount.

12.5.4 Buyer shall have the right to draw upon the Collateral Requirement to collect any Settlement Amount owed to Buyer.

12.6 Rights and Remedies Are Cumulative. The rights and remedies of the Parties pursuant to this Section 12 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

12.7 Duty to Mitigate. Buyer and Seller shall each have a duty to mitigate damages pursuant to this Agreement, and each shall use reasonable efforts to minimize any damages it may incur as a result of the other Party's non-performance of this Agreement, including with respect to termination of this Agreement.

12.8 Right of First Refusal.

12.8.1 If Seller terminates this Agreement pursuant to Section 11.4, or if Seller has an Event of Default prior to the Commercial Operation Date, neither Seller nor Seller's Affiliates may sell, or enter into a contract to sell, Energy, Green Attributes, Capacity Attributes, or Resource Adequacy Benefits, generated by, associated with or attributable to a generating facility installed at the Site to a party other than Buyer for a period of two (2) years following the effective date of such termination ("Restricted Period").

12.8.2 This prohibition on contracting and sale shall not apply if, before entering into such contract or making a sale to a party other than Buyer, Seller or Seller's Affiliate provides Buyer with a written offer to sell the Energy, Green Attributes, Capacity Attributes and Resource Adequacy Benefits to Buyer at the Contract Price and on other terms and conditions materially similar to the terms and conditions contained in this Agreement and Buyer fails to accept such offer within forty-five (45) days after Buyer's receipt thereof.

12.8.3 Neither Seller nor Seller's Affiliates may sell or transfer the Facility, or any part thereof, or land rights or interests in the Site of the proposed Facility during the Restricted Period so long as the limitations contained in this Section 12.8 apply, unless the transferee agrees to be bound by the terms set forth in this Section 12.8 pursuant to a written agreement reasonably
approved by Buyer.

12.8.4 Seller shall indemnify and hold Buyer harmless from all benefits lost and other damages sustained by Buyer as a result of any breach of the covenants contained within this Section 12.8.

13 GOVERNMENTAL CHARGES

13.1 Governmental Charges. Seller shall pay or cause to be paid all taxes imposed by any Governmental Authority ("Governmental Charges") on or with respect to the Product or the Transaction arising at the Delivery Point, including, but not limited to, ad valorem taxes and other taxes attributable to the Project, land, land rights or interests in land for the Project. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or the Transaction from the Delivery Point. In the event Seller is required by Law or regulation to remit or pay Governmental Charges which are Buyer’s responsibility hereunder, Buyer shall reimburse Seller for such Governmental Charges within thirty (30) days of Notice by Seller. If Buyer is required by Law or regulation to remit or pay Governmental Charges which are Seller’s responsibility hereunder, Buyer may deduct such amounts from payments to Seller with respect to payments under the Agreement; if Buyer elects not to deduct such amounts from Seller’s payments, Seller shall reimburse Buyer for such amounts within thirty (30) days of Notice from Buyer. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the Law. A Party that is exempt at any time and for any reason from one or more Governmental Charges bears the risk that such exemption shall be lost or the benefit of such exemption reduced; and thus, in the event a Party’s exemption is lost or reduced, each Party’s responsibility with respect to such Governmental Charge shall be in accordance with the first four sentences of this Section.

14 RELEASE OF INFORMATION AND RECORDING CONVERSATION

14.1 Release of Information. Seller authorizes Buyer to release to the FERC, CEC, the CPUC, other Governmental Authority, and/or media outlet information regarding the Facility, including the Seller’s name and location, and the size, location and operational characteristics of the Facility, the Term, the ERR type, photographs of the project, the Commercial Operation Date, greenhouse gas emissions data and the net power rating of the Facility, as requested from time to time pursuant to the CEC’s, CPUC’s or applicable Governmental Authority’s rules and regulations.

15 ASSIGNMENT

15.1 General Assignment. Except as provided in Sections 15.2 and 15.3, neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed so long as among other things (a) the assignee assumes the transferring Party’s payment and performance obligations under this Agreement, (b) the assignee agrees in writing to be bound by the terms and conditions hereof, (c) the transferring Party delivers evidence satisfactory to the non-transferring Party of the
proposed assignee’s technical and financial capability to meet or exceed the assigning Party’s obligations hereunder and (d) the transferring Party delivers such tax and enforceability assurance as the other Party may reasonably request.

15.2 Assignment to Financing Providers. Seller shall be permitted to assign this Agreement as collateral for any financing or refinancing of the Project (including any tax equity or lease financing) with the prior written consent of the Buyer, which consent shall not be unreasonably withheld or delayed.

15.3 Notice of Change in Control. Except in connection with public market transactions of the equity interests or capital stock of Seller or Seller’s Affiliates, Seller shall provide Buyer notice of any direct change of control of Seller (whether voluntary or by operation of Law).

16 GOVERNING LAW

This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

17 DISPUTE RESOLUTION

17.1 Intent of the Parties. The sole procedure to resolve any claim arising out of or relating to this Agreement is the dispute resolution procedure set forth in this Section 17, except that either Party may seek an injunction in Superior Court in Santa Rosa, California if such action is necessary to prevent irreparable harm, in which case both Parties nonetheless will continue to pursue resolution of all other aspects of the dispute by means of this procedure.

17.2 Management Negotiations.

17.2.1 The Parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement by prompt negotiations between each Party’s authorized representative, or such other person designated in writing as a representative of the Party (each a “Manager”). Either Manager may request a meeting, to be held in person or telephonically, to initiate negotiations to be held within ten (10) Business Days of the other Party’s receipt of such request, at a mutually agreed time and place.

17.2.2 All communication and writing exchanged between the Parties in connection with these negotiations shall be deemed inadmissible as evidence such that it cannot be used or referred to in any subsequent judicial or arbitration process between the Parties, whether with respect to this dispute or any other.

17.2.3 If the matter is not resolved within forty-five (45) days of commencement of negotiations under Section 17.2.1, or if the
Party receiving the written request to meet refuses or does not meet within the ten (10) Business Day period specified in Section 17.2.1, either Party may initiate arbitration of the controversy or claim according to the terms of Section 17.3.

17.3 Arbitration Initiation. If the dispute cannot be resolved by negotiation as set forth in Section 17.2 above, then the Parties shall resolve such controversy through arbitration (“Arbitration”). The Arbitration shall be adjudicated by one retired judge or justice from the JAMS panel. The Arbitration shall take place in Santa Rosa, California, and shall be administered by and in accordance with JAMS’ Commercial Arbitration Rules. If the Parties cannot mutually agree on the arbitrator who will adjudicate the dispute, then JAMS shall provide the Parties with an arbitrator pursuant to its then-applicable Commercial Arbitration Rules. The arbitrator shall have no affiliation with, financial or other interest in, or prior employment with either Party and shall be knowledgeable in the field of the dispute. Either Party may initiate Arbitration by filing with the JAMS a notice of intent to arbitrate at any time following the unsuccessful conclusion of the management negotiations provided for in Section 17.2.

18 MISCELLANEOUS

18.1 Severability. If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

18.2 Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or PDF transmission will be deemed as effective as delivery of an originally executed counterpart. Each Party delivering an executed counterpart of this Agreement by facsimile or PDF transmission shall also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement shall not affect the validity or effectiveness of this Agreement.

18.3 General. No amendment to or modification of this Agreement shall be enforceable unless reduced to writing and executed by both Parties. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The term “including” when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only.

18.4 Interpretation. Whenever this Agreement specifically refers to any Law, tariff, Governmental Authority, regional reliability council, Transmission/Distribution Owner, or credit rating agency, the Parties...
hereby agree that the references also refers to any successor to such Law, tariff or organization.

18.5 **Construction.** The Agreement will not be construed against any Party as a result of the preparation, substitution, or other event of negotiation, drafting or execution thereof.

18.6 **Joint Powers Authority.** Seller hereby acknowledges and agrees that Buyer is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Third Amended and Restated Joint Powers Agreement dated October 13, 2016 (the “Joint Power Agreement”), that Buyer is a public entity separate from its members, and that under the Joint Powers Agreement the members have no liability for any obligations or liabilities of Buyer. Seller agrees that Buyer shall solely be responsible for all debts, obligations and liabilities to Seller accruing and arising out of this Agreement, and Seller agrees that it shall have no rights against, and shall not make any claim, take any actions or assert any remedies against, any of Buyer’s members, any cities or counties participating in Buyer’s community choice aggregation program, or any of Buyer’s retail customers in connection with this Agreement.

[SIGNATURE PAGE FOLLOWS]
IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

BUYER:
SONOMA CLEAN POWER AUTHORITY

SELLER:
CLOVERDALE SOLAR CENTER, LLC
By: Enerparc Solar Investments, LLC, its sole member
By: Enerparc Inc., its sole member

By: ___________________________  By: ___________________________
Name: Geof Syphers               Name: Florent Abadie
Title: Chief Executive Officer    Title: CEO and President

DATE: __________________________ DATE: __________________________

APPROVED AS TO FORM

________________________________
General Counsel

________________________________
Date
Appendix A - Definitions

“Agreement” has the meaning set forth in the Preamble of this Agreement.

“Affiliate” means, with respect to a Party, any entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with that Party.

“Arbitration” has the meaning set forth in Section 17.

“As-Available Facility” means a generating facility that is powered by one of the following sources, except for a de minimis amount of Energy from other sources: (a) wind, (b) solar energy, (c) hydroelectric potential derived from small conduit water distribution facilities that do not have storage capability, or (d) other variable sources of energy that are contingent upon natural forces other than geothermal.

“Available Capacity” means the rated alternating current (AC) generating capacity of the Facility, expressed in whole kilowatts, that is available to generate Product.

“Bankrupt” means with respect to any entity, such entity:

(a) Files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it;

(b) Makes an assignment or any general arrangement for the benefit of creditors;

(c) Otherwise becomes bankrupt or insolvent (however evidenced);

(d) Has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to such entity or any substantial portion of its property or assets; or

(e) Is generally unable to pay its debts as they fall due.

“Baseload Facility” means a generating facility that does not qualify as an As-Available Facility.

“Bonus Payment” has the meaning set forth in Appendix G.

“Business Day” means any day except a Saturday, Sunday, a Federal Reserve Bank holiday, or the Friday following Thanksgiving during the hours of 8:00 a.m. and 5:00 p.m. local time for the relevant Party’s principal place of business where the relevant Party in each instance shall be the Party from whom the notice, payment or delivery is being sent.

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

“CAISO Grid” means the system of transmission lines and associated facilities that have been placed under the CAISO’s operational control.
“CAISO Tariff” means the CAISO FERC Electric Tariff, Fifth Replacement Volume No. 1, as amended from time to time.

“California Renewables Portfolio Standard” means the renewable energy program and policies codified in California Public Utilities Code Sections 399.11 through and California Public Resources Code Sections 25740 through 25751, as such provisions may be amended or supplemented from time to time.

“Capacity Attributes” means any current or future defined characteristic, certificate, tag, credit, or ancillary service attribute, whether general in nature or specific as to the location or any other attribute of the Project, intended to value any aspect of the capacity of the Project to produce Energy or ancillary services, including, but not limited to, any accounting construct so that the full Contract Capacity of the Project may be counted toward a Resource Adequacy Requirement or any other measure by the CPUC, the CAISO, the FERC, or any other entity invested with the authority under federal or state Law, to require Buyer to procure, or to procure at Buyer’s expense, Resource Adequacy or other such products.

“CEC” means the California Energy Commission or its successor agency. “CEC Certification” means certification by the CEC that the Facility is an ERR and that all Energy produced by the Facility qualifies as generation from an ERR.

“CEC Pre-Certification” means provisional certification of the proposed Facility as an ERR by the CEC upon submission by a facility of a complete CEC-RPS-1B application and required supplemental information.

“Check Meter” means the Buyer revenue-quality meter section(s) or meter(s), which Buyer may require at its discretion, and which will include those devices normally supplied by Buyer or Seller under the applicable utility electric service requirements.

“Claiming Party” has the meaning set forth in Section 11.2.

“Commercial Operation” means the Contract Capacity has been installed and the Facility is operating and able to produce and deliver the Product to Buyer pursuant to the terms of this Agreement, including, without limitation, those specifically set forth in section 2.7.5.

“Commercial Operation Date” means the date on which the Facility achieves Commercial Operation.

“Contract Capacity” means the amount of electric energy generating capacity, set forth in Section 3.1, that Seller commits to install at the Site.

“Contract Price” has the meaning set forth in Section 3.6.

“Contract Quantity” has the meaning set forth in Section 3.2.

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

“Costs” means (a) brokerage fees, commissions and other similar third-party
transaction costs and expenses reasonably incurred either in terminating any arrangement pursuant to which it has hedged its obligations or in entering into new arrangements which replace the Transaction; and (b) all reasonable attorneys’ fees and expenses incurred in connection with the termination of the Transaction. “CPUC” means the California Public Utilities Commission, or successor entity. “Credit Rating” means, with respect to any entity, (a) the rating then assigned to such entity’s unsecured senior long-term debt obligations (not supported by third party credit enhancements), or (b) if such entity does not have a rating for its unsecured senior long-term debt obligations, then the rating assigned to such entity as an issuer rating by S&P and/or Moody’s. If the entity is rated by both S&P and Moody’s and such ratings are not equivalent, the lower of the two ratings shall determine the Credit Rating. If the entity is rated by either S&P or Moody’s, but not both, then the available rating shall determine the Credit Rating.

“Current Inverters” means devices used to convert DC electric energy to alternating current electric energy.

“DC” means direct current.

“DC Collection System” means the DC equipment, cables, components, devices and materials that interconnect the Photovoltaic Modules with the Current Inverters.

“Delivered Energy” means all Energy produced from the Facility and delivered by Seller to the Delivery Point, expressed in kWh, as recorded by the meter specified in Section 6.2.1 or the Check Meter, as applicable.

“Delivery Point” has the meaning set forth in Section 2.5. “Delivery Term” has the meaning set forth in Section 3.5.

“Early Termination Date” has the meaning set forth in Section 12.3.

“Eligible Renewable Energy Resource” or “ERR” has the meaning set forth in Public Utilities Code Sections 399.12 and California Public Resources Code Section 25741, as either code provision may be amended or supplemented from time to time.

“Emergency” means (a) an actual or imminent condition or situation which jeopardizes the integrity of the electric system or the integrity of any other systems to which the electric system is connected or any condition so defined and declared by the CAISO; or (b) an emergency condition as defined under an Interconnection Agreement and any abnormal interconnection or system condition that requires automatic or immediate manual action to prevent or limit loss of load or generation supply, that could adversely affect the reliability of the electric system or generation supply, that could adversely affect the reliability of any interconnected system, or that could otherwise pose a threat to public safety.

“Energy” means three-phase, 60-cycle alternating current electric energy measured in kWh, net of Station Use. For purposes of the definition of “Green Attributes,” the word “energy” shall have the meaning set forth in this definition.

“Execution Date” means the date set forth in the Preamble of the Agreement.

“Facility” has the meaning set forth in Section 2. The terms “Facility” or “Project” as used in this Agreement are interchangeable.

“FERC” means the Federal Energy Regulatory Commission or any successor...
“Force Majeure” means any occurrence that was not anticipated as of the Execution Date that:

(a) In whole or in part:
   i. Delays a Party’s performance under this Agreement;
   ii. Causes a Party to be unable to perform its obligations; or
   iii. Prevents a Party from complying with or satisfying the conditions of this Agreement;

(b) Is not within the control of that Party; and

(c) The Party has been unable to overcome by the exercise of due diligence, including an act of God, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, terrorism, sabotage, strike or labor dispute, or curtailment or reduction in deliveries at the direction of a Transmission/Distribution Owner or the CAISO.

Force Majeure does not include:

(d) The lack of wind, sun or other fuel source of an inherently intermittent nature;

(e) Reductions in generation from the Facility resulting from ordinary wear and tear, deferred maintenance or operator error; or

(f) Any delay in providing, or cancellation of, interconnection service by a Transmission/Distribution Owner or the CAISO, except to the extent such delay or cancellation is the result of a force majeure claimed by the Transmission/Distribution Owner or the CAISO.

“Gains” means with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of the Transaction, determined in a commercially reasonable manner, subject to Section 12.5. Factors used in determining economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties, including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, market price referent, market prices for a comparable transaction, forward price curves based on economic analysis of the relevant markets, settlement prices for a comparable transaction at liquid trading platforms (e.g., NYMEX), all of which should be calculated for the remaining Delivery Term to determine the value of the Product.

“Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.
“Governmental Charges” has the meaning set forth in Section 13.1.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

“Guaranteed Commercial Operation Date” has the meaning set forth in Section 2.7.1.

“Interconnection Agreement” means the small generator interconnection agreement entered into separately between Seller, Transmission/Distribution Owner, and CAISO (as appropriate) obtained by Seller pursuant to Transmission/Distribution Owner’s Wholesale Distribution Tariff.

“Interconnection Facilities” has the meaning set forth in the tariff applicable to the Seller’s Interconnection Agreement.

“Interconnection Point” has the meaning set forth in Section 2.4.

“Interest Rate” means the rate per annum equal to the “Monthly” Federal Funds

1 Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.
Rate (as reset on a monthly basis based on the latest month for which such rate is available) as reported in Federal Reserve Bank Publication H.15-519, or its successor publication.

“JAMS” means JAMS, Inc. or its successor entity, a judicial arbitration and mediation service.

“kW” means kilowatt. “kWh” means kilowatt-hour.

“kWPDC” means peak DC power.

“Law” means any statute, law, treaty, rule, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Execution Date, and which becomes effective during the Delivery Term; or any binding interpretation of the foregoing.

“Letter of Credit” means an irrevocable, non-transferable standby letter of credit issued either by a U.S. commercial bank or a foreign bank with a U.S. branch office with a Credit Rating of at least “A-” by S&P and “A3” by Moody’s (without a “credit watch”, “negative outlook” or other rating decline alert if its Credit Rating is “A-” by S&P or “A3” by Moody’s).

“Losses” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from the termination of the Transaction, determined in a commercially reasonable manner, subject to Section Factors used in determining the loss of economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, market price referent, market prices for a comparable transaction, forward price curves based on economic analysis of the relevant markets, settlement prices for a comparable transaction at liquid trading platforms (e.g. NYMEX), all of which should be calculated for the remaining term of the Transaction to determine the value of the Product.

“Manager” has the meaning set forth in Section 17.2.

“Mechanical Completion” means that all equipment and systems that are necessary to generate the effective capacity of the Facility are installed. The Facility is mechanically, electrically, and structurally constructed with all control systems installed and connected. The Facility is functionally complete to the extent necessary to begin commissioning and testing of the Facility, though commissioning and testing need not have commenced.”

“MW” means megawatt (AC). “MWh” means megawatt-hour.

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

“Party” means the Buyer or Seller individually, and “Parties” means both collectively. For purposes of Section 18 (Governing Law) the word “party” or “parties” shall have the meaning set forth in this definition.
“Photovoltaic Module” means the individual module or component that produces DC electric energy from sun light.

“Photovoltaic Module DC Rating” means, for each Photovoltaic Module installed or to be installed at the Site, the number (expressed in kWPDC) stated on the nameplate affixed thereto representing the manufacturer’s maximum (at “peak” sunlight) DC power rating at the standard test condition (“Pmp” or Power maximum at peak).

“Product” means all Energy produced by the Facility throughout the Delivery Term, net of Station Use and electrical losses from the Facility to the Delivery Point; all Green Attributes; all Capacity Attributes, if any; and all Resource Adequacy Benefits, if any; generated by, associated with or attributable to the Facility throughout the Delivery Term.

“Project” has the meaning set forth in Section 2. The terms “Facility” and “Project” as used in this Agreement are interchangeable.

“Prudent Electrical Practices” means those practices, methods and acts that would be implemented and followed by prudent operators of electric energy generating facilities in the Western United States, similar to the Facility, during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety. Prudent Electrical Practices shall include, at a minimum, those professionally responsible practices, methods and acts described in the preceding sentence that comply with manufacturers’ warranties, restrictions in this Agreement, and the requirements of Governmental Authorities, WECC standards, the CAISO and Laws. Prudent Electrical Practices also includes taking reasonable steps to ensure that:

(a) Equipment, materials, resources, and supplies, including spare parts inventories, are available to meet the Facility’s needs;

(b) Sufficient operating personnel are available at all times and are adequately experienced and trained and licensed as necessary to operate the Facility properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions at the Facility and Emergencies whether caused by events on or off the Site;

(c) Preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable, long term and safe operation of the Facility, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;

(d) Appropriate monitoring and testing are performed to ensure equipment is functioning as designed;

(e) Equipment is not operated in a reckless manner, in violation of manufacturer’s guidelines or in a manner unsafe to workers, the general public, or the Transmission/Distribution Owner’s electric system or contrary to environmental laws, permits or regulations or without regard to defined limitations such as, flood conditions, safety inspection requirements, operating voltage, current, volt ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, and...
control system limits; and

(f) Equipment and components are designed and manufactured to meet or exceed the standard of durability that is generally used for electric energy generating facilities operating in the Western United States and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Site and under both normal and emergency conditions.

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

“Reservation Deposit” means the deposit submitted by Seller to Buyer at the time Seller submitted its application for a feed-in tariff contract, which amount shall equal four dollars ($4.00) for each kilowatt of proposed alternating current (AC) generator capacity. Buyer shall return the Reservation Deposit to Seller once the Project achieves Commercial Operation by crediting Seller the full amount of the Reservation Deposit on Buyer’s first payment for delivered Product. Buyer shall retain the full amount of the Reservation Deposit in the event the Project does not achieve Commercial Operation by the Commercial Operation Date.

“Resource Adequacy” means the procurement obligation of load serving entities, including Buyer, as such obligations are described in CPUC Decisions D.04-10-035 and D.05-10-042 and subsequent CPUC decisions addressing Resource Adequacy issues, as those obligations may be altered from time to time in the CPUC Resource Adequacy Rulemakings (R.) 04-04-003 and (R.) 05-12-013 or by any successor proceeding, and all other Resource Adequacy obligations established by any other entity, including the CAISO.

“Resource Adequacy Benefits” means the rights and privileges attached to the Facility that satisfy any entity’s resource adequacy obligations, as those obligations are set forth in any Resource Adequacy Rulings and shall include any local, zonal or otherwise locational attributes associated with the Facility.

“Resource Adequacy Requirements” has the meaning set forth in Section 4.4.1.

“Resource Adequacy Rulings” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022 and any subsequent CPUC ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable Governmental Authority, as such decisions, rulings, Laws, rules or regulations may be amended or modified from time-to-time during the Delivery Term.

“Restricted Period” has the meaning set forth in Section 12.8.1. “Settlement Amount” has the meaning set forth in Section 12.5.

“Site” means the real property on which the Facility is, or will be, located, as further described in Appendix D.

“Site Control” means the Seller: (a) owns the Site, (b) leases the Site, (c) is the holder of a right-of-way grant or similar instrument with respect to the Site, or (d) prior to the Commercial Operation Date, has the unilaterally exercisable contractual right to acquire or cause to be acquired on its behalf any of (a), (b), or (c).
“Station Use” means energy consumed within the Facility’s electric energy distribution system as losses, as well as energy used to operate the Facility’s auxiliary equipment. The auxiliary equipment may include, but is not limited to, forced and induced draft fans, cooling towers, boiler feeds pumps, lubricating oil systems, plant lighting, fuel handling systems, control systems, and sump pumps. This use is not to exceed 1% of average annual output.

“Term” has the meaning set forth in Section 3.4.1.

“Transaction” means the particular transaction described in Section 3.3.

“Transmission/Distribution Owner” means any entity or entities responsible for operating the electric distribution system or transmission system, as applicable, at and beyond the Interconnection Point.

“WECC” means the Western Electricity Coordinating Council, the regional reliability council for the Western United States, Northwestern Mexico and Southwestern Canada.

“WREGIS” means the Western Renewable Energy Generating Information System or any successor renewable energy tracking program.

“WREGIS Certificate Deficit” has the meaning set forth in Section 4.3.5. [for Facilities (1) 500 kW or greater and (2) eligible for a CAISO revenue meter.]

“WREGIS Certificates” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules and are designated as eligible for complying with the California Renewables Portfolio Standard. [for Facilities (1) 500 kW or greater and (2) eligible for a CAISO revenue meter.]

“WREGIS Operating Rules” means those operating rules and requirements adopted by WREGIS as of December 2010, as subsequently amended, supplemented or replaced (in whole or in part) from time to time. [for Facilities (1) 500 kW or greater and (2) eligible for a CAISO revenue meter.]

*** End of Appendix A ***
APPENDIX B
COMMERCIAL OPERATION DATE CONFIRMATION LETTER

In accordance with the terms of that certain Small Renewable Generator Power Purchase Agreement dated [date] (“Agreement”) for the Facility named Cloverdale Solar Center by and between SONOMA CLEAN POWER AUTHORITY (“Buyer”) and CLOVERDALE SOLAR CENTER, LLC (“Seller”), this letter serves to document the Parties further agreement that (i) the conditions precedent to the occurrence of the Commercial Operation Date have been satisfied as of this [date] day of, [date]. This letter shall confirm the Commercial Operation Date, as defined in the Agreement, as the date referenced in the preceding sentence.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below:

BUYER

SONOMA CLEAN POWER AUTHORITY

BY: ________________________________
Geof Syphers
Chief Executive Officer

DATE: ________________________________

SELLER

CLOVERDALE SOLAR CENTER, LLC

BY: ________________________________

DATE: ________________________________

APPROVED AS TO FORM

BY: ________________________________
General Counsel

DATE: ________________________________

*** End of Appendix B ***
APPENDIX C
FORECASTING REQUIREMENTS

A. AVAILABLE CAPACITY FORECASTING.

Seller shall provide the Available Capacity forecasts described below. Seller’s availability forecasts below shall include Project availability and updated status of photovoltaic panels, inverters, transformers, and any other equipment that may impact availability. Seller shall use commercially reasonable efforts to forecast the Available Capacity of the Project accurately and to transmit such information in a format reasonably acceptable to Buyer. Buyer and Seller shall agree upon reasonable changes to the requirements and procedures set forth below from time-to-time, as necessary.

1. Annual Forecast of Available Capacity. No later than (I) the earlier of July 1 of the first calendar year following the Execution Date or one hundred and eighty (180) days before the first day of the first Contract Year of the Delivery Term (“First Annual Forecast Date”), and (II) on or before July 1 for each calendar year from the First Annual Forecast Date for every subsequent Contract Year during the Delivery Term, Seller shall provide to Buyer a non-binding forecast of the hourly Available Capacity for each day in each month of the following calendar year in a form reasonably acceptable to Buyer.

2. Monthly Forecast of Available Capacity. Ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide to Buyer a non-binding forecast of the hourly Available Capacity for each day of the following month in a form reasonably acceptable to Buyer.

*** End of Appendix C ***
APPENDIX D
DESCRIPTION OF THE FACILITY

Seller should complete the information below and attach a description of the Facility, including a summary of its significant components, a drawing showing the general arrangements of the Facility, and a single line diagram illustrating the interconnection of the Facility and loads with Buyer’s electric distribution system.

Name of the Facility: Cloverdale Solar Center

Address of the Facility: 1255 Hiatt Road, Cloverdale, CA 95425

Description of the Facility, including a summary of its significant components, such as for solar photovoltaic [Photovoltaic Modules, DC Collection System, Current Inverters], meteorological station, instrumentation and any other related electrical equipment:

The Facility is located on 1255 Hiatt Road Cloverdale, CA 95425. The Facility will consist of no greater than 3.5 acres. The Cloverdale Solar generating facility consists of a 1,462 kW (DC) / 1,000 kW (AC) solar system utilizing an industry standard fixed tilt racking system comprising of galvanized steel posts and racking material. The racking system will support 250 to 380 watt DC modules each with a 25-year manufacturer performance warranty.

The generating facility will be equipped with string inverters having a minimum CEC efficiency of 98%. The inverters will have output voltage of 480V to the transformer where the voltage will be stepped up to 12kV. From the transformer the energy will be exported to PG&E’s 12kV Cloverdale 1102 distribution circuit located on site.

Monitoring of the Facility will involve a meteorological station. In addition to that the facility will be monitoring electrical data at each inverter along with net generation at the point of interconnection.
Drawing showing the general arrangement of the Facility:
A single-line diagram illustrating the interconnection of the Facility with Buyer:
A legal description of the Site, including a Site map:

Longitude and latitude of the centroid of the Site:

38.769581° / -123.020724°

*** End of Appendix D ***
### APPENDIX E
SELLER’S MILESTONE SCHEDULE
Feed-In Tariff Milestones and Action Steps for Cloverdale Solar Center, LLC

<table>
<thead>
<tr>
<th>Action Steps</th>
<th>Due On*</th>
<th>Date Completed</th>
<th>Responsible Party</th>
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<tbody>
<tr>
<td>STEP 1. Submit Application &amp; Tendered Interconnection Agreement(^1)</td>
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<td>9/11/2017</td>
<td>Seller</td>
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<tr>
<td>1A. Submit Documentation indicating Seller’s election of Bonus Payment(s) (if applicable)</td>
<td></td>
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<tr>
<td>1B. Review Application for Eligibility &amp; Assign FiT Record Number</td>
<td>10/9/17</td>
<td></td>
<td>Buyer</td>
</tr>
<tr>
<td>STEP 2. Approve Application</td>
<td>12/4/17</td>
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<td>Buyer</td>
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<tr>
<td>STEP 3. Sign conditional PPA</td>
<td>1/15/18</td>
<td></td>
<td>Both</td>
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<td>STEP 4. Submit Proof of Insurance</td>
<td>2/14/18</td>
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<td>Seller</td>
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<tr>
<td>STEP 5. Acquire Full Interconnection Agreement</td>
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<tr>
<td>5A. Submit Interconnection Agreement within 10 days of receipt</td>
<td>2/24/18</td>
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<td>STEP 6. Submit confirmation of RPS request receipt by CEC and a copy of CEC-RPS 1</td>
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<td>STEP 7. File project with WREGIS &amp; submit proof to Buyer</td>
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<td>STEP 8. Pay Interconnection Fees &amp; submit proof to Buyer.</td>
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<td>STEP 9. Acquire conditional use &amp; construction permits</td>
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<td>9A. Submit proof of permits to Buyer</td>
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<td>9B. Submit Preliminary Bonus Payment Documentation (if applicable)</td>
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<td>STEP 10. Notify Buyer 10 business days in advance of ground breaking</td>
<td>Prior to groundbreaking date</td>
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<td>STEP 11. Mechanical Completion</td>
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<td>11A. Submit Complete Bonus Payment Documentation (if applicable)</td>
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<td>11B. Buyer to review and approve Bonus Payment Documentation</td>
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<td>Buyer</td>
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<td>STEP 12. Notify Buyer 30 business days in advance of Commercial Operation</td>
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<td>STEP 13. Start of Commercial Operation</td>
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<td>STEP 14. Submit CEC Certification</td>
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\(^1\)Please note that once FIT application is received and processed by Sonoma Clean Power the due dates become binding milestones.

\(^1\)For clarity, the tendered interconnection agreement is the final draft from PG&E’s Wholesale Interconnection Services prior to execution of that agreement.

*** End of Appendix E ***
### APPENDIX F
NOTICES LIST

<table>
<thead>
<tr>
<th>Name:</th>
<th>Cloverdale Solar Center, LLC, a Delaware Limited Liability Company (&quot;Seller&quot;)</th>
<th>Sonoma Clean Power Authority, a California Joint Powers Authority (&quot;Buyer or “SCPA”&quot;)</th>
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<tr>
<td><strong>ALL Notices:</strong></td>
<td></td>
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<tr>
<td>Delivery Address:</td>
<td>1999 Harrison Street, Suite 830 Oakanld, CA 94612</td>
<td>50 Santa Rosa Avenue Santa Rosa, CA 95404</td>
</tr>
<tr>
<td>Street</td>
<td>Attn: Asset Management</td>
<td>ATTN: Program Staff (ProFit)</td>
</tr>
<tr>
<td>City, State &amp; Zip</td>
<td>Phone: (844) 367-7272</td>
<td>Phone: (707) 890-8487</td>
</tr>
<tr>
<td>ATTN:</td>
<td>Email: <a href="mailto:assetmanagement@enerparc.us">assetmanagement@enerparc.us</a></td>
<td>Facsimile: (707) 978-3471</td>
</tr>
<tr>
<td>Phone:</td>
<td></td>
<td>Email: <a href="mailto:rsimonson@sonomacleanpower.org">rsimonson@sonomacleanpower.org</a></td>
</tr>
<tr>
<td>Facsimile</td>
<td></td>
<td></td>
</tr>
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<td>ATTN: Procurement Staff (Invoices)</td>
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<tr>
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<td>Phone: (707) 890-8487</td>
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<td>ATTN:</td>
<td>Accounts Payable</td>
<td>ATTN: Deb Emerson</td>
</tr>
<tr>
<td>Phone:</td>
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<td>Phone: (707) 890-8486</td>
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<td>Email: <a href="mailto:demerson@sonomacleanpower.org">demerson@sonomacleanpower.org</a></td>
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<td>Credit and Collections:</td>
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<tr>
<td>ATTN:</td>
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<td>ATTN: Rebecca Simonson</td>
</tr>
<tr>
<td>Phone:</td>
<td></td>
<td>Phone: (707) 890-8466</td>
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<tr>
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<tr>
<td>With additional Notices of Events of Default to Contract Manager:</td>
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<td>Same address as noted above for “All Notices”</td>
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<td>Email: <a href="mailto:legal@enerparc.us">legal@enerparc.us</a></td>
<td>Email: <a href="mailto:rsimonson@sonomacleanpower.org">rsimonson@sonomacleanpower.org</a></td>
</tr>
<tr>
<td>Copies to:</td>
<td></td>
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</tr>
<tr>
<td>General Counsel, SCPA</td>
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<td>Same address as noted above for “All Notices”</td>
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***End of Appendix F***
Appendix G
Bonus Payment Terms & Conditions

As provided for in Section 3.6.3 of this Agreement, Buyer agrees to pay Seller a Bonus Payment in accordance with the terms set forth in this Appendix G.

1 Addition to Contract Price. Bonus Payments made by Buyer to Seller, if any, are added to the Contract Price.

2 Initial Bonus Payment. Buyer agrees to begin remitting Bonus Payments to Seller beginning in the first month following Buyer’s approval of Seller’s Bonus Payment Documentation. In the event the initial Bonus Payment is made following the commencement of the Bonus Payment Term, Seller is not entitled to any extension of such Bonus Payment Term or compensation for any previous months of the Bonus Payment Term.

3 Bonus Payment Election. Subject to the terms of this Appendix G, Seller elects to pursue approval from Buyer to receive the specific Bonus Payments for the Bonus Payment Term identified below:

Bonus Payment Categories

☐ Small Systems Bonus Payment ($0.005/kWh)
☐ Previously Developed Location Bonus Payment ($0.01/kWh)
☒ Local Business Bonus Payment ($0.01/kWh)
☒ Training Incentive Bonus Payment ($0.01/kWh)

Bonus Payment Term

☒ Five (5) Contract Year Term
☐ Ten (10) Contract Year Term, at ½ of Bonus Payment

4 Bonus Payment Documentation.

4.1 Prerequisite to Bonus Payment. Buyer will not pay any Bonus Payments to Seller until Buyer has received the Bonus Payment Documentation described in section 6 of this Appendix G, and any additional information as may be reasonably requested by Buyer to verify Seller’s eligibility for Bonus Payments (collectively, the “Bonus Payment Documentation”).

4.2 Submission of Bonus Payment Documentation. Seller must submit Bonus Payment Documentation for any Bonus Payments it elects to pursue in accordance with the Milestones set forth Appendix E. Failure to do so may result in Seller’s forfeiture of eligibility for Bonus Payments.

5 Bonus Payment Term.

5.1 Length of Bonus Payment Term. Following Buyer’s Bonus Payments are paid for the first five (5) Contract Years. In the alternative, prior to the Commercial Operation Date Seller may elect to receive half the Bonus Payment amount levelized across a Bonus Payment Term of ten (10)
Contract Years.

5.2 **Commencement of Bonus Payment Term.** Regardless of when Seller submits its complete Bonus Payment Documentation and such Bonus Payment Documentation is approved by Buyer, the Bonus Payment Term begins on the Commercial Operation Date.

6 **Bonus Payment Not-to-Exceed Amount, Categories.**

6.1 **Not-to-Exceed Amount.** The total aggregated amount of Bonus Payments under this Agreement may not exceed $0.035/kWh.

6.2 **Small Systems Bonus Payment.**

6.2.1 **Amount.** $0.005/kWh or $5/MWh.

6.2.2 **Eligibility Requirements.** Requires nameplate generating capacity of less than 250 kW AC in average annual output.

6.2.3 **Bonus Payment Documentation.** Seller’s Interconnection Agreement and Final Permission to Operate from PG&E.

6.3 **Previously Developed Location Bonus Payment**

6.3.1 **Amount.** $0.01/kWh or $10/MWh.

6.3.2 **Eligibility Requirements.** Requires a Site location on areas that either contain or have contained structures or were used for parking, loading or storage related to a previous or existing land use, based on definitions of previously developed sites from the Sonoma County Permit and Resource Management Department.

6.3.3 **Bonus Payment Documentation.** Official documentation demonstrating prior use of the Site in a form sufficient to establish that Site was previously developed.

6.4 **Local Business Bonus Payment**

6.4.1 **Amount.** $0.01/kWh or $10/MWh.

6.4.2 **Eligibility Requirements.** Requires satisfaction of both of the following requirements:

6.4.2.1 Developer or prime contractor has a place of business (i.e. possesses a business license) or headquarters in Sonoma County or Mendocino County; and

6.4.2.2 At least seventy-five percent (75%) of non-management project-specific labor resides in Sonoma County or Mendocino County.

6.4.3 **Bonus Payment Documentation.** Business License or headquarters address of Developer or Prime Contractor and Local Business and Local Labor Affidavit in a form consistent with the attached form G-1.
6.5 Training Bonus Payment

6.5.1 Amount. $0.01/kWh or $10/MWh.

6.5.2 Eligibility Requirements.

6.5.2.1 Requires use of local contractor that:

(i) Has a place of business (i.e. possesses a business license) or headquarters in Sonoma County or Mendocino County; or

(ii) Shows that at least seventy-five percent (75%) of the non-management project-specific labor resides in Sonoma County or Mendocino County.

6.5.2.2 The local contractor must also demonstrate the following:

(i) At least twenty percent (20%) of Project-specific job hours are staffed by an apprentice who resides in Sonoma County or Mendocino County and is participating in a State of California Division of Apprenticeship Standards approved program; and

(ii) Any work involving an electrical system of 100 volt-amperes or more will involve a contractor licensed by the Contractor's State License Board as a Class C-10 electrical contractor for the placement, installation, erection and/or connection of all electrical work, as described in Section 8342.10 of Title 16 of the California Code of Regulations.

6.5.2.3 Any apprenticeship program must be active and documented for the full Bonus Payment Term.

6.5.3 Bonus Payment Documentation.

6.5.3.1 Training Affidavit in a form consistent with the attached form G-2; and

6.5.3.2 Business License or headquarters address of Developer or Prime Contractor or Local Business and Local Labor Affidavit in a form consistent with the attached form G-1; and

6.5.3.3 License number and supporting documentation for work referenced in section 6.5.2.2(ii).

7 Waiver, Modification of Bonus Payment Requirements. Buyer specifically reserves the right to waive, modify, substitute or request additional
documentation to support Buyer’s determination concerning whether Seller is eligible for any given Bonus Payment.

*** End of Appendix G***
To:    Sonoma Clean Power Authority Community Advisory Committee

From:  Jessica Mullan, General Counsel

Issue: Bay Area Air Quality Management District Diesel-Free by ’33 Statement of Purpose

Date:  October 24, 2018

Requested Committee Action:

Recommend Board Adoption of Resolution Supporting and Agreeing to Become a Signatory to the Bay Area Air Quality Management District Diesel-Free by ’33 Statement of Purpose attached to this Staff Report as Attachment 1.

Background:

The Bay Area Air Quality Management District (the “BAAQMD”) is asking mayors, city and county government officials, and leaders of industry and business from all over the world to commit to going diesel free by signing the Statement of Purpose to cut diesel use to zero by the end of 2033. The Statement of Purpose will initiate a collaborative process to share solutions and ideas. The Diesel Free by ’33 Statement of Purpose is intended to accelerate action toward meaningful progress in support of all climate protection agreements. For purposes of this Statement, “diesel emissions” and “diesel exhaust” means emissions or exhaust emitted from the combustion of petroleum-based diesel fuel.

It is not the intent of the signatories to create through the Statement of Purpose any legally binding obligation.

At the August 2, 2018, meeting of the Sonoma Clean Power Authority (“SCP”) Board of Directors, Director Slayter stated that he would like SCP to support the BAAQMD’s Diesel-Free by ’33 Statement of Purpose and requested that staff return with a draft resolution for Board discussion.

By signing the Statement, SCP would express its intent to:

1. Collaborate and coordinate on ordinances, policies, and procurement practices that will reduce diesel emissions to zero within our jurisdiction and community;

2. Share and promote effective financing mechanisms domestically and internationally to the extent feasible that allow for the purchase of zero emissions equipment;
3. Share information and assessments regarding zero emission technology;

4. Build capacity for action and technology adaptation through technology transfer and sharing expertise;

5. Use policies and incentives that assist the private sector as it moves to diesel-free fleets and buildings; and

6. Periodic reporting to all signers of progress towards the zero-diesel emissions goal.

Next Steps:

Secure Board approval of Resolution Supporting and Agreeing to become a Signatory to the BAAQMD Diesel Free By ’33 Statement of Purpose.

Attachment(s)

Attachment 1: Draft Resolution Supporting and Agreeing to Become a Signatory to the Bay Area Air Quality Management District Diesel-Free by ’33 Statement of Purpose.
RESOLUTION NO. 2018 – XX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY SUPPORTING AND AGREEING TO BECOME A SIGNATORY TO THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT’S DIESEL FREE BY ’33 STATEMENT OF PURPOSE

WHEREAS, climate change, caused by the emission of greenhouse gases including carbon dioxide and black carbon, represents a profound threat to the air quality, public health, environment, water supplies, and economies of Sonoma and Mendocino Counties;

WHEREAS, diesel engines emit significant amounts of black carbon, a short-lived climate pollutant that is contributing significantly to global climate change;

WHEREAS, the Intergovernmental Panel on Climate Change (“IPCC”) Fifth Assessment Report estimates that black carbon is the third most important individual contributor to climate change after carbon dioxide and methane;

WHEREAS, the California Air Resources Board (“CARB”) concludes that “Diesel exhaust includes over 40 substances that are listed by the United States Environmental Protection Agency as hazardous air pollutants and by the CARB as toxic air contaminants. Fifteen of these substances are listed by the World Health Organization as carcinogenic to humans, or as a probable or possible human carcinogen;”;

WHEREAS, the California Environmental Protection Agency’s Office of Environmental Health Hazard Assessment has determined that exposure to diesel exhaust can have significant health effects, including damage to lung tissue and increased risk of cancer;

WHEREAS, CARB estimates that on-road and off-road mobile sources powered by diesel engines comprise 54% of the state of California’s total black carbon emissions;

WHEREAS, the negative public health and environmental effects from climate change will fall most heavily on the communities and populations that are already most heavily impacted by air pollution, other environmental hazards, and economic inequality;

WHEREAS, many alternatives to diesel-fueled vehicles and equipment are already commercially available, with purchase costs comparable to traditional diesel technologies;

WHEREAS, electrification of transportation is an important SCP’s number one environmental objective given the various sources where Sonoma and Mendocino county greenhouse gas emissions originate; and
WHEREAS, the Bay Area Air Quality Management District ("BAAQMD") has established a challenge to engage with public agencies to reduce diesel emission in locations throughout California and beyond, reflected in the Diesel Free by '33 Statement of Purpose, which is attached to this Resolution as Exhibit 1.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Sonoma Clean Power Authority:

SECTION 1. Supports the BAAQMD Diesel Free By ’33 Statement of Purpose, reflecting a goal of eliminating diesel pollution by December 31, 2033;

SECTION 2. Agrees to become a signatory to the BAAQMD Diesel Free By ’33 Statement of Purpose, and

SECTION 3. Finds that the adoption of this Resolution is not subject to California Environmental Quality Act (CEQA) review because adoption of this resolution is an administrative government activity that will not result in any direct or indirect physical change to the environment as a result (CEQA Guidelines section 15358(b)).

DULLY ADOPTED this _____ day of ______, 2018

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In alphabetical order by jurisdiction

Chair, Sonoma Clean Power Authority

Attest:

______________________________
Clerk of the Board

APPROVED AS TO FORM:

______________________________
General Counsel, Sonoma Clean Power Authority
EXHIBIT 1

STATEMENT OF PURPOSE

DIESEL FREE BY ‘33

The intention of this Statement of Purpose is to establish a goal to reduce diesel emissions in local communities throughout California and beyond. The need for this action is immediate. Diesel exhaust takes a tremendous toll on both the global climate and public health.

By signing the Statement of Purpose, mayors, city and county governments, industry and businesses leaders will join the Bay Area Air Quality Management District and the state of California to showcase our collective leadership to identify and adopt innovative solutions to eliminate diesel emissions and black carbon from our communities.

Diesel exhaust causes significant public health effects and accelerates climate change. The California Air Resources Board estimates that on-road diesel and off-road mobile engines comprise 54 percent of the State of California’s total black carbon emissions, a short-lived climate pollutant that is contributing significantly to global climate change. Diesel air pollution is highly toxic and can have an immediate impact on the health of residents in communities where emissions are most concentrated. The impacts will fall most heavily on communities and populations already significantly impacted by air pollution, environmental hazards, and economic inequality.

The signatories may each develop their own individual strategies to achieve the goal of reaching zero diesel emissions in their communities. Signatories to this agreement express their intent to:

- Collaborate and coordinate on ordinances, policies, and procurement practices that will reduce diesel emissions to zero within their jurisdictions, communities or companies;
- Share and promote effective financing mechanisms domestically and internationally to the extent feasible that allow for the purchase of zero emissions equipment;
- Share information and assessments regarding zero emissions technology;
- Build capacity for action and technology adaptation through technology transfer and sharing expertise; and
- Use policies and incentives that assist the private sector as it moves to diesel-free fleets and buildings.

Periodic reporting to all signers of progress towards the zero-diesel emissions goal.

This Statement of Purpose is intended to accelerate action toward meaningful progress in support of all climate protection agreements. It is not the intent of the signatories to create through this Statement of Purpose any legally binding obligation. For purposes of this Statement, "diesel emissions" and "diesel exhaust" means emissions or exhaust emitted from the combustion of petroleum-based diesel fuel.

Signatories are committing to develop an implementation strategy to reduce diesel emissions in their jurisdictions, share solutions, and report progress. Together, we will forge a path toward a cleaner, healthier future by reducing diesel emissions in our communities, states, and beyond.

__________________________
Signature

__________________________
Title

__________________________
City

__________________________
Date

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The California Public Utilities Commission (“CPUC”) held a voting meeting on October 11, 2018 to consider the Proposed Decision (“PD”) and Alternate Proposed Decision (“APD”) related to the Power Charge Indifference Adjustment (“PCIA”). The Commissioners voted unanimously to adopt the APD, against the advice of most Community Choice Aggregators (“CCAs”) (including SCP), CalCCA, many legislators, various private organizations and a number of citizens who stated opposition during the public comment period at the meeting.

The PCIA proceeding was originally intended to develop and adopt a better method to calculate the PCIA that both Investor Owned Utilities (“IOUs”) and CCAs could agree with. The adopted APD does not benefit CCA customers and will most likely cause a significant increase in PCIA rates, beginning January 1, 2019.

PG&E releases its January 1 rate changes as late as December 31st of each calendar year. If staff waited until after that date to bring a rate adjustment item to the Community Advisory Committee (“CAC”) and the Board of Directors (“BOD”), it could delay a necessary rate adjustment.

In 2016 and 2017, staff brought items to the CAC and then to the Board asking for approval of a conditional rate adjustment in advance of the late December notice of PG&E rate changes, contingent on set parameters. Staff is planning to follow that same conditional process because the actual January 1, 2019 PCIA charges won’t be known until very late in December, as in previous years. This approach allows staff
time to calculate the rates in time for a March 2019 rate adjustment – if needed. Based on lessons learned over the past three years, it takes about six weeks to properly test and rollout new rates.

As the APD was approved on October 11, staff is still in the lengthy process of determining the potential affects to our customers and to SCP budgets as a whole. Staff is planning on estimating budgetary impacts for the next several years to plan for a sustainable approach towards any rate-setting and operational changes.

The form of a conditional rate adjustment will likely be as follows:

If on January 1, 2019 PG&E’s increases in fees and changes to their rates causes any of SCP’s four most common rate classes (E1 - residential, E1L – low-income residential, A1 – small commercial, and E19 – large commercial) to have higher electric charges on the total electric bill; AND

If SCP can remain compliant with Financial Policy B2, governing budgeting, rate-setting and planning for financial reserves; THEN

SCP shall adjust all of its rates for all rate classes to provide 0.25% (or another percentage) savings on total electric charges.

If cuts to planned budget expenditures or an exception to Financial Policy B2 are necessary to achieve the above rate adjustments, then staff should bring a proposal for such a budget amendment and/or exception to the Board’s adopted policy together with the rate adjustment proposal for concurrent review.

Staff expects to bring the detailed, conditional rate adjustment proposal to the November CAC meeting and then for approval by the Board at its December meeting.