



AGENDA

Regular Meeting Board of Directors

**Thursday, September 25, 2025
5:00 p.m.**

**Don L. Nay Port Administration Boardroom
3165 Pacific Hwy.
San Diego, CA 92101**

The meeting will be held in person at the above date, time and location(s). Members of the Board of Directors and members of the public may attend in person. Under certain circumstances, Board members may also attend and participate virtually in the meeting, pursuant to the Brown Act (Gov. Code § 54953). As a convenience to the public, San Diego Community Power provides a Zoom teleconference option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that in the event of a technical issue causing a disruption in the call-in option or internet-based option, the meeting will continue unless otherwise required by law (such as when a Board member is virtually attending the meeting), pursuant to certain provisions of the Brown Act.

Note: Any member of the public may provide comments to the Board of Directors on any agenda item. When providing comments to the Board, it is requested that members of the public include their name and city of residence for the record. Commenters are requested to address their comments to the Board of Directors as a whole through the chairperson. Comments may be provided in one of the following ways:

1. Oral comments during a meeting. Anyone attending in person who wishes to address the Board of Directors is asked to fill out a speaker's slip and present it to the clerk of the Board. To provide remote comments during the meeting, join the Zoom meeting by computer, mobile phone or dial-in number. When participating in a Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that a member of the public wishes to speak during a specific item on the agenda or during the non-agenda public comment period. Members of the public will not be shown on video but will be able to speak when called upon. When participating in the meeting using the Zoom dial-in number, press *9 to request to speak. Comments will be limited to three minutes.
2. Written Comments. Written public comments must be submitted prior to the start of the meeting to ClerkOfTheBoard@SDCommunityPower.org. Members of the public are asked to indicate a specific agenda item when submitting comments. All written comments received

prior to the meeting will be provided to members of the Board. At the discretion of the chairperson, the first ten submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the members of Board and become part of the public record.

If members of the public have any materials to be distributed to the Board, they should be sent to ClerkOfTheBoard@SDCommunityPower.org, who will distribute the information to Board members.

The public may participate using the following remote options:

Teleconference Meeting Webinar

sdcommunitypower-org.zoom.us/j/94274587066

Telephone (audio only) 669-900-6833 or 346-248-7799 | Webinar ID: 94274587066

WELCOME

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

LAND ACKNOWLEDGMENT

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- Welcome Director Fisher as the Official Representative from Imperial Beach
- Introduction of New Community Power Staff

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

PUBLIC COMMENTS

Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board. Members of the public may provide a comment in either manner described above.

CONSENT CALENDAR

All matters are approved by one motion without discussion unless a member of the Board requests a specific item to be removed from the Consent Calendar for discussion. A member of the public may comment on any item on the Consent Calendar in either manner described above.

1. Approve August 28, 2025, Meeting Minutes
2. Receive and File Treasurer's Report for Fiscal Year Ending June 30, 2025
3. Receive and File Update on Programs
4. Receive and File Update on Power Services
5. Receive and File Update on Customer Operations
6. Receive and File Update on IT and Data Analytics
7. Receive and File Update on Human Resources
8. Receive and File Community Advisory Committee Monthly Update
9. Receive and File Update on Marketing, Public Relations, and Local Government Affairs
10. Receive and File Update on Regulatory and Legislative Affairs
11. Adopt Resolution No. 2025-14, Approving 2026 Board Meeting Schedule for San Diego Community Power (Community Power)
12. Approve Professional Services Agreement with Nash Consulting, Inc. in a Not-To-Exceed Amount of \$185,000 from October 1, 2025, through June 30, 2027, to support Community Power in its Leadership Sustainability Initiative
13. Adopt Resolution No. 2025-15, Approving Revisions to the existing Net Energy Metering (NEM) tariff and Revisions to the existing Net Billing Tariff (NBT), and new Net Billing Tariff-Virtual (NBT-V) and new Net Billing Tariff-Aggregation (NBT-A)

REGULAR AGENDA

The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below.

14. Community Advisory Committee Quarterly Update

Recommendation: Receive and File Community Advisory Committee Quarterly Update.

15. Adopt Resolution No. 2025-16, Approving Revisions to the Non-Energy Procurement Policy

Recommendation: Adopt Resolution No. 2025-16, approving Revisions to the Non-Energy Procurement Policy.

16. Adopt Resolution No. 2025-17, Approving Revisions to the Delegated Contract Authority Policy and Rescinding Resolution No. 2022-10

Recommendation: Adopt Resolution No. 2025-17, approving revisions to the delegated contract authority policy and rescinding Resolution No. 2022-10.

17. Adopt Resolution No. 2025-18, Authorizing the Investment of Monies in Local Agency Investment Fund (LAIF)

Recommendation: Adopt Resolution No. 2025-18, authorizing investment of monies in the Local Agency Investment Fund (LAIF).

18. Solar Advantage (Disadvantaged Communities Green Tariff) Program

a. Approve Solar Advantage Program's Power Purchase Agreement Portfolio with 1st Oak 2, LLC

Recommendation: Approve three (3) Power Purchase Agreements, in substantially final form, with 1st Oak 2, LLC, for 2.91 MW total of rooftop (PV) generation for twenty years and authorize the Chief Executive Officer to execute the agreements.

b. Evaluate the Workforce Criteria for the Disadvantaged Green Tariff Program

Recommendation: Revise existing workforce criteria and include additional enhanced criteria and stronger labor protections for all current or future Request for Offers (RFOs) for the Disadvantaged Green Tariff Program.

19. Solar Battery Savings Residential Program Relaunch

Recommendation: Receive and file update on the relaunch of the Solar Battery Savings (SBS) program.

CHIEF EXECUTIVE OFFICER REPORT

Community Power management may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law.

DIRECTOR COMMENTS

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda or report on conferences, events or activities related to Community Power business. There is to be no discussion or action taken on comments made by Directors unless authorized by law.

ADJOURNMENT

The Board of Directors will adjourn until the next regular meeting scheduled for Thursday, October 23, 2025, at 5 p.m.

Compliance with the Americans with Disabilities Act

Community Power Board of Directors meetings comply with the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, to participate in the public meeting may contact 888-382-0169 or ClerkOfTheBoard@SDCommunityPower.org. Requests for disability-related modifications or accommodations require varying lead times and should be provided at least 72 hours in advance of the public meeting.

Availability of Board Documents

Copies of the agenda and agenda packet are available at sdcommunitypower.org/resources/meeting-notes. Late-arriving documents related to a Board meeting item are distributed to Members prior to or during the Board meeting and are available for public review as required by law. Public records, including agenda-related documents, can be requested electronically from ClerkOfTheBoard@SDCommunityPower.org or by mailing San Diego Community Power, Attn: Clerk of the Board, P.O. Box 12716, San Diego, CA 92112. The documents may also be posted on Community Power's website. Such public records are also available for inspection by contacting ClerkOfTheBoard@SDCommunityPower.org to arrange an appointment.



SAN DIEGO COMMUNITY POWER

BOARD OF DIRECTORS Regular Meeting Minutes August 28, 2025

Don L. Nay Port Administration Boardroom
3165 Pacific Hwy.
San Diego, CA 92101

WELCOME

CALL TO ORDER

Vice Chair Lawson-Remer called the Community Power Board of Directors regular meeting to order at 5:04 p.m.

ROLL CALL

PRESENT: Vice Chair Lawson-Remer, County of San Diego; Director Elo-Rivera, City of San Diego; Director Inzunza, City of Chula Vista; Director San Antonio, City of Encinitas; Alternate Director Fisher, City of Imperial Beach; Director Suzuki, City of La Mesa; and Director Yamane, City of National City

ABSENT: None

Staff Present: Chief Executive Officer Burns; Chief Financial Officer Washington; General Counsel Tyagi; Associate Director of Legislative Affairs Welch; Senior Policy Manager Cissna (via Zoom Teleconference); Director of Origination Torres; Senior Director of People Operations and Administration Pugh; Director of Power Contracts Key; Senior Strategic Finance Manager Spengler; Clerk of the Board Hernandez; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Vice Chair Lawson-Remer led the Pledge of Allegiance.

LAND ACKNOWLEDGEMENT

Vice Chair Lawson-Remer acknowledged the Kumeyaay Nation and all the original stewards of the land.

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- **Recognition of Former Chair Aguirre for her Service to Community Power**

Vice Chair Lawson-Remer and Ms. Burns shared remarks recognizing former Chair Aguirre for her contributions and years of service to Community Power and presented her with a Proclamation.

- **Introduction of Community Power Representative from Imperial Beach, Jack Fisher**

Vice Chair Lawson-Remer welcomed Alternate Director Jack Fisher, representing the City of Imperial Beach.

- **Introduction of New Community Power Staff**

Vice Chair Lawson-Remer welcomed new employees Pete Polonski, Senior Rates Analyst and Gordon Samuel, Chief Commercial Officer, to introduce themselves.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

There were no items added, withdrawn, or reordered on the agenda.

PUBLIC COMMENTS

None.

CONSENT CALENDAR

1. **Approve June 26, 2025, Meeting Minutes**
2. **Receive and File Treasurer's Report for Period Ending May 31, 2025**
3. **Receive and File Update on Programs**
4. **Receive and File Update on Power Services**
5. **Receive and File Update on Customer Operations**
6. **Receive and File Update on IT and Data Analytics**
7. **Receive and File Update on Human Resources**
8. **Receive and File Community Advisory Committee Monthly Update**
9. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**

10. Approve Load Management Standards Compliance Plan Update

- 11. Authorize Amendment No. 1 to Professional Services Agreement with JSR Strategies LLC to Increase Contract Amount to \$650,000 for Marketing, Communications, Website Design, and Maintenance Services**
- 12. Adopt Resolution No. 2025-08, Approving a Second Revision to San Diego Community Power (Community Power) Investment Policy**
- 13. Adopt Resolution No. 2025-12, Approving Updates to San Diego Community Power's (Community Power) Public Records Request Policy Pursuant to the California Public Records Act (CPRA) Recodification Act, Assembly Bill 473 (AB 473)**

There were no public comments on Consent Item Nos. 1-13.

Motioned by Director Inzunza and seconded by Director Elo-Rivera to approve Consent Item Nos. 1 through 13. The motion carried 7/0 as follows:

AYES:	Vice Chair Lawson-Remer, Directors Elo-Rivera, Inzunza, San Antonio, Suzuki, Yamane, and Alternate Director Fisher
NOES:	None
ABSTAINED:	None
ABSENT:	None

REGULAR AGENDA

14. Election of Officer(s) for Community Power for the Remainder of Calendar Year 2025

Vice Chair Lawson-Remer presented the Election of Officer (s) for the remainder of calendar year 2025.

There were no public comments on Item No. 14.

a) Election of Chair

Motioned by Director Inzunza and seconded by Director Elo-Rivera to approve the appointment of Vice Chair Lawson-Remer as Chair of the Board of Directors. The motion carried 7/0 as follows:

AYES:	Chair Lawson-Remer, Directors Elo-Rivera, Inzunza, San Antonio, Suzuki, Yamane, and Alternate Director Fisher
NOES:	None
ABSTAINED:	None
ABSENT:	None

b) Election of Vice Chair

Motioned by Director Suzuki and seconded by Director Inzunza to approve the appointment of Director Yamane as Vice Chair of the Board of Directors. The motion carried 7/0 as follows:

AYES: Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Inzunza, San Antonio, Suzuki, and Alternate Director Fisher
NOES: None
ABSTAINED: None
ABSENT: None

15. Adoption of Resolution No. 2025-10, Requesting CalPERS to Authorize the Division Vote of Community Power Employees to Participate in Social Security, and Upon Receiving Authorization, Authorize Community Power to Conduct the Division Vote

Ms. Pugh provided an overview of Resolution No. 2025-10, seeking CalPERS authorization for Community Power employees to conduct a Division Vote to participate in Social Security, and upon approval, authorizing Community Power to proceed with the vote.

There were no public comments on Item No. 15.

Motioned by Director Suzuki and seconded by Director Inzunza to adopt Resolution No. 2025-10, requesting CalPERS to authorize the division vote of Community Power employees to participate in Social Security and for Community Power to conduct the division vote upon receiving said authorization.

The motion carried 7/0 as follows:

AYES: Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Inzunza, San Antonio, Suzuki, and Alternate Director Fisher
NOES: None
ABSTAINED: None
ABSENT: None

16. Adopt Resolution No. 2025-11, Establishing and Approving a Claims Procedures Policy

Ms. Tyagi provided an overview of the Claims Procedures Policy.

There were no public comments on Item No. 16.

After Board member comments, motioned by Director Suzuki and seconded by Director Inzunza to adopt Resolution No. 2025-11, establishing and approving a Claims Procedures Policy. The motion carried 7/0 as follows:

AYES: Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Inzunza, San Antonio, Suzuki, and Alternate Director Fisher

NOES: None
ABSTAINED: None
ABSENT: None

17. Adoption of Resolution No. 2025-09, Approving a Disposal of Surplus Property Policy

Mr. Washington provided an overview of the proposed Disposal of Surplus Property Policy.

There were no public comments on Item No. 17.

After Board member comments and questions, motioned by Alternate Director Fisher and seconded by Vice Chair Yamane to adopt Resolution No. 2025-09, approving a Disposal of Surplus Property Policy. The motion carried 7/0 as follows:

AYES: Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Inzunza, San Antonio, Suzuki, and Alternate Director Fisher
NOES: None
ABSTAINED: None
ABSENT: None

18. Approve Renewable Power Purchase Agreement with IP Darden IV, LLC

Ms. Torres provided an overview of the proposed Renewable Power Purchase Agreement with IP Darden IV, LLC.

Cristina Marquez, representing IBEW Local 569, provided public comments.

After Board member comments and questions, motioned by Vice Chair Yamane and seconded by Director Inzunza to approve the proposed Renewable Power Purchase Agreement (“PPA”) for a 91.48 MW solar and 91.48 MW, 4-hour battery energy storage facility, with IP Darden IV, LLC, for a term of up to 12 years, in substantially final form and authorize the Chief Executive Officer to execute the PPA. The motion carried 7/0 as follows:

AYES: Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Inzunza, San Antonio, Suzuki, and Alternate Director Fisher
NOES: None
ABSTAINED: None
ABSENT: None

19. 2024 Power Source Disclosure Program Annual Reports and Power Content Label; and Adoption of Resolution No. 2025-13, Approving the Submission and Attesting to the Accuracy of Community

Power's 2024 Power Source Disclosure Annual Reports for PowerBase, PowerOn, Power100, and Power100 Green+

Mr. Key provided an overview of 2024 Power Source Disclosure Program Annual Reports and Power Content Label.

There were no public comments on Item No. 19.

Motioned by Vice Chair Yamane and seconded by Director Inzunza to adopt Resolution 2025-13 approving the submission and attesting to the accuracy of Community Power's 2024 Power Source Disclosure annual reports for PowerBase, PowerOn, Power100, and Power100 Green+. The motion carried 7/0 as follows:

AYES:	Chair Lawson-Remer, Vice Chair Yamane, Directors Elo-Rivera, Inzunza, San Antonio, Suzuki, and Alternate Director Fisher
NOES:	None
ABSTAINED:	None
ABSENT:	None

20. Update on Regulatory and Legislative Affairs

Mr. Welch and Ms. Cissna provided the Regulatory and Legislative Affairs update.

There were no public comments on Item No. 20.

After Board member comments and questions, the update on Regulatory and Legislative Affairs was received and filed.

21. Update on Results from Clean Prepayment Transaction No. 2

Mr. Washington and Mr. Spengler provided an update on the results from Clean Prepayment Transaction No.2.

There were no public comments on Item No. 21.

After Board member questions and comments, the update for the Clean Energy Prepayment Bond finance initiative was received and filed.

CHIEF EXECUTIVE OFFICER REPORT

Ms. Burns reported on Community Power's recent activities and events.

DIRECTOR COMMENTS

Chair Lawson-Remer shared remarks reflecting on her ongoing journey with Community Power.

ADJOURNMENT

The meeting was adjourned at 6:33 p.m. to the next regular meeting scheduled for Thursday, September 25, 2025, at 5 p.m.

Maricela Hernandez, MMC, CPMC
Clerk of the Board

SAN DIEGO COMMUNITY POWER

Staff Report – Item 2

To: Board of Directors

From: Dr. Eric Washington, Chief Financial Officer/Treasurer

Via: Karin Burns, Chief Executive Officer

Subject: Treasurer's Report for Period Ending June 30, 2025

Date: September 25, 2025

Recommendation

Receive and File Treasurer's Report for Period Ending June 30, 2025.

Background

San Diego Community Power (Community Power) maintains its accounting records on a full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental enterprise funds. Community Power has prepared its year-to-date financial statements for the twelve-month period ended June 30, 2025, along with budgetary comparisons.

Additionally, on May 25, 2023, the Community Power Board of Directors (Board) adopted the Community Power Investment Policy, which was subsequently revised on June 27, 2024. The objectives of the Investment Policy are to (1) safeguard the principal of investment funds, (2) meet the liquidity needs of Community Power, (3) achieve a return on funds invested, and (4) exercise a high standard of care on investment funds. The Investment Policy additionally includes provisions for regular reporting to the Financial and Risk Management (FRMC) which will be included in the Treasurer's Report.

In an effort to increase public transparency and in alignment with section 1.a of the Community Power Delegated Contract Authority Policy, Community Power will also report newly executed contracts between \$50,000 and \$125,000 for goods and services in the Treasurer's Report.

Community Power additionally reports monthly metrics during its Board meetings as part of its Update on Back-Office Operations. As part of the Treasurer's Report, certain key metrics

related to risk are presented during Financial and Risk Management Committee (FRMC) meetings.

On June 27, 2024, the Board approved the Fiscal Year 2024-25 Operating Budget that included net operating revenues of \$1,177,925,889 total expenses of \$1,143,919,262 and a resulting net position of \$34,006,627. The approved Fiscal Year 2024-25 budget also includes a capital budget to fund 16 projects, totaling 23 active projects during the fiscal year for \$16,434,280.

Subsequently, on February 27, 2025, the Board approved an amendment to the FY 2024-25 Operating Budget to increase total net operating revenues to \$1,221,258,172 and total expenses to \$1,187,090,169, resulting in a net position of \$34,168,003. Additionally, the Board approved an amendment to the FY 2024-25 Capital Budget to increase total expenses to \$144,212,340 and an amendment to the FY 2025-29 Capital Investment Plan (CIP) to \$155,910,762.

Analysis and Discussion

Financial Results

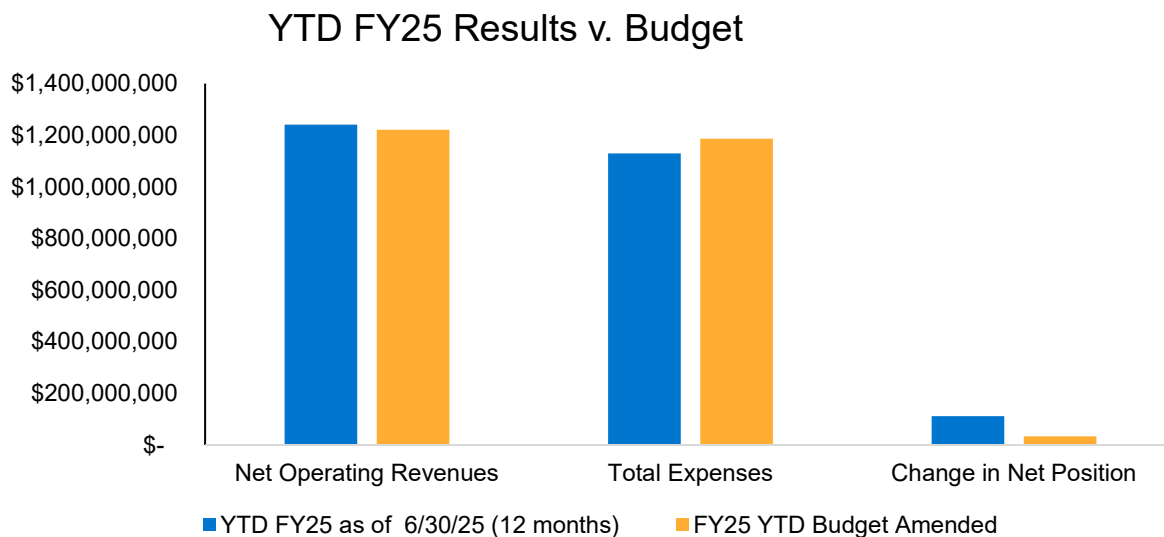
Actual financial results for the period ended June 30, 2025: \$1,241.3 million in net operating revenues were reported compared to \$1,221.3 million budgeted for the period. \$1,129.2 million in total expenses were reported (including \$1,083.6 million in energy costs) compared to \$1,187.1 million budgeted for the period (including \$1,116.8 million budgeted for energy costs). After expenses, Community Power's change in net position of \$112.0 million was reported year-to-date for Fiscal Year 2024-25. The following is a summary of the actual results compared to the Fiscal Year 2024-25 Amended Budget.

Table 1: Budget Comparison Versus Actual Result

Budget Comparison					
	YTD FY25 as of 6/30/25 (12 months)	FY25 YTD Budget Amended	Budget Variance (\$)	Budget (%)	
Net Operating Revenues	\$ 1,241,251,729	\$ 1,221,258,173	\$ 19,993,556	101.6%	
Total Expenses	\$ 1,129,216,881	\$ 1,187,090,170	\$ (57,873,289)	95%	
Change in Net Position	\$ 112,034,849	\$ 34,168,003	\$ 77,866,846		

- Net operating revenue finished \$19.9 million (or 1.6 percentage points) over the budget. The results were attributed to \$12.4 million in the amount actual uncollectible customer accounts compared to the 1.75% of gross revenue budgeted, lower than budgeted PowerBase participation, and higher than expected load usage in the summer month of June 2025.
- Operating expenses ended \$57.9 million (5.0 percentage points) under budget, primarily due to the following factors:
 - Cost of Energy was \$33.2 million below the year-to-date budgeted costs. The variance was driven by savings of \$63.2 million in renewable energy costs which were primarily offset by overages of \$24.6 million in resource adequacy costs.
 - Investment income of \$13.5 million also contributed to the favorable bottom line results.
 - Professional Services and Consultant costs were \$6.1 million below budget, due to lower-than-expected costs related to Calpine, Legal, SDG&E fees, and other services.
 - Personnel Costs were \$2.8 million under budget, driven by the delay in unfilled budgeted position and accrued vacation.
 - G&A Costs were \$2.3 million under budget, driven by lower-than-expected travel expenses and database hardware costs.

Figure 1: Budget Comparison versus Actual Results



For the twelve-month period ending June 30, 2025, Community Power contributed \$112.03 million to its net position compared to the expected contribution of \$34.17 million per the Fiscal Year 2024-25 amended budget.

Community Power reserves at the end of the period totaled \$363.83, including 292.77 million in unrestricted cash and \$71.06 million in investment holdings. Total available liquidity (including unrestricted cash, investment holdings, and lines of credit availability) was \$591.33 million. Community Power had a total Fiscal Year 2024-25 year-end cash reserve target of \$575.82 million which is equivalent to 180-days of total operating expenses as set by Community Power's Reserve Policy and Strategic Goals.

Investment Portfolio Report

Chandler Asset Management manages Community Power's investment portfolio. As of June 30, 2025, the market value of the portfolio was \$72.41 million compared to the \$61.84 million market value as May 31, 2025. The investment portfolio was compliant with the Community Power Investment Policy. The following is a snapshot of the overall characteristics of the portfolio.

PORTFOLIO SUMMARY

San Diego Community Power | Account #11293 | As of June 30, 2025



Portfolio Characteristics	
Average Modified Duration	2.67
Average Coupon	4.09%
Average Purchase YTM	4.29%
Average Market YTM	3.99%
Average Credit Quality*	AA
Average Final Maturity	3.18
Average Life	2.75

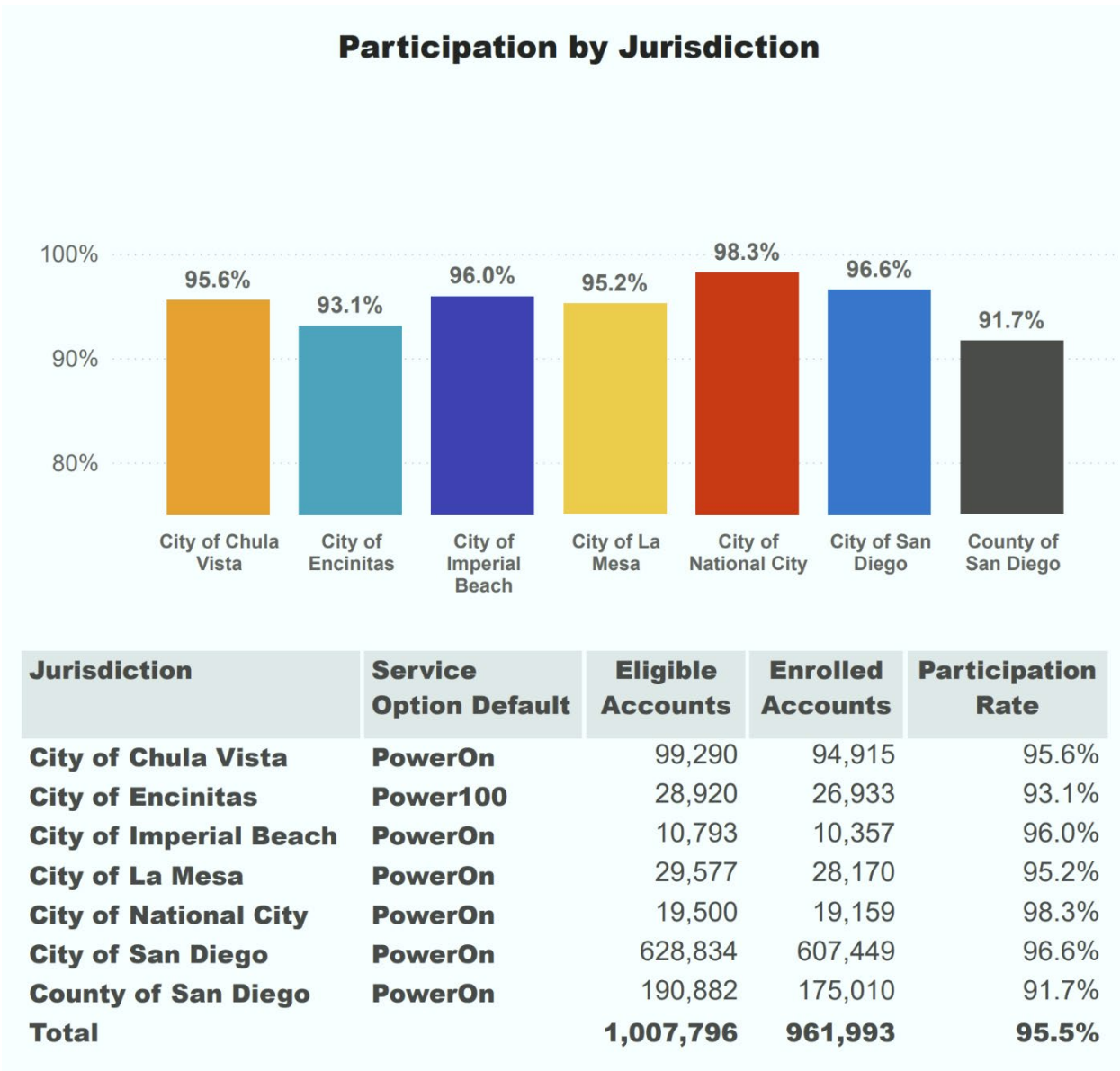
Account Summary		
	End Values as of 05/31/2025	End Values as of 06/30/2025
Market Value	61,280,836.10	71,786,524.28
Accrued Interest	563,377.83	620,030.95
Total Market Value	61,844,213.93	72,406,555.23
Income Earned	182,351.40	275,491.36
Cont/WD	0.00	10,000,000.00
Par	61,432,166.67	71,691,945.67
Book Value	60,997,938.37	71,173,092.71
Cost Value	60,945,042.43	71,111,132.33

Top Issuers	
Government of The United States	51.91%
FHLMC	11.29%
American Express Company	1.76%
PACCAR Inc	1.53%
Royal Bank of Canada	1.34%
John Deere Owner Trust	1.32%
Wells Fargo & Company	1.27%
Morgan Stanley	1.26%

Contract Execution between \$50,000 and \$125,000

There were no contracts executed in June 2025 that were within the reportable dollar threshold.

Metrics Figure 2: Participation Rates as of 9/1/2025



The Phase 4 mass enrollment process in National City and Unincorporated County of San Diego for Non-Net Energy Metering (NEM) customers was officially completed as of May 2023. The participation rate for Community Power reflects full enrollment of current member agencies. We are reporting on the opt outs and eligible accounts associated with the phase based on those accounts that we have noticed for enrollment on a rolling basis as of the reporting month.

Staff are also presenting the state of Community Power Arrearages related to financial risk for FRMC consideration and for regular review. Additional metrics can be added by request. The arrearage data below includes Community Power's Receivables aged 120+ Days as of September 1, 2025.

Figure 3: State of Community Power Arrearages as of 9/1/2025

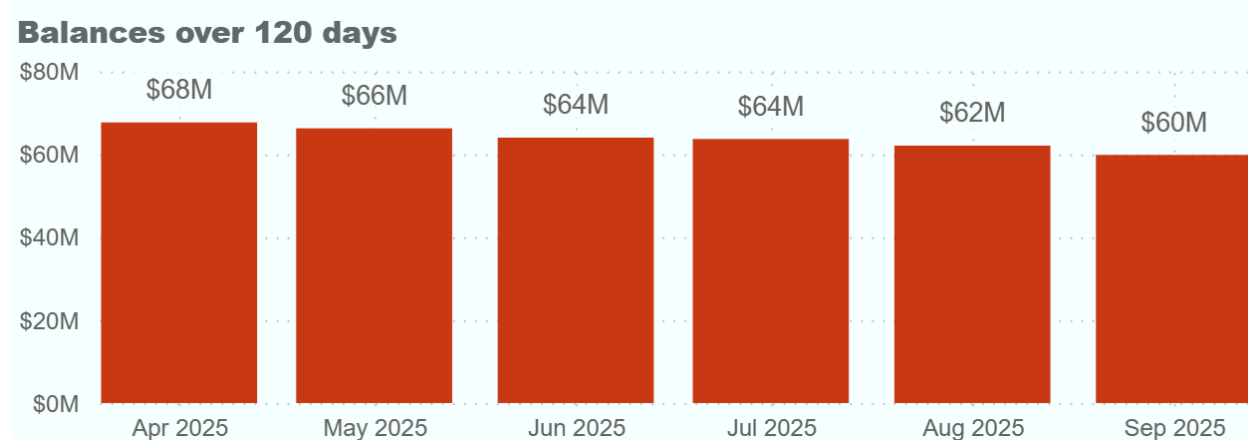


Figure 4: State of Community Power Arrearages Residential vs Commercial as of 9/1/2025

Balances over 120 days - RES vs COM



Fiscal Impact

N/A

Committee Review

This item was presented at the Finance and Risk Management Committee meeting of September 18. The Committee members received and file the item.

Strategic Plan

Strategic Plan of practicing fiscal strategies to promote long-term organizational sustainability.

Attachments

A: 2025 Year- End Financial Statements for the Period Ended June 30, 2025.

ITEM 2

ATTACHMENT A



ACCOUNTANTS' COMPILATION REPORT

Management
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of June 30, 2025, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the year 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 note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. San Diego Community Power's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these 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
August 20, 2025

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of June 30, 2025

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 292,771,532
Cash and cash equivalents - restricted	25,755,714
Accounts receivable, net of allowance	116,027,223
Accrued revenue	72,742,359
Prepaid expenses	23,802,135
Other receivables	4,099,991
Deposits	11,094,211
Investments	1,156,829
Total current assets	<u>547,449,994</u>
Noncurrent assets	
Cash and cash equivalents - restricted	647,000
Investments	69,905,811
Capital assets, net of depreciation and amortization	1,317,542
Total noncurrent assets	<u>71,870,353</u>
Total assets	<u><u>619,320,347</u></u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	84,258,707
Accounts payable	3,810,972
Other accrued liabilities	2,159,955
State surcharges payable	535,146
Deposits - energy suppliers	228,731
Lease liability	853,858
Advances from grantors	25,255,714
Total current liabilities	<u>117,103,083</u>
Noncurrent liabilities	
Lease liability	598,191
Deposits - energy suppliers	7,443,450
Total noncurrent liabilities	<u>8,041,641</u>
Total liabilities	<u><u>125,144,724</u></u>

NET POSITION

Restricted for security collateral	26,402,714
Unrestricted	467,772,909
Total net position	<u><u>\$ 494,175,623</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended June 30, 2025

OPERATING REVENUES

Electricity sales, net	\$ 1,239,973,471
Grant revenue	1,780,217
Other income	1,278,258
Total operating revenues	<u>1,243,031,946</u>

OPERATING EXPENSES

Cost of electricity	1,083,601,779
Contract services	19,487,406
Staff compensation	17,159,242
Other operating expenses	16,295,134
Depreciation and amortization	726,355
Total operating expenses	<u>1,137,269,916</u>
Operating income	<u>105,762,030</u>

NON-OPERATING REVENUES (EXPENSES)

Investment income	13,467,273
Interest expense	<u>(436,062)</u>
Nonoperating revenues (expenses), net	<u>13,031,211</u>

CHANGE IN NET POSITION

	118,793,241
Net position at beginning of year	<u>375,382,382</u>
Net position at end of year	<u><u>\$ 494,175,623</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 1,233,997,068
Receipts from grantors	27,035,931
Receipts of supplier security deposits	15,196,186
Receipts from wholesale sales and other operating activities	13,235,888
Payments to suppliers for electricity	(1,155,532,321)
Payments for other goods and services	(35,604,830)
Payments for deposits and collateral	(1,984,371)
Payments for staff compensation	(17,174,536)
Payments of state surcharges	(2,411,387)
Net cash provided by operating activities	<u>76,757,628</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from bank note	55,500,000
Principal payments - bank note	(55,500,000)
Interest payments	<u>(393,962)</u>
Net cash provided (used) by noncapital financing activities	<u>(393,962)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments of lease liability	<u>(643,272)</u>
Net cash used by capital and related financing activities	<u>(643,272)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	11,828,321
Proceeds from investment sales and maturities of investments	3,195,096
Purchase of investments	<u>(73,011,675)</u>
Net cash provided (used) by investing activities	<u>(57,988,258)</u>
Net change in cash and cash equivalents	17,732,136
Cash and cash equivalents at beginning of year	<u>301,442,110</u>
Cash and cash equivalents at end of year	<u><u>\$ 319,174,246</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 292,771,532
Restricted cash - current	25,755,714
Restricted cash - noncurrent	647,000
Cash and cash equivalents	<u><u>\$ 319,174,246</u></u>

NONCASH INVESTING ACTIVITIES

Unrealized appreciation and timing differences in investment income	\$ 1,638,952

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of lease asset	\$ 1,284,053

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
Year Ended June 30, 2025

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 105,762,030
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	726,355
(Increase) decrease in:	
Accounts receivable, net	(12,515,058)
Accrued revenue	4,121,064
Prepaid expenses	11,216,265
Other receivables	2,181,758
Deposits	1,067,988
Increase (decrease) in:	
Accrued cost of electricity	(63,857,609)
Accounts payable	(1,196,904)
Advances from grantors	25,255,714
Other accrued liabilities	996,640
State surcharges payable	6,204
Deposits - energy suppliers	2,993,181
Net cash provided by operating activities	<u><u>\$ 76,757,628</u></u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
San Diego Community Power

Management is responsible for the accompanying operating fund and capital investment program fund budgetary comparison schedules of San Diego Community Power (SDCP), a California Joint Powers Authority, for the year ended June 30, 2025 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.

These special purpose statements are 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 SDCP.

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

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

Maher Accountancy

San Rafael, CA
August 20, 2025

**SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2025**

	Year-to-Date			
	Amended Budget	Actual	Amended Budget Variance (Under) Over	Actual/ Amended Budget %
REVENUES AND OTHER SOURCES				
Gross Ratepayer Revenues	1,243,010,863	\$ 1,252,346,088	9,335,225	101%
Less: Uncollectible Customer Accounts	(21,752,690)	(12,372,617)	9,380,073	57%
Other Income	-	1,278,258	1,278,258	na
Total Revenues and Other Sources	<u>1,221,258,173</u>	<u>1,241,251,729</u>	<u>19,993,556</u>	
OPERATING EXPENSES				
Cost of Energy	1,116,836,549	1,083,601,779	(33,234,770)	97%
Professional Services and Consultants	24,346,342	18,253,822	(6,092,521)	75%
Personnel Costs	18,567,895	15,762,906	(2,804,989)	85%
Marketing and Outreach	2,978,593	1,985,479	(993,114)	67%
General & Administrative	4,909,761	2,980,914	(1,928,847)	61%
Total Operating Expenses	<u>1,167,639,140</u>	<u>1,122,584,900</u>	<u>(45,054,240)</u>	
Operating Income (Loss)	<u>53,619,033</u>	<u>118,666,830</u>	<u>65,047,797</u>	
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	-	13,467,273	13,467,273	na
Interest and Related Expenses	(1,276,000)	(1,924,224)	(648,224)	151%
Transfer to Capital Investment Program	(18,175,030)	(18,175,030)	-	100%
Total Non-Operating Revenues (Expenses)	<u>(19,451,030)</u>	<u>(6,631,981)</u>	<u>12,819,049</u>	
NET CHANGE	<u>\$ 34,168,003</u>	<u>\$ 112,034,849</u>	<u>\$ 77,866,846</u>	

See accountants' compilation report.

CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2025

	Annual Amended Budget	YTD Actual	Amended Budget Remaining
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	\$ 18,175,030	\$ 18,175,030	\$ -
Grant Revenue	-	1,780,217	1,780,217
Total Revenue and Other Sources	<u>18,175,030</u>	<u>19,955,247</u>	<u>1,780,217</u>
EXPENDITURES AND OTHER USES			
Program Expenditures	<u>16,400,000</u>	<u>13,106,971</u>	<u>\$ (3,293,029)</u>
Net increase (decrease) in fund balance	<u>\$ 1,775,030</u>	6,848,276	
Fund balance at beginning of period		<u>3,492,291</u>	
Fund balance at end of period		<u><u>\$ 10,340,567</u></u>	

SAN DIEGO COMMUNITY POWER

Staff Report - Item 3

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Colin Santulli, Senior Director of Programs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Programs

Date: September 25, 2025

Recommendation

Receive and file an update on customer energy programs.

Background

Staff will provide regular updates to the Board of Directors (“Board”) regarding the following Community Power customer energy programs: Commercial Programs, Residential Programs, Flexible Load Programs, Solar + Energy Storage Programs, and San Diego Regional Energy Network.

Analysis and Discussion

A) Commercial Programs

Commercial Application Assistance Pilot Project

Status and Next Steps: Please refer to [Item 4](#) of the June 2025 Board of Directors staff report for the most recent update on this pilot project. Staff intend to bring a dedicated item on Pilot Projects to the October 2025 Board meeting.

Efficient Refrigeration Pilot Project

Status: Staff began outreach for the [Efficient Refrigeration Pilot](#) in March 2025. Eligible corner stores, small businesses, and nonprofits in low-income and low-food-access areas within Community Power’s service territory can receive up to two energy-efficient refrigerators and/or freezers and an American Society of Heating, Refrigerating, and Air-Conditioning Engineers (“ASHRAE”) Level 1 energy audit at no cost to the participant. The pilot aims to serve a total of

30 participants. To date, Staff have been conducting targeted outreach for the pilot primarily by engaging member agency staff, elected officials, and community organizations. As of September 8, 2025, 18 participants have been enrolled in the pilot.

Next Steps: Staff will continue to conduct outreach and enroll participants in the pilot until grant funds are expended. Staff intend to bring a dedicated item on Pilot Projects to the October 2025 Board meeting.

B) Residential Programs

California Energy Commission (“CEC”) Equitable Building Decarbonization Direct Install (“EBD DI”) Program

Status: Staff continues to work with Los Angeles County (“LA County”) to prepare for the launch of the EBD DI Program. LA County has communicated that they now expect the EBD DI program to launch at the end of Q3 2025 (originally anticipated summer 2025). Staff is collaborating with the Public Affairs team to activate the Power Network and contract with community-based organizations (“CBOs”) to implement and support marketing, outreach, and education (“ME&O”) to recruit residents.

Next Steps: Staff are working with LA County to prepare for the launch of the EBD DI program. Staff will continue to work with the Public Affairs team to release a solicitation to CBOs that can do ME&O activities for the EBD DI program.

C) Flexible Load Programs

Smart Home Flex Pilot Project

Status: Staff continue to implement thermostat Smart Home Flex Events in the Virtual Peaker platform, based on day ahead load forecasts and in close coordination with Power Services. Through September 2, 2025, six separate events have been called, including two hours of precooling, 14.5 hours of load shed, and an average participation rate of 92%. Programs staff will continue to monitor day ahead load forecasts and implement Smart Home Flex Events when event triggers have been reached.

Smart Home Flex is now integrated with the TECH Clean CA program as a Water Heater Rewards program and has begun receiving water heaters with built-in connectivity. Staff are also working to procure universal control modules (UCMs), which will allow a broader range of water heater models to participate and receive incentives in exchange for providing load flexibility.

Next Steps: Staff plans to finalize UCM procurement in early Q4 and continue water heater enrollments. Staff will also continue to conduct smart thermostat Smart Home Flex Events through the end of the summer season, then begin making seasonal incentive payments to participants, and prepare for pilot evaluation.

EV Flex Connect Pilot Project

Status: Staff launched EV Flex Connect in February 2025 and continue to work with their V1G software partner to increase participant enrollment and implement load shifting strategies. Following recent enrollments of Net Energy Metering and Net Billing Tariff customers, pilot participation now totals over 220.

In May 2025, staff were notified of a CEC award to study the impacts of the EV Flex Connect Pilot. Staff will collaborate with external partners on the project, which will use data from the Pilot to analyze and quantify the value of V1G strategies. Staff have been working with the CEC on project agreement documents in preparation for the September 2025 CEC Business meeting, where the project will be considered for Commission approval.

Next Steps: Staff will continue to work with their implementation partner on enrolling participants and planning load shifting strategies. Staff will also continue to work with the CEC to prepare for the September 2025 CEC Business meeting and coordinate with SDG&E to plan for the inclusion of distribution operations use cases in the CEC project.

D) Solar and Energy Storage Programs

Disadvantaged Communities—Single-Family Affordable Solar Homes (“DAC-SASH”) Readiness Pilot Project

Status and Next Steps: Please refer to [Item 5](#) of the March 2025 Board of Directors staff report for the most recent update on this pilot project. Staff intend to bring a dedicated item on Pilot Projects to the October 2025 Board meeting.

Net Energy Metering (“NEM”) and Net Billing Tariff (“NBT”)

Status and Next Steps: Please refer to Item 13 of the September 2025 Board of Directors meeting for an update on NEM and NBT.

Solar Battery Savings (“SBS”) Program

Status: Staff continue to work on a variety of activities in anticipation of relaunching the SBS Program in late September 2025. Staff held an in-person contractor information session in May 2025 to provide program updates to interested installers. On August 7, 2025, over 20 attendees representing 11 different Original Equipment Manufacturers (OEM) attended the virtual information session to provide program updates including requirements for participation in the program. Staff are currently redesigning the contractor portal used in the SBS Pilot to enable increased efficiency and quality control for the relaunched program.

Next Steps: Staff will continue to work on program relaunch activities including testing the revised contractor portal, developing program marketing materials and engaging contractors. Staff anticipate hosting several contractor training sessions in September for installers interested in enrolling in the program. Staff anticipate opening the program for applications on September 30, 2025.

Solar Advantage Program

Status: Staff have extended the response deadline for the Solar Advantage Program's Second Request for Offer ("RFO") by four weeks, from September 8, 2025, 5:00 P.M. PDT to October 6, 2025, 5:00 P.M. PDT. Staff issued a [Notice of Addendum #1](#) outlining the RFO modifications. Potential respondents that were originally notified of the RFO were notified of the Addendum via Granicus on September 8, 2025.

Next Steps: Staff plan to bring the PPA from the remaining eligible offer from the first RFO to the September 2025 Board of Directors meeting for review and approval. Please see [Item 15](#) of the September 2025 Board of Directors staff report for more information.

Community Power will begin the process of updating the cost containment cap as directed by E-5368 prior to launching the next solicitation, currently planned for release in Q1 2026.

E) San Diego Regional Energy Network ("SDREN")

Status: Staff continue activities required for the successful launch of SDREN programs with a focus on procurement. In December 2024, staff developed a phased schedule to release solicitations for program implementers. The Phase 1 solicitations (administrative, regulatory, and reporting support and cross-cutting sector programs) were released on February 4, 2025, and closed on March 25, 2025. The Phase 2 solicitations (residential and public sector programs) were released on March 6, 2025, and closed on April 24, 2025. The Phase 3 solicitation (commercial sector programs) was released on May 8, 2025, and closed on June 26, 2025.

The following contracts have been executed with selected vendors:

- Administrative, Technical, and Compliance Support:
 - Vendor: The Energy Coalition
 - Contract Total: \$729,014
- Marketing and Communications Support:
 - Vendor: JSR Strategies
 - Contract Total: \$2,640,000
- Workforce Training and Capacity Building Program:
 - Vendor: Strategic Energy Innovations
 - Contract Total: \$9,028,535
- Energy Pathways Program:
 - Vendor: The Energy Coalition
 - Contract Total: \$5,556,916

Next Steps: Staff will initiate contract negotiations with the selected vendors from the Phase 3 solicitation and finalize contract negotiations with the selected vendors from the Phase 1 and 2 solicitations. Staff anticipate the Phase 1 contracts to be executed in September 2025, the Phase 2 contracts to be executed by October 2025 and the Phase 3 contracts to be executed

by December 2025 in accordance with Resolution No. 2025-01 adopted by the Board on January 23, 2025, authorizing the Chief Executive Officer to 'negotiate and execute contracts with third parties to implement the agreement or use of [SDREN] funds'.

Contracts are expected to be executed with selected vendors with amounts not exceeding the budgets stated in the solicitations:

Phase 1 (remaining contract)

- Codes and Standards Program: \$5,556,916

Phase 2

- Climate Resilience Leadership Program: \$9,740,641 (direct implementation), \$7,442,846 (incentives)
- Tribal Engagement Program: \$1,389,551
- Single-Family Program: \$6,367,475 (direct implementation), \$12,416,267 (incentives)
- Multifamily Program: \$3,492,276 (direct implementation), \$6,539,071 (incentives)

Phase 3

- Efficient Refrigeration Program: \$2,028,045 (direct implementation), \$4,074,678 (incentives)
- Market Access Program: \$4,597,330 (direct implementation), \$9,006,228 (incentives)
- Small-to-Medium Business Energy Coach Program: \$6,567,110 (direct implementation), \$2,016,518 (incentives)

SDREN funds are authorized by the California Public Utilities Commission and are disbursed to San Diego Community Power in accordance with the San Diego Regional Energy Network Energy Efficiency Programs and Budget Agreement for Years 2024-2027 executed between Community Power and SDG&E (under Resolution No. 2025-01).

Staff intend to bring an update on SDREN activities to the October 2025 Board meeting.

Fiscal Impact

N/A

Attachments

N/A



SAN DIEGO COMMUNITY POWER

Staff Report - Item No. 4

To: Board of Directors

From: Gordon Samuel, Chief Commercial Officer

Via: Karin Burns, Chief Executive Officer

Subject: Update on Power Services

Date: September 25, 2025

Recommendation

Recommendation to receive and file update on Power Services.

Background

Staff provide the updates below to the Board of Directors (Board) regarding San Diego Community Power's (Community Power) energy procurement activities.

Analysis and Discussion

Power Services Staffing

Building out a team of experienced, knowledgeable energy professionals has long been a top priority and allows Community Power not only to solicit, negotiate, and administer contracts for energy supply effectively, but also to monitor market activity, manage risk, bring in-house several activities that have historically been completed by consultants, and to dedicate additional resources to local and distributed energy procurement and development efforts. The Power Services team is now fourteen people strong with offers accepted for two open positions. The new hires will start in September and October.

Administrative Amendment Updates

In August 2025, the CEO signed an administrative amendment to the Sunzia Power Purchase Agreement (PPA) to allow the developer, Pattern Energy, to bifurcate the project into PPAs for the North and South portions of the project.

Long-Term Contract Update

Per the request from the Board at the August 2025 meeting, below is an updated list of PPAs and Energy Storage Service Agreements (ESSA) that have been approved by the Board.

Project	Gen Type	Gen Capacity	BESS Capacity	BESS Type*	COD	County	Location	PLA?	Construction Jobs	Permanent Jobs
Arrowleaf	Solar + BESS	42	35 (4-hour)	Containerized	10/1/2025	Imperial, CA	Rural - Agricultural	No, but has prevailing wage, 80% local, union required for electrical work.	80	1
Sunzia	Wind	150			5/1/2026	Torrance, NM	Rural - Agricultural	Yes	262	
JVR	Solar + BESS	90	70 (4-hour)	Containerized	10/31/2026	San Diego, CA	Urban Adjacent	Yes	350	2
Vidal	Solar + BESS	160	160 (4-hour)	Containerized	12/1/2026	San Bernardino, CA	Rural - Agricultural	Yes	250	11
PJ	Solar + BESS	440	238 (4-hour)	Containerized	9/1/2026	Kern, CA	Rural - Agricultural	Yes	800	6
YP3	Solar + BESS	35	35 (4-hour)	Containerized	6/1/2027	Clark, NV	Rural - Agricultural	Yes	200	1
Purple Sage	Solar + BESS	400	400 (4-hour)	Containerized	6/1/2028	Clark, NV	Rural - Agricultural	Work Site Agreements with IBEW, LIUNA, and IUOE	520	8
Pomona 2	BESS		20 (2-hour)	Containerized		Online Los Angeles, CA	Industrial	No, was already built at time of contracting		
Avocet	BESS		200 (4-hour)	Containerized	4/15/2026	Los Angeles, CA	Industrial	Yes	100	4
Euismod	BESS		200 (8-hour)	Containerized	6/1/2028	Kern, CA	Rural - Agricultural	Yes	180	4
CVEC	BESS		49.7 (4-hour)	Containerized	6/1/2026	San Diego, CA	Urban / Industrial	Yes	130	6
NJEC	BESS		50 (4-hour)	Containerized	6/1/2026	San Diego, CA	Urban / Industrial	Yes	135	4
MRP Border	BESS		50 (1-hour)	Containerized	1/1/2026	San Diego, CA	Urban / Industrial	Yes	20	1
MRP Enterprise	BESS		50 (1-hour)	Containerized	7/1/2027	San Diego, CA	Urban / Industrial	Yes	20	1
Luminia - 5 Solar	Solar	5.49			6/30/2027	San Diego, CA	Urban	No, but has commercially reasonable efforts to prevailing wage, and 50% Union labor	3 to 5	0
Luminia - 4 BESS	BESS		20.57	Containerized	3/31/2027	San Diego, CA	Urban	No, but has commercially reasonable efforts to prevailing wage, and 50% Union labor	5 to 10	0

*Note: all BESS unit will need to meet their relevant permitting, zoning, and fire codes.

Long-term Renewable Energy Solicitations

As Community Power strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term PPAs provide developers with the certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA that Community Power signs with a developing facility will underpin a new, incremental renewable energy project. In addition, long-term PPAs lock in renewable energy supply around which Community Power can build its power supply portfolio while also providing power supply cost certainty. Moreover, the California Renewable Portfolio Standard (RPS), as modified in 2015 by Senate Bill 350, requires that Community Power provide 65% of its RPS-required renewable energy from contracts of at least ten years in length. Finally, in California Public Utilities Commission (CPUC) Decision (D.) 21-06-025, the CPUC required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2026 for purposes of “Mid Term Reliability” (MTR). These requirements have been augmented and extended into 2026 and 2027 via CPUC D.23-02-040.

In pursuit of long-term contracts for renewable energy and storage, over the past 24 months, staff have released several Requests for Offers (RFOs) and Requests for Proposals (RFPs). Most recently in April, staff issued an RFO targeted for clean-firm resources (e.g. geothermal, bioenergy potential) to help achieve MTR requirements and increase technology diversity in Community Power’s portfolio. Staff have over two dozen long-term contracts executed for energy, renewable energy credits and/or capacity from renewable and storage projects.

Staff remain in negotiations for additional resources that are expected to be online between 2026 and 2029. Staff and the Energy Contracts Working Group (ECWG) evaluate all submissions from solicitations prior to entering negotiations with selected participants.

Assuming that staff and shortlisted developer(s) can agree to mutually agreeable contracts consistent with terms authorized by the ECWG, staff then review draft terms with the Board for approval and authorization to execute the relevant documents.

Local Development

Community Power's rolling Local RFI remains open and has yielded eight Board-approved contracts for local generation and storage facilities. After consultation with the ECWG, the Board have approved a portfolio of PV PPAs and energy storage and service agreements, and staff are actively negotiating with several local projects submitted to the Local RFI in Q4 2024. Community Power also released an RFO for distributed renewable energy resources (DERs), focusing on a broad range of distribution-level renewable projects within San Diego County. Additional agreements resulting from the RFO are expected and will be presented to the Board when ready. Other ongoing local initiatives include a Feed-in-Tariff Program revamp and expansion, expected in the second half of this year, and continued collaboration with member agency staff and other local agencies to identify strategic opportunities to further infill development.

As Program Administrators of the CPUC's Disadvantaged Communities Green Tariff (DAC-GT) program, Community Power completed its first solicitation last year. The first DAC-GT PPA, with Luminia LLC, a local developer, was presented to and approved by the Board in January. The second DAC-GT solicitation round was released on April 7 and will be accepting offers through October 6.

Community Power's Local RFI and Feed-in Tariff remain open. More information is available about each at the links below:

- <https://sdcommunitypower.org/resources/solicitations/>
- <https://sdcommunitypower.org/programs/feed-in-tariff/>

Short-Term RPS Procurement

Community Power staff continue to actively manage its environmental portfolio and closely monitor the market for opportunities to optimize its renewable and carbon-free portfolios. Community Power has recently been evaluating solicitation offers, bilateral offers, and products that meet needs for multiple portfolios – creating greater value for its customers. Community Power will continue to prioritize environmental targets while also ensuring value for our customers.

Market Update

Due to limited resource availability in the broader Western Interconnection, lingering supply chain impacts and long interconnection queues that have delayed development of new-build

energy resources, and implementation of tariffs and duties on foreign imports, the market for renewable energy and resource adequacy (RA) continues to be tight. Staff are working with developers, industry groups, the CPUC, and CA Governor's Office and legislators to i) develop near-term solutions while also actively procuring short-term energy and capacity products and long-term energy resources to meet Community Power's portfolio needs practically and cost-effectively, and ii) to establish a portfolio of resources that will provide value to Community Power and California's clean, reliable energy needs into the future.

Near-term California power markets remain steady due to normal summer weather and reliable power supply. Summer forecasts have indicated higher chances of above normal temperatures throughout the West, with slightly lower chances in coastal locations. No supply shortfalls are expected, but markets remain sensitive to extreme weather events and unexpected supply shortages.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report - Item 5

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Lucas Utouh, Senior Director of Data Analytics and Customer Operations

Via: Karin Burns, Chief Executive Officer

Subject: Update on Customer Operations

Date: September 25, 2025

Recommendation

Receive and file an update on various customer operations' initiatives.

Background

Staff will provide regular updates to the Board of Directors centered around tracking customer opt actions (i.e., opt outs, opt ups, opt downs, and re-enrollments) as well as customer engagement metrics. The following is a brief overview of items pertaining to customer operations.

Analysis and Discussion

A) Enrollment Update

As of August 25, 2025, Community Power is serving a cumulative total count of **961,993** active accounts.

Customers with newly established accounts or who have moved into a new service address within any and all of our member jurisdictions receive 2 post-enrollment notices through the mail at their mailing address on file within 60 days of their account start date notifying them that they have defaulted to Community Power electric generation service.

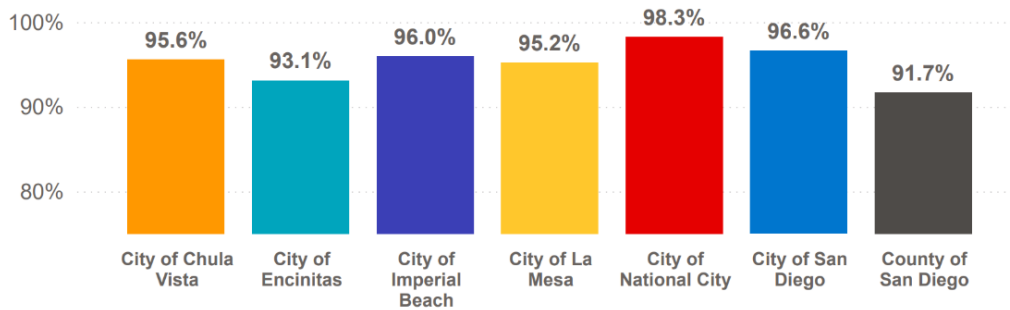
Please note that Re-Enrollment values are captured and displayed through June 2025.

B) Customer Participation Tracking

The below charts summarize customer elections into San Diego Community Power's four (4) available service levels as of August 25, 2025:

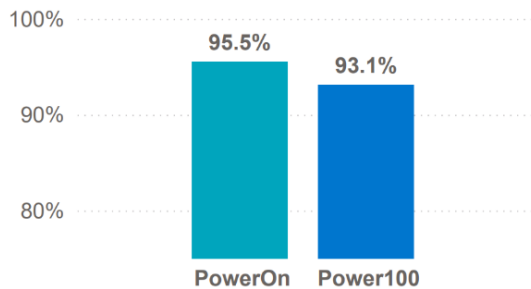
Enrolled Accounts	Participation Rate	Participation
961,993	95.5%	

Participation by Jurisdiction

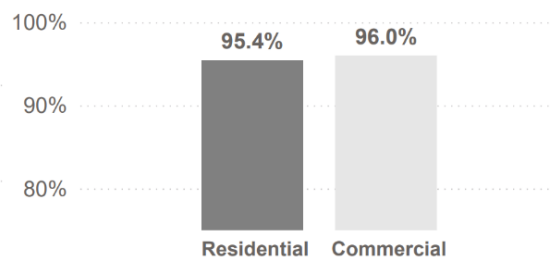


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	99,290	94,915	95.6%
City of Encinitas	Power100	28,920	26,933	93.1%
City of Imperial Beach	PowerOn	10,793	10,357	96.0%
City of La Mesa	PowerOn	29,577	28,170	95.2%
City of National City	PowerOn	19,500	19,159	98.3%
City of San Diego	PowerOn	628,834	607,449	96.6%
County of San Diego	PowerOn	190,882	175,010	91.7%
Total		1,007,796	961,993	95.5%

Participation by Default Service Option



Residential vs Commercial Participation

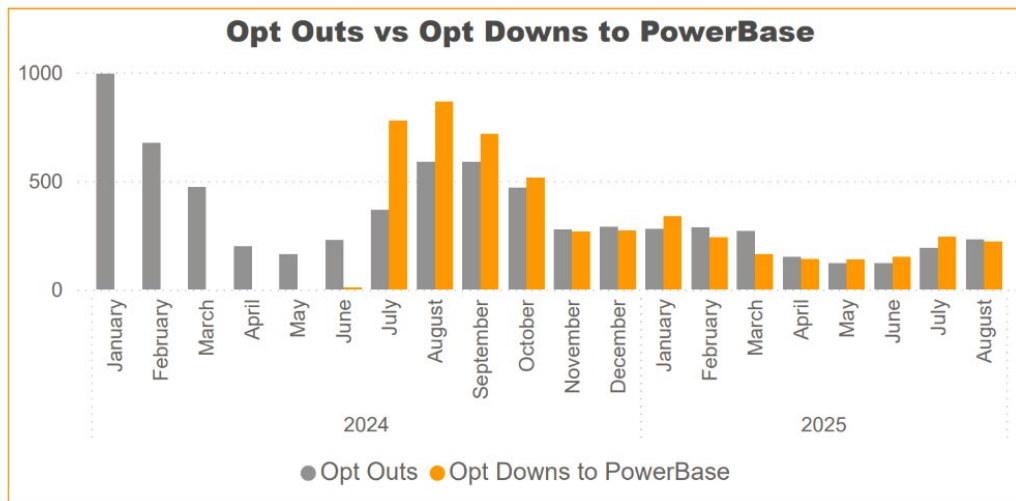


Service Option

PowerBase		PowerOn		Power100		Power100 Green+	
Enrolled	4,485	Enrolled	923,143	Enrolled	34,342	Enrolled	23
Participation	0.5%	Participation	96.0%	Participation	3.6%	Participation	0.0%

Service Option Enrollment Summary

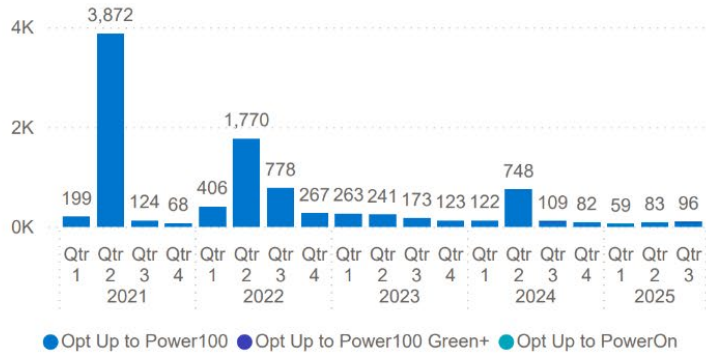
Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100%	Power100 Green+ Enrolled	Power100 Green+%
City of Chula Vista	PowerOn	94,915	421	0.4%	93,582	98.6%	912	1.0%		
City of Encinitas	Power100	26,933	179	0.7%	408	1.5%	26,346	97.8%		
City of Imperial Beach	PowerOn	10,357	33	0.3%	10,244	98.9%	80	0.8%		
City of La Mesa	PowerOn	28,170	129	0.5%	27,779	98.6%	262	0.9%		
City of National City	PowerOn	19,159	52	0.3%	19,075	99.6%	32	0.2%		
City of San Diego	PowerOn	607,449	2,389	0.4%	599,129	98.6%	5,908	1.0%	23	0.0%
County of San Diego	PowerOn	175,010	1,282	0.7%	172,926	98.8%	802	0.5%		
Total		961,993	4,485	0.5%	923,143	96.0%	34,342	3.6%	23	0.0%



Opt Up History

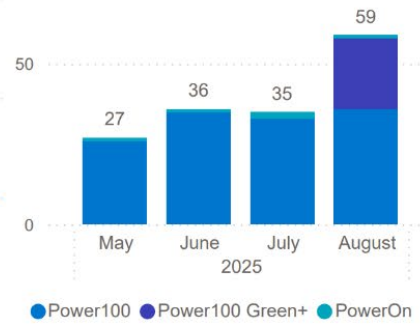
Total Opt Ups	Opt Ups Current*
9,583	8,082

Opt Ups Quarterly



Opt Ups Monthly

Last 4 Months



Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
City of Chula Vista	710	175	61	49	5	8	4		1,012
City of Encinitas	18	1	1	3					23
City of Imperial Beach	60	29	11	6			4		110
City of La Mesa	155	120	19	12	2	1	1		310
City of National City			12	24					36
City of San Diego	3,316	2,896	489	340	42	70	19	53	7,225
County of San Diego	4		207	627	10	4	7	8	867
Total	4,263	3,221	800	1,061	59	83	35	61	9,583

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
Commercial	4,256	296	232	701	15	36	11	37	5,584
Residential	7	2,925	568	360	44	47	24	24	3,999
Total	4,263	3,221	800	1,061	59	83	35	61	9,583

Opt Ups by Method

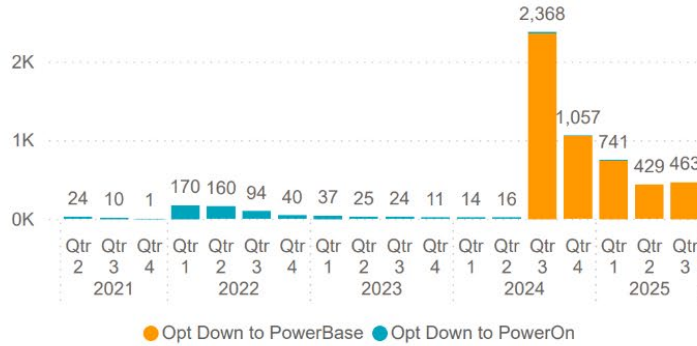
Opt Method	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
CSR	4,232	1,372	301	817	24	49	20	42	6,857
IVR	4	85	84	42	4	7	2	2	230
Web	27	1,764	415	202	31	27	13	17	2,496
Total	4,263	3,221	800	1,061	59	83	35	61	9,583

*Current indicates the account is open with SDG&E and this opt action is their latest opt action

Opt Down History

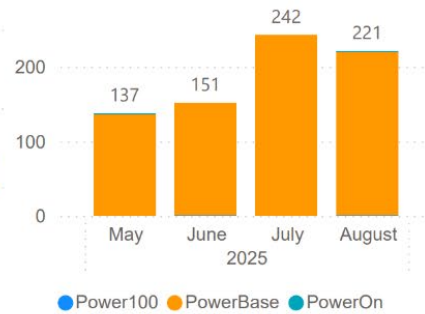
Total Opt Downs	Opt Downs Current*
5,684	4,920

Opt Downs Quarterly



Opt Downs Monthly

Last 4 Months



Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
City of Chula Vista		2	4	287	108	33	29	16	479
City of Encinitas	35	429	74	150	28	27	8	10	761
City of Imperial Beach		1		31	4	4	2		42
City of La Mesa		4		106	16	13	6	5	150
City of National City				36	11	5	5	3	60
City of San Diego		28	13	1,793	401	240	146	130	2,751
County of San Diego			6	1,052	173	107	46	57	1,441
Total	35	464	97	3,455	741	429	242	221	5,684

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
Commercial	34	23	9	508	46	32	25	20	697
Residential	1	441	88	2,947	695	397	217	201	4,987
Total	35	464	97	3,455	741	429	242	221	5,684

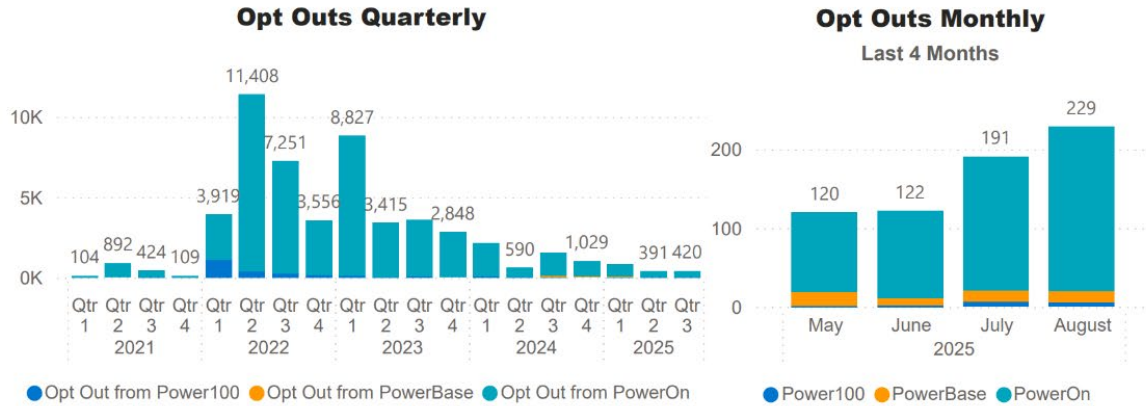
Opt Downs by Method

Opt Method	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
CSR	31	311	65	2,562	498	248	150	151	4,016
IVR	4	26	3	309	82	51	26	17	518
Web		127	29	584	161	130	66	53	1,150
Total	35	464	97	3,455	741	429	242	221	5,684

*Current indicates the account is open with SDG&E and this opt action is their latest opt action

Opt Out History

Total Opt Outs	Opt Outs Current*
53,285	44,951



Opt Outs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
City of Chula Vista	267	3,466	747	411	72	38	25	16	5,042
City of Encinitas	66	1,870	230	118	26	5	5	3	2,323
City of Imperial Beach	32	343	99	60	5	3	2	2	546
City of La Mesa	84	1,269	235	128	26	7	4	4	1,757
City of National City			285	75	20	6		1	387
City of San Diego	1,078	19,185	3,185	1,836	346	187	64	115	25,996
County of San Diego	2	1	13,902	2,669	336	145	91	88	17,234
Total	1,529	26,134	18,683	5,297	831	391	191	229	53,285

Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
Commercial	1,492	535	1,684	344	53	27	4	9	4,148
Residential	37	25,599	16,999	4,953	778	364	187	220	49,137
Total	1,529	26,134	18,683	5,297	831	391	191	229	53,285

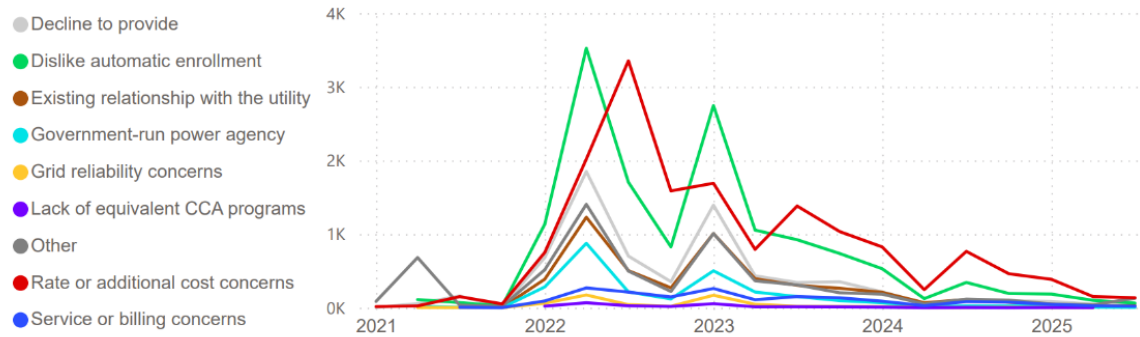
Opt Outs by Method

Opt Method	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
CSR	1,104	6,963	4,706	1,653	274	130	59	49	14,938
IVR	102	4,886	3,789	1,284	140	86	33	33	10,353
Web	323	14,285	10,188	2,360	417	175	99	147	27,994
Total	1,529	26,134	18,683	5,297	831	391	191	229	53,285

*Current indicates the account is open with SDG&E and this opt action is their latest opt action

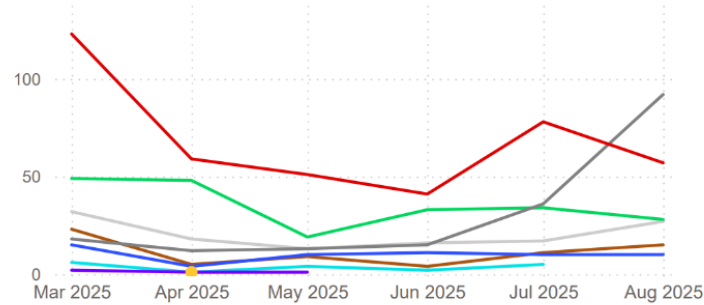
Opt Out Reason Summary

Opt Outs by Reason Quarterly



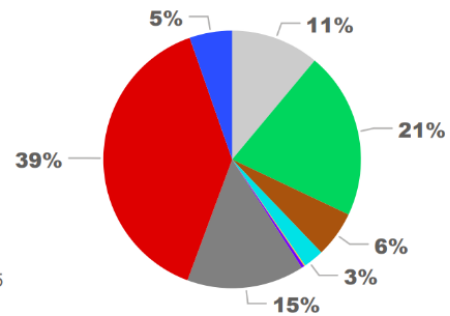
Opt Outs by Reason Monthly

Last 6 Calendar Months



Opt Out Reason Distribution

Last 6 Calendar Months

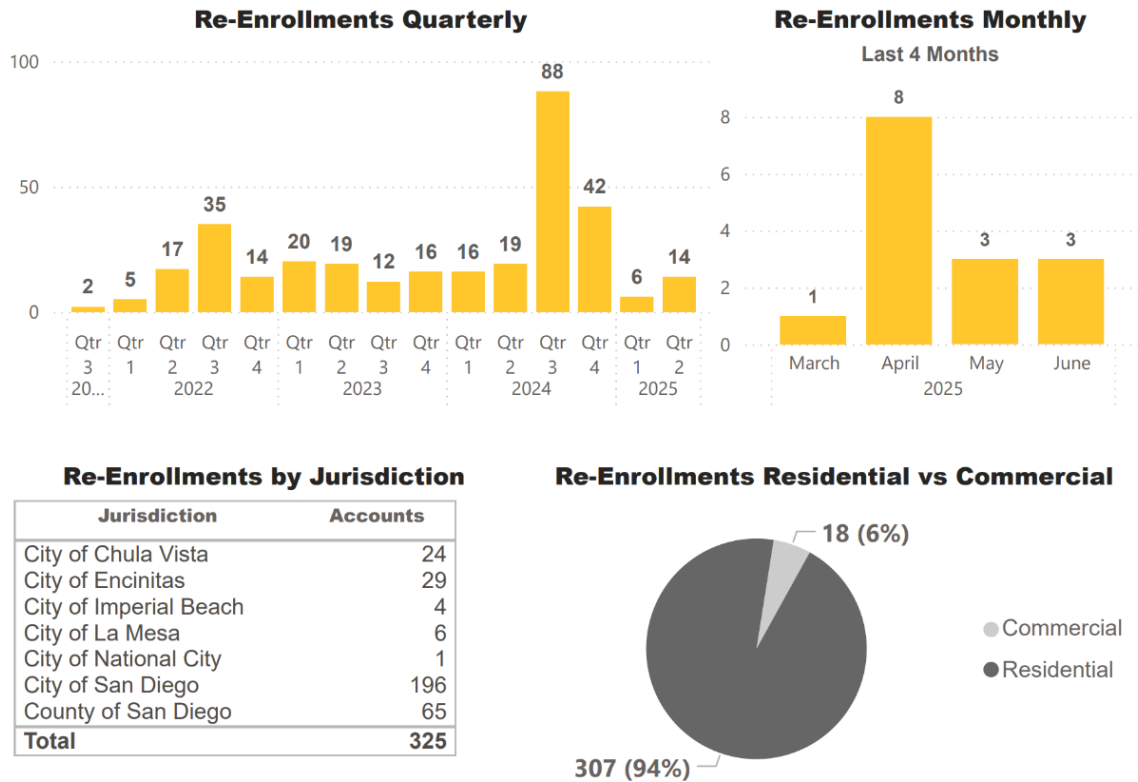


Opt Outs by Reason Table

Opt Out Reason	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
Decline to provide	228	3,583	2,519	465	85	47	17	27	6,971
Dislike automatic enrollment	203	7,187	5,458	1,188	185	100	34	28	14,383
Existing relationship with the utility	2	2,389	1,968	462	49	18	11	15	4,914
Government-run power agency	24	1,490	961	129	28	7	5		2,644
Grid reliability concerns	7	293	252	20	1	1			574
Lack of equivalent CCA programs		131	90	12	3	2			238
Other	819	2,636	1,884	453	50	40	36	92	6,010
Rate or additional cost concerns	240	7,707	4,897	2,296	385	151	78	57	15,811
Service or billing concerns	6	718	654	272	45	25	10	10	1,740
Total	1,529	26,134	18,683	5,297	831	391	191	229	53,285

Re-Enrollment Requests

Excludes closed accounts



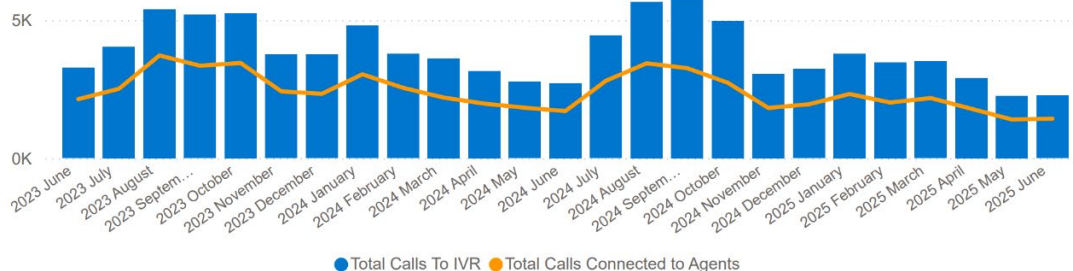
C) Contact Center Metrics

Please note that Contact Center Metrics are captured and displayed through June 2025. We anticipate that calls will increase to our Contact Center as customers begin to receive bills for higher usage spanning the summer months (i.e., June 1 – October 31). This is a standard trend that we notice year over year across the CCA space.

The chart below summarizes contact made by customers into the Contact Center broken down by month:

Contact Center Metrics

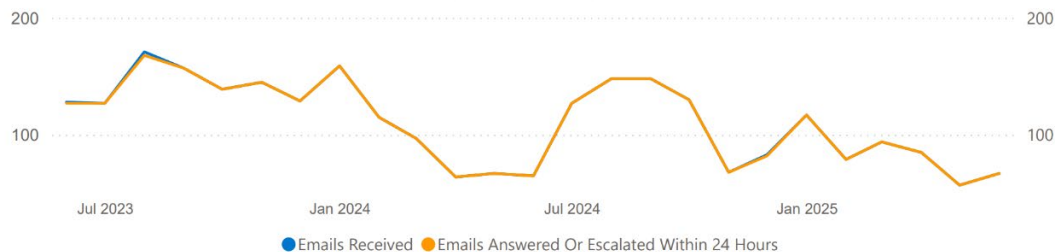
Contact Center Call Volume Trends
Last 24 Calendar Months



Interactive Voice Response (IVR) and Service Level Agreement (SLA) Metrics

	2021	2022	2023	2024	2025-Q1	2025-Q2	Total
Total Calls to IVR	2,289	47,118	52,977	48,073	10,767	7,443	168,667
Total Calls Connected to Agents	1,401	30,174	34,173	29,332	6,528	4,631	106,239
Avg Seconds to Answer	20.00	11.50	6.75	18.08	15.00	4.00	12.56
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.6	8.7	8.6	9.1
Calls Answered Within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	91.74%	92.01%	99.15%	95.37%
Abandon Rate	0.57%	0.36%	0.19%	0.72%	0.88%	0.06%	0.46%

Customer Service Email Volume Trends
Last 24 Calendar Months



Customer Service Emails

	2021	2022	2023	2024	2025-Q1	2025-Q2	Total
Emails Received	272	2,894	2,116	1,271	290	209	7,052
Emails Answered or Escalated Within 24 Hours	257	2,821	2,107	1,270	290	209	6,954
Completion%	94%	96%	100%	100%	100%	100%	98%

San Diego Community Power anticipates the trend of customers calling into the Contact Center's Interactive Voice Response (IVR) system tree and being able to self-serve their opt actions using the recorded prompts as well as utilizing Community Power's website for processing opt actions will continue to account for over 65% of all instances. The remaining portion of customer calls are connected to Customer Service Representatives to answer additional questions, assist with account support, or process opt actions.

As of this latest reporting month, Community Power has 9 Dedicated Customer Service Representatives staffed at the Contact Center and 1 Supervisor. Robust Quality Assurance (QA) procedures are firmly in place to ensure that customers are getting world-class customer experience when they contact Community Power.

Fiscal Impact

N/A

Committee Review

This item was presented at the September 11 Community Advisory Committee meeting.

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report - Item 6

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Stephen Yi, Associate Director of IT and Data Analytics

Via: Karin Burns, Chief Executive Officer

Subject: Update on IT and Data Analytics

Date: September 25, 2025

Recommendation

Receive and file an update on IT and Data Analytics

Background

Community Power onboarded the Associate Director of IT and Data Analytics in February 2025 to continue its commitment to building a world-class in-house IT and analytics service team. In recent months, the IT and Data Analytics teams have led key technology projects aimed at simplifying processes, transforming operations, and improving effectiveness with low-cost, efficient solutions. Improvements in cybersecurity measures were also implemented.

Analysis and Discussion

Enterprise Data Platform (EDP): Schedule remains on track, Iteration 3 targets September 12, 2025; transition to production in October 2025. AWS onboarding (Dev/PreProd/Prod credentials & VPN) continues; automated data pipelines and Power BI workspaces are in place; model monitoring and cloud deployment are nearing completion.

EDP Managed Services: Advancing a separate post-implementation managed services agreement to ensure continuity after December 31, 2025. Vendor proposal includes SLA compliance remedies and a communications/reporting plan; contract negotiations are ongoing.

Since launching our IT Service Management Monday Service Board in April, we've received nearly 500 tickets, reflecting a growing reach across the organization. Support ticket resolution rate is 94% with a monthly average of 93 tickets. This momentum highlights our commitment to delivering exceptional IT customer service, strengthening trust in our support team, and ensuring a reliable experience for every end user.



The organization reached a significant milestone with the approval of the AI Admin Policy, establishing formal governance and best practices for the use of artificial intelligence across operations. This policy ensures responsible deployment, oversight, and alignment with regulatory standards, reinforcing the integrity of ongoing digital initiatives.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report - Item No. 7

To: Board of Directors

From: Chandra Pugh, Senior Director of People and Administrative Services

Via: Karin Burns, Chief Executive Officer

Subject: Update on Human Resources

Date: September 25, 2025

Recommendation

Receive and file the update on human resources.

Background

Staff provides regular updates to the Board of Directors regarding Community Power's human resources activities.

Analysis and Discussion

Hiring:

This month, Community Power welcomes Bianca Berron, Community Outreach Representative, Angad Kapoor, Administrative Procurement Analyst and Jackson Welch, Portfolio Analyst.

Bianca holds a BS in Environmental Science from UC Santa Barbara, where she was a campus tour guide, surf team captain, and planned large-scale sustainability events. In her free time, you can find her paddling out to catch some waves or going on runs in North County.

Angad is joining the team as an Administrative Procurement Analyst on an interim basis to assist with our NEP project work. He completed his MS in Business Analytics from UCSD and recently completed a Procurement Analyst position at the University.

Jackson holds a B.S. in Environmental Economics and Policy from UC Berkeley. He has a background in optimization and management of power plant portfolios, economic impact analysis of climate change and emissions abatement and energy decarbonization reporting.

Current open positions:

Associate Director of Finance - Capital Investment Plan
Facilities Lead
IT Senior Systems Engineer
Program Associate

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report - Item 8

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Jen Lebron, Senior Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Community Advisory Committee Monthly Update

Date: September 25, 2025

Recommendation

Receive and file the Community Advisory Committee (CAC) monthly update.

Background

Per Section 5.10.3 of the San Diego Community Power (Community Power) Joint Powers Authority Agreement:

The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee shall be to advise the Board of Directors and provide a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of Community Power.

At the direction of the Board Chair, the CAC provides quarterly reports to the Board of Directors on the regular agenda and monthly updates on the consent agenda. The next quarterly report is expected to take place at the September 25, 2025, Board meeting.

Analysis and Discussion:

During the September 11, 2025, regular CAC meeting:

- Chair Harris (City of La Mesa) welcomed new Community Power staff, and led the unanimous approval of the consent agenda, which included updates on Customer Operations, Marketing, Public Relations and Local Government Affairs, Power Services, Regulatory and Legislative Affairs, and Programs.
- The CAC received an update on the Solar Battery Savings Program Relaunch. Members asked questions on the demographics of the enrolled contractors, pilot evaluations, and incentive structure, commending staff for the innovative way this program addresses Resource Adequacy constraints through and committing to share information on the program to their communities once it is launched.
- The CAC also learned about Revisions to existing Net Energy Metering (NEM) tariff and Revisions to the existing Net Billing Tariff (NBT), and new Net Billing Tariff-Aggregation (NBT)-A and new Net Billing Tariff-Virtual (NBT-V). Members asked for clarification on whether these were SDG&E programs and what effect they would have on shared living structures, such as homeowner associations.
- Member Andersen recommended that the Board of Directors consider the potential local impacts of emerging Powerlinks.
- Members shared announcements on workforce development workshops, civic activity, and Electric Vehicle (EV) tax credit deadlines.

As of September 25, 2025, the CAC has two vacancies representing the City of Encinitas and the City of Imperial Beach, as former Member Sandoval, who represented the latter, resigned from her role earlier this month. Members of the public must be residents, community leaders, and/or business owners of the respective jurisdictions and may submit their applications electronically. The vacancies are advertised at meetings, community events, and through Community Power's social media.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 9

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Jen Lebron, Senior Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Marketing, Public Relations, and Local Government Affairs

Date: September 25, 2025

Recommendation

Receive and file an update on marketing, public relations, and local government affairs activities for San Diego Community Power (Community Power).

Background

Community Power has engaged in a variety of public relations, marketing, community outreach, and local government affairs activities to drive awareness, spark community engagement, and maintain high customer enrollment.

Analysis and Discussion:

Community Power's Public Affairs Department has been participating in events across our member agencies as it aims to increase general awareness and answer questions in a friendly, helpful manner.

Recent and Upcoming Public Engagement Events

National Night Out
San Diego Military Summit
Palomar Elementary Back to School Night
La Mesa Chamber of Commerce Summer Bash Business Expo
City Heights Community Development Corporation Beautify the Block
Central Labor Council
Chula Vista Lemon Festival

San Diego Padres
MAAC Power In Community Anniversary Event
San Diego Green Drinks
Movie In MacArthur Park
Bike the Bay
San Diego Wave Fútbol Club
National City Adult School Back to School Night
North Park Farmers Market
Business after Four Mixer
San Diego 350 Brighter Futures Gala
Climate Action Campaign 10th Anniversary Gala
John Lyons Foundation Dinner
El Grito, Mexican Independence Day Celebration
San Diego FC
2025 LEAD San Diego Visionary Awards
Alpine Library
Otay Mesa Chamber of Commerce 38th Annual Soiree and Awards Reception
Imperial Beach Collaborative
Coastal Cleanup Day
Adams Avenue Street Fair
Community Wellness & Safety Expo
San Diego Climate Week
San Diego Regional Chamber of Commerce Circle of Influence
Voice of San Diego Politifest
Sherman Heights Community Center Noche de Mole
Startup San Diego
Asian Business Association 35th Annual Awards
Live Well Advance Conference
Chula Vista Chamber Bayfront Business Expo
San Diego Environmental Film Festival
La Mesa Farmers Market

Marketing, Communications and Outreach

The Public Affairs team took the lead on managing, executing, and sharing the news about Community Power's third annual Community Clean Energy Grants program. The press conference, held at the Partnership for the Advancement of New Americans facility in the San Diego neighborhood of City Heights secured significant media coverage from the San Diego Union-Tribune, KBPS, and multiple television news stations. The announcement highlighted nearly \$1 million in grants to 14 local organizations advancing clean energy, housing, and transportation.

The Public Affairs team has been working diligently behind the scenes to support programmatic efforts, including the launch of the San Diego Regional Energy Network and relaunch of the Solar Battery Savings program. It is also ramping up efforts to promote pilot programs, including one that helps customers repair their roofs to be ready for solar installations, and another that will distribute grants to small businesses that would benefit from more efficient refrigerators. The Public Affairs team is working closely with internal and external stakeholders to encourage participation in these programs and leveraging relationships with community partners to amplify our marketing and outreach efforts.

The Marketing and Communications division has also been working on a website refresh and brand update. After a survey of more than 4,700 stakeholders including customers, board members, CAC members and staff, the team is making improvements to the website to enhance navigability and increase accessibility. The website will be officially launched in fall. As a companion to the website update, Community Power brand standards are being refreshed to create more easily recognizable, consistent imagery.

Community Power has continued its efforts to connect with local leaders through meetings and at community events.

The Public Affairs team will continue to develop new strategies, processes and capacity over the next several months to conduct more community outreach, expand marketing and brand awareness efforts, and provide timely, accurate information across multiple channels.

Local Government Affairs

Community Power continues to meet with and work with local governments and tribal nations throughout the greater San Diego region. It has made a concerted effort to reach out to newly elected officials in all seven member agencies to provide education about the organization.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 10

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Laura Fernandez, Senior Director of Regulatory and Legislative Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Regulatory and Legislative Affairs

Date: September 25, 2025

Recommendation

Receive and file the update on regulatory and legislative affairs.

Background

Staff provides regular updates to the Board of Directors regarding Community Power's regulatory and legislative engagement.

Analysis and Discussion:

A) Regulatory Updates

Integrated Resource Planning

Order Instituting Rulemaking Establishing New IRP Proceeding

On August 18, 2025, Community Power's trade association, the California Community Choice Association (CalCCA), filed [reply comments](#) on the California Public Utilities Commission's (CPUC) [Order Instituting Rulemaking](#) (OIR) establishing the new integrated resource planning (IRP) proceeding in Docket R.25-06-019 (i.e., successor to R.20-05-003). For additional background, please see the [August 2025 regulatory update to the Board of Directors on page 242](#).

In reply comments, CalCCA argued the following:

- Provide load serving entities (LSE) no less than six months after the IRP filing requirements are issued to file individual IRP plans, as unanimously agreed upon by LSE parties;

- Reject American Clean Power – California (ACP-CA) and The Utility Reform Network’s (TURN) recommendations for near-term procurement orders because they ignore the numerous constraints influencing investment tax credit (ITC) and production tax credit (PTC) eligibility, are not based upon a demonstrated need, and will raise costs and distort the market;
- Adopt Pacific Gas & Electric Company’s (PG&E) recommendation to include load forecasting issues in scope of the proceeding, given the load forecast’s increased uncertainty with the emergence of new large loads and impact it will have on long-term procurement requirements established in the Reliable and Clean Power Procurement Program (RCPPP);
- Compare the costs of resource and transmission alternatives to meet local area needs before adopting party recommendations on local resource procurement to ensure the state pursues the least cost alternative;
- Align RCPMP with the Resource Adequacy (RA) and Renewables Portfolio Standard (RPS) compliance programs, as recommended by the Alliance for Retail Energy Markets (AREM);
- Reject party recommendations for long-lead time resource-specific procurement orders;
- Reject ACP-CA’s recommendation for the IOUs to conduct central procurement in coordination with the Department of Water Resources (DWR);
- Prioritize affordability when setting the pace of enforceable greenhouse-gas (GHG)-emission reduction requirements in RCPMP, as recommended by San Diego Gas & Electric Company (SDG&E); and
- Adopt PG&E’s recommendation for the Commission to continue its support of the Tracking Energy Development (TED) task force.

Proposed Decision on Southern California Edison’s Petition for Modification

On August 13, 2025, the CPUC issued a [Proposed Decision](#) granting, with modifications, a Southern California Edison (SCE) Petition for Modification (PfM) that sought a waiver of the requirements for bridge contracts for resources required by Decision (D).21-06-035 and D.23-02-040, so that bridge resource procurement would only be required for July - September.

CalCCA had filed a [Response](#) to the PfM supporting its adoption with modifications, including:

- Extend the PfM to Diablo Canyon Replacement requirements; and
- Clarify that the modified bridging requirements apply to an LSE with an executed long-term contract that was terminated for circumstances outside the LSE’s control and for which the LSE is making good faith efforts to replace (not just those with active contracts).

The Proposed Decision grants the PfM, however, goes beyond SCE’s requested relief and instead eliminates the option for LSEs to use short-term bridge contracts to meet the long-term clean energy and capacity procurement requirements established in those decisions.

On September 2, 2025, CalCCA filed [opening comments](#) on the Proposed Decision, requesting that the CPUC: clarify the intent of the decision so that it does not eliminate an existing compliance option without providing clear direction on how LSEs will be found compliant, commit to more clearly defining the “good faith efforts” standard and remove the requirement for delayed long-lead time (LLT) resources to be replaced by generic long-term contracts. CalCCA filed reply comments on September 8, and the Proposed Decision may be adopted, at earliest, at the CPUC's September 18, 2025, meeting.

SDG&E's Cost of Capital Application

On September 4, 2025, the CPUC held evidentiary hearings to allow cross-examination of witnesses in this proceeding. The purpose of the hearings is to aid the CPUC in resolving material disputed issues of fact, not to address disagreements on policy issues that do not constitute material issues of fact. Briefs on the case are due on September 19 and reply briefs are due October 3.

SDG&E Energy Resource Recovery Account (ERRA) Forecast

The purpose of the ERRA Forecast proceeding is to review the forecasted costs that SDG&E will incur to procure energy resources (fuel for power plants, purchased power, and GHG Costs & Allowance Revenues) in the coming year. Based on these forecasts, the CPUC approves rates that allow utilities to recover these costs from customers.

SDG&E 2026 ERRA Forecast Case

Community Power filed joint intervenor testimony with Clean Energy Alliance (CEA), on August 19. The testimony recommends several modifications and corrections to SDG&E's proposal and accounting in their application. In addition, the testimony argues that SDG&E should use banked Renewable Energy Certificates (RECs) from 2019 or later, to cover any shortfall in meeting its minimum RPS compliance target for 2026 for bundled customers and that the CPUC should not apply the new Resource Adequacy Market Price Benchmark calculation methodology. SDG&E filed rebuttal testimony on September 9.

SDG&E Energy Resource Recovery Account (ERRA) Compliance

The purpose of the ERRA Compliance proceeding is to review SDG&E's actual energy procurement performance in the previous year against their approved forecast for that year. Any difference between the forecasted costs and the actual costs is tracked in a balancing account. This mechanism ensures that customers ultimately pay for the actual costs incurred by SDG&E.

SDG&E 2024 ERRA Compliance Case

On August 8, the CPUC held a prehearing conference to determine the scope and schedule of the proceeding. At the prehearing conference the ALJ indicated that the scope of the proceeding should likely include whether SDG&E prudently procured and managed its generation resources and were compliant with the SDG&E Bundled Procurement Plan, which was argued jointly by Community Power and Clean Energy Alliance. The next step in the proceeding is for the CPUC to issue a formal Scoping Memo.

Demand Flexibility

On August 29, 2025, the CPUC issued [Decision 25-08-049](#) adopting guidelines for the large IOUs demand flexibility (DF) rate design protocols and closing the proceeding.

This decision adopts guidance for how various cost components should be incorporated into demand flexibility rate proposals to provide accurate price signals that promote economically efficient load shifting and support grid reliability, as well as guidance for the design of customer options that promote load shifting in response to electricity pricing while minimizing bill impacts. These guidelines comply with the California Energy Commission's (CEC) Load Management Standards (LMS). Of note for Community Power, the decision also requires SDG&E to file a consolidated application for DF Rate Proposals that complies with the guidance in this decision for all customer classes within 90 days of the issuance of this decision, which may impact future flexible rate offerings from Community Power.

This decision closes Rulemaking R.22-07-005 without resolving the remaining Phase 1 scoping issues of this proceeding, which include (1) Track B, Working Group 2 Issues 4, 5, and 6 that relate to systems and process to enable access to dynamic rates, Commission support on implementing amendments to the CEC LMS, expansion of existing dynamic rate pilots and (2) issues relating to DF rates for large commercial hydrogen generation and industrial heat process producers. The Commission will address these issues in one or more new rulemakings.

Self-Generation Incentive Program (SGIP)

On August 29, 2025, the CPUC issued a [Proposed Decision](#) ruling on a number of programmatic and policy issues regarding the Self Generation Incentive Program. Of particular note, the PD approves an exemption to the requirement to participate in a qualifying demand response program for all residential low-income customers applying to the Residential Solar and Storage Equity budget. This requirement had in effect previously barred customers of community choice aggregators, such as Community Power and CEA, from participating in SGIP. The PD also established a process to return unallocated funds to customers, modifies program rules to reduce administrative burden, and allow for more flexibility for project completion. Comments on the PD are due September 18.

SDG&E General Rate Case Phase 2

On August 13, the CPUC issued a [Proposed Decision](#) in SDG&E's Phase 2 General Rate Case (GRC). In the PD, the CPUC agrees with the Joint CCAs that SDG&E should be required to reflect a separate power charge indifference adjustment (PCIA) line item on bundled customer bills. The PD adopts the City of San Diego's recommendation that SDG&E should combine its commodity and delivery tariffs for non-residential customers. The PD also approves the partial settlement, including the medial baseline settlement, the Marginal Cost Settlement that resolve issues concerning SDG&E's Marginal Distribution Customer Costs. Community Power filed [opening](#) and [reply](#) comments on the PD supporting the Commission's reasoning and conclusions, but also requested additional detail in the ordering paragraphs to keep SDG&E accountable. The comments also request that the CPUC apply its reasoning to require SDG&E to delineate the PCIA in SDG&E's bundled commodity tariffs, not just on bills. The PD may be heard as early as the September 18 CPUC meeting.

Energy Efficiency Order Instituting Rulemaking (R.25-04-010)

On August 28, 2025, the CPUC adopted a decision on the Potential and Goals Study (PGS) for the 2026-2037 period. The PGS is conducted every 2 years and informs the energy savings goals for the IOUs for the upcoming 10 years (2026-2037), which then feed into the California Energy Commission (CEC) load forecasts.

The cumulative goals for SDG&E are as follows:

	Incentive Programs	Codes and Standards		
Period	TSB	GWh	MW	MMTherms
2024-2027	\$227,709,298	735.3	125.5	6.3
2028-2031	\$300,198,894	427.1	74.8	2.8
2032-2035	\$365,592,199	260.4	53.6	2.8

The annual goals for SDG&E are as follows:

Year	Incentive Programs	Codes and Standards		
	TSB	GWh	MW	MMTherms
2026	\$65,431,025	163.3	27.6	0.8
2027	\$72,006,151	146.1	24.1	0.9
2028	\$78,420,542	141.0	23.3	0.8
2029	\$85,011,015	107.4	18.6	0.8
2030	\$63,994,260	94.0	16.9	0.8
2031	\$72,773,077	84.7	16.0	0.7
2032	\$79,707,277	76.2	14.9	0.7
2033	\$86,792,270	73.0	14.4	0.7
2034	\$94,537,243	57.3	12.7	0.7
2035	\$104,555,409	53.9	11.6	0.7
2036	\$112,133,444	52.9	10.8	0.7
2037	\$118,837,451	52.1	10.6	0.6

Next steps in the proceeding include the issuance of guidance and filing templates by the CPUC to portfolio administrators for their February 2026 business plan portfolio application filings. Additionally, in quarter 3, the CPUC plans to issue a staff proposal on viable electrical alternatives and multifamily sector policy.

SDG&E Application to Withdraw from Regional Energy Efficiency Program (A. 25-04-014)

On September 5, 2025, Community Power on behalf of the San Diego Regional Energy Network (SDREN) filed its opening legal brief to address the [August 8, 2025 scoping ruling](#) questions surrounding the legal permissibility of SDG&E to withdraw from regional energy efficiency portfolio administration. The Clean Energy Alliance, Bay Area Regional Energy Network (BayREN), and Tri-County Regional Energy Network (3CREN) were joint filers.

In its opening brief, Community Power argues that withdrawal is legally impermissible due to SDG&E's various ongoing statutory obligations (e.g., electrical corporations need to procure energy efficiency first prior to any other resources, CPUC needs to establish savings targets for electrical corporations to meet, etc.) but encourages the Commission to consider a policy

mechanism whereby SDG&E could transfer some of its compliance obligations to another regional portfolio administrator, such as SDREN.

Reply briefs are due September 26, 2025. The CPUC anticipates issuing a proposed decision on the legal permissibility of SDG&E's application to withdraw in November 2025 and adopting a final decision in December 2025. If the CPUC deems withdrawal is legally permissible, then the proceeding will proceed to deliberate factual and policy issues associated with the application.

Smart Meter Decision Petition for Modification Requesting SDG&E to Continue to Provide Real-Time Data to Customers

On August 18, 2025, the CPUC issued a [Proposed Decision](#) denying the petition for modification submitted by Clean Energy Alliance, Community Power, and Mission:Data. The PD denies the petition based on procedural grounds, citing the fact that it was not submitted within one year from the original decision and the petitioners were not parties to the original proceeding. The decision also notes that since ZigBee technology is becoming decreasingly prevalent in SDG&E territory, it is reasonable to end support of the technology. On September 8, Community Power filed joint comments with Clean Energy Alliance, and Mission:Data asking the CPUC to reject the proposed decision and urging the CPUC to issue a revised decision, raising concerns regarding significant legal and factual errors as well as a violation of due process.

B) State Legislative Activities Update

The Legislature adjourned on September 13, marking the deadline for all bills to be voted on and sent to the Governor for consideration. He has until October 13 to sign or veto approved by the Legislature. Below is an update on key legislation that Community Power supports or opposes.

Update on Legislation Community Power Supports and Opposes

The following Community Power supported bills were approved and sent to the Governor for consideration:

- [AB 44 \(Schultz\)](#): Would require the CEC to publish its load modification methodology. This transparency supports Community Power's Flexible Load Strategy, advancing decarbonization and local resiliency.
- [AB 740 \(Harabedian\)](#): Would direct the development of a statewide Virtual Power Plant (VPP) deployment plan. This complements Community Power's efforts to build a flexible VPP, enhancing grid reliability and climate resilience.
- [SB 283 \(Laird\)](#): Would mandate fire department consultation and inspection of energy storage systems. Prior language on compliance with National Fire Protection

Association (NFPA) 855 fire code standards was amended out of the bill because those standards are already in the process of being incorporated into the state codes effective on January 1, 2026. The bill ensures safety while supporting clean energy infrastructure.

- [SB 302 \(Padilla\)](#): Would align state tax law with federal clean energy tax provisions related to the transfer of tax credits, enabling transferable tax credits. This could reduce project costs by 1–6%, supporting cost-effective decarbonization.
- [AB 825 \(Petrie-Norris\)](#): Proposes the creation of an independently governed regional electric market, offering potential benefits of up to \$700 million in savings for California ratepayers, improved grid reliability, and reduced greenhouse gas emissions. Earlier versions of the bill included provisions to establish a Statewide Demand Management Task Force with authority over customer programs. Community Power opposed this approach due to concerns about undermining local control and duplicating existing oversight mechanisms. On September 10, the bill was amended to focus solely on the electric market framework. The final version, now before the Governor, excludes the problematic task force language. Community Power supports this version of AB 825, which aligns closely with [SB 540 \(Becker\)](#)—a bill Community Power endorsed earlier this year.

[SB 710 \(Blakespear\)](#) was also passed by the Legislature. It originally aimed to extend the property tax exclusion for rooftop solar and battery storage. However, amendments made by the Assembly Committee on Appropriations removed the sunset extension, rendering the bill largely non-substantive. Community Power has a neutral position on the bill as passed.

Legislative positions and associated letters of support or opposition are available on this Community Power webpage: <https://sdcommunitypower.org/legislative-priorities/>

Update on the State Budget

As noted in the August staff report, the state budget enacted in June did not include \$180 million for the CEC's Distributed Electricity Backup Assets (DEBA) program, a funding proposal supported by Community Power. DEBA is run by the CEC and supports distributed energy resources, like batteries. Anticipating that the Legislature may take additional budget votes before they adjourn, Community Power recently joined a coalition of CCAs and other stakeholders to advocate for \$50 million for DEBA from Proposition 4, a climate bond approved by the voters in November 2024. The letter also advocated for \$75 million to be appropriated to the Demand Side Grid Support (DSGS) program at the CEC, which similarly helps fund customer sited clean energy assets.

On September 12, the Legislature approved [SB 105 \(Wiener\)](#) – known as a budget bill junior – which appropriates \$46.1 million to the DEBA program, with certain conditions. The budget bill did not provide any funding for DSGS.

Legislature Adopts End of Session Climate and Energy Affordability Legislative Package

The [package](#) was a priority of legislative leadership and the Governor. It approved by the Legislature on September 13 and includes the following bills:

- [AB 825 \(Petrie-Norris\)](#), which is described above and supported by Community Power.
- [SB 254 \(Becker\)](#), which:
 - Creates a Continuation Account for IOU wildfire claims,
 - Requires \$6 billion in IOU wildfire investments be made without a rate of return,
 - Creates a new publicly financed Transmission Accelerator,
 - Modifies the IOU wildfire mitigation planning process,
 - Requires the IOUs to report specified information on cost categories.
- [AB 1207 \(Irwin\)](#), which extends the state's Cap and Trade program through 2045 and renames it Cap and Invest. It also modifies the California Climate Credit and ends IOU's ability to use allowance proceed value for specified renewable energy programs like DAC-GT.
- [SB 840 \(Limon\)](#), which makes changes to how Cap and Invest proceeds will be spent. The bill does not appear to include any provisions related to clean energy spending.
- [SB 237 \(Grayson\)](#), which seeks to safely increase in-state oil production to mitigate rising fuel costs.
- [SB 352 \(Reyes\)](#), which seeks to heighten the California Air Resource's Board work on community monitoring plans.

C) Federal Activities Update

Congress reconvened on September 2 following its extended summer recess, facing a fast-approaching September 30 deadline to fund the government. With only several legislative days currently scheduled, the risk of a government shutdown looms if lawmakers fail to reach a bipartisan agreement. Both chambers are scheduled to recess during the week of September 22 in observance of Rosh Hashanah.

On September 4, the House narrowly passed the Fiscal Year (FY) 2026 Energy and Water Appropriations bill. The bill proposes significant funding cuts to two key offices within the U.S. Department of Energy:

- The U.S. Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy (EERE), which supports investments at national laboratories, provides financial and technical assistance, and sets energy standards.
- The Grid Deployment Office, which focuses on modernizing and strengthening the nation's electrical grid.

The House's funding bill would also increase funding for advanced nuclear technologies to expand the country's nuclear capacity by 2050 and would also boost funding for enhanced geothermal resources. Overall, the House's version seeks to shift funding away from intermittent renewable energy resources towards resources that can provide baseload power.

However, the Senate has yet to release its version of the bill, leaving final funding levels uncertain. A bipartisan agreement between both houses of Congress will be necessary to finalize FY 2026 appropriations and avoid disruption to federal energy programs. Community Power does not receive any federal funding from the U.S. DOE.

Community Power is also tracking the following bills that are under consideration in the U.S House of representatives. They were approved by the House Energy and Commerce Committee on July 25.

- [H.R. 3616](#), Reliable Power Act, which would mandate certain reliability assessments. If risks to grid reliability are identified, then regulatory agencies like the U.S. Environmental Protection Agency could not adopt certain regulations unless they demonstrate the regulations won't impact grid reliability.
- [H.R. 1047](#), Guaranteeing Reliability through the Interconnection of Dispatchable Power (GRID Power) Act, which would require Independent System Operators like the California Independent System Operator to prioritize the interconnection of dispatchable power projects that can reliably supply electricity on demand.
- [H.R. 3632](#), Power Plant Reliability Act of 2025, which would require generating units to provide at least five years' notice before retiring.
- [H.R. 3638](#), Electric Supply Chain Act, which would direct the Secretary of Energy to conduct periodic assessments of the electric generation and transmission supply chain.
- [H.R. 3157](#), State Energy Accountability Act, which would require state utility regulators – like the California Public Utilities Commission – to evaluate how intermittent energy policies affect grid reliability and electric rates.
- [H.R. 3628](#), State Planning for Reliability and Affordability Act, which would require utility integrated resource plans to include measures to ensure electric reliability over a 10-year period, such as through operation or procurement of energy from facilities that can produce power for at least 30 consecutive days.



Fiscal Impact

N/A

Committee Review

This item was on the consent calendar for the September CAC meeting.

Attachments

A: Legislative Budget Letter on DSGS and DEBA

B: SB 540 (Becker) coalition alert

ITEM 10

ATTACHMENT A

Fund DSGS & DEBA: Key Affordability & Reliability Programs



August 19, 2025

Senate President pro Tempore Mike McGuire
1021 O street, Suite 8518
Sacramento, CA 95814

Assembly Speaker Robert Rivas
1021 O Street, Suite 8330
Sacramento, CA 95814

Senator Scott Wiener
1021 O Street, Suite 8620
Sacramento, CA 95814

Assemblymember Jesse Gabriel
1021 O Street, Suite 8230
Sacramento, CA 95814

RE: Restore Funding for Affordability & Reliability Programs DSGS & DEBA

Dear Pro Tem McGuire, Speaker Rivas, Senator Wiener, and Assemblymember Gabriel,

We are writing to respectfully urge you to restore funding commitments made to the Demand Side Grid Support (DSGS) and the Distributed Electricity Backup Assets (DEBA) programs. These programs are critical to California’s ability to manage an increasingly constrained electricity supply, reduce the state’s reliance on polluting “peaker” plants, and reduce energy costs for all Californians. In doing so, these programs represent some of our most important tools to keep the lights on while building a resilient, clean, and affordable energy future.

Californians are already facing some of the highest electricity bills in the nation, and reliability threats from extreme heat, wildfires, and climate-driven disasters are only growing. At a time when affordability and reliability are under such strain, cutting these programs would take away proven, cost-saving solutions just as they are most needed.

That’s why it is critical to keep DSGS afloat with a minimum allocation of \$75 million this year and to ensure DEBA gets off the ground by appropriating its \$50 million of committed Proposition 4 funding.

DSGS compensates existing electric customers who provide system-wide demand reduction and backup generation through mechanisms such as virtual power plants (VPPs). Since its launch in the summer of 2022, it has grown to over 1,000 MW in capacity this year,¹ enough to power over 1 million homes. A recent study shows that DSGS’s distributed storage program is projected to nearly double in capacity by 2028 and could provide **up to \$206 million in net cost savings to all Californians.**²

¹ Olivine, *Demand Side Grid Support (DSGS) Program FAQ*, <https://dsgs.olivineinc.com/faq/#acc-w21g721-2>.

² The Brattle Group, *The Demand Side Grid Support Program: An Assessment of Scale and Value* (July 2025), <https://www.brattle.com/wp-content/uploads/2025/08/The-Demand-Side-Grid-Support-Program-An-Assessment-of-Scale-and-Value.pdf>

DSGS needs at least \$75 million this year to remain operative in 2026 and multi-year funding to give providers program certainty, continue attracting private investment, and unlock its full affordability benefits. Without restored funding, DSGS is projected to run out of funds by the end of 2025, shutting down one of California’s most effective affordability and reliability programs that could replace OTC peaker plants.

DEBA is designed to develop new clean distributed energy resources (DERs), such as energy storage and microgrids, in communities across California. These projects will not only provide direct reliability and affordability benefits locally but can also participate as virtual power plants (VPPs) in programs like DSGS, delivering additional grid support and cost savings to all California ratepayers.

The \$50 million allocated to DEBA through Proposition 4 must be appropriated this year to get this critical program off the ground.

Defunding or delaying either program at this crucial juncture would not only undermine affordability and reliability, but also damage California’s credibility as a reliable partner for the businesses driving clean energy forward at a time when we should be leveraging their innovation and investment. In an environment where clean energy is under attack nationally, California cannot afford to drive away the very partners we need to maximize distributed resources, strengthen the grid, and keep energy costs down.

Given the critical importance of these programs to avoiding dire energy shortages, meeting the state’s climate goals, and lowering electricity costs for all Californians, we urge you to restore and implement funding for the DSGS and DEBA programs.

Thank you for your attention to this important matter. We are available to discuss this further and provide any additional information needed.

Sincerely,

Edson Perez
Senior Principal
Advanced Energy United

Cheryl Auger
President
Ban SUP (Single Use Plastic)

Scott Murtishaw
Executive Director
California Energy Storage Alliance

Kate Unger
Senior Policy Advisor
California Solar & Storage Association

Jose Torre-Bueno
Executive Director
Center for Community Energy

Maia Leroy
Policy Director
Center for Energy Efficiency and Renewable
Technologies

Amy Findlay
Head of Policy
ChargeScape

Ben Schwartz
Policy Manager
Clean Coalition

Derek Chernow
Western Regional Director
Coalition for Community Solar Access

Katie Guerry
Senior VP of Regulatory and Government
Affairs
Convergent Energy and Power

Claire Swingle
Senior Analyst, Regulatory Affairs
CPower

Thomas Lee
Founder & President
Derapi

Vince Wong
Chief Operating Officer
ElectricFish

Scott Lipton
Director, Energy Policy
Enchanted Rock

Gabriela Olmedo
Regulatory Affairs Specialist
EnergyHub

Jared Ballew
US Policy Director
ev.energy

Anna Bella Korbatov
VP, Regulatory Affairs
Fermata Energy

Meredith Roberts
Director, Policy and Regulatory Affairs - West
Generac

Elise Kalfayan
Board Member
Glendale Environmental Coalition

Julia Pyper
Vice President of Public Affairs
GoodLeap

Jonathan Levy
Managing Director, US and Japan
Kaluza

Collin Smith
Regulatory Affairs Manager
Leap

Franco Ghadiri
Policy Representative
Mainspring Energy

Allie Detrio
Senior Advisor
Microgrid Resources Coalition

Steve Joseph
Chief Executive Officer
Potrero Energy

Raghav Murali
Director – Policy & Government Affairs
PowerFlex

Cliff Staton
VP, Government Affairs
Renew Home

Patrick Welch
Associate Director of Legislative Affairs
San Diego Community Power

Scott Green
Senior Government Affairs Manager
San José Clean Energy

Kristel Watson
Chief Commercial Officer
Scale Microgrids

Bena Chang
Director of Government and Legislative
Affairs
Silicon Valley Clean Energy

Stephanie Doyle
CA Director
Solar Energy Industries Association

Lauren Nevitt
Senior Director of Public Policy
Sunrun

Ellie Cohen
CEO
The Climate Center

Zach Woogen
Executive Director
Vehicle-Grid Integration Council

Kimaya Abreu
Manager, Regulatory Affairs
Voltus

CC: The Honorable Ben Allen, Chair, Senate Budget Subcommittee No. 2 on Resources,
Environmental Protection and Energy
The Honorable Steve Bennet, Chair, Assembly Budget Subcommittee No. 4 on Climate
Crisis, Resources, Energy and Transportation
The Honorable Josh Becker, Chair, Senate Energy, Utilities and Communications
Committee
The Honorable Rosilicie Ochoa Bogh, Vice Chair, Senate Energy, Utilities and
Communications Committee
The Honorable Cottie Petrie-Norris, Chair, Assembly Utilities and Energy Committee
The Honorable Joe Patterson, Vice Chair, Assembly Utilities and Energy Committee

ITEM 10

ATTACHMENT B



Pass a Workable Version of SB 540 NOW

For Affordable, Reliable, Clean Energy

We urge the Legislature to pass a workable SB 540 that lowers electric bills, strengthens grid reliability, and expands access to affordable clean power. A workable bill protects California consumers and works for our western state partners — the broader the market footprint, the more it will benefit California consumers and energy goals. SB 540 will provide:

- **Lower Electricity Costs for Californians:** SB 540 lowers energy costs for consumers and businesses by more than \$1 Billion annually. A recent [independent study done for the California Energy Commission](#) found that participating in a regional energy market with a large footprint would lead to increased energy supply, greater market efficiency and less curtailment and waste of renewable energy.
- **Improve Grid Reliability and Reduce Power Outages:** SB 540 improves the reliability of our electricity grid and reduces blackouts by connecting California to a broader regional electricity market, giving the grid operator access to a wider pool of energy resources, strengthening our ability to handle climate-driven disruptions and reducing the risk of blackouts.
- **More Affordable Clean Energy:** A regional energy market will help California develop more renewable energy we can use or sell to other states, and expanding our access to clean electricity supply from other Western states will reduce our reliance on fossil fuels for grid reliability, helping to improve our air quality and further our climate goals.

Act Now to Protect California's Climate Leadership

California has a critical choice to make. Passing a **workable** SB 540 this year will lower costs for ratepayers, improve grid reliability, and expand access to affordable clean energy. But if we don't pass a workable SB 540 **this year**, we risk losing these benefits as other Western states join a competing Arkansas-based market instead of ours.

The time is now. Urge legislative leaders to act—California's affordability, reliability, and clean energy future depend on it.

SAN DIEGO COMMUNITY POWER

Staff Report - Item No. 11

To: Board of Directors

From: Maricela Hernandez, Clerk of the Board

Via: Karin Burns, Chief Executive Officer

Subject: Adoption of Resolution No. 2025-14, Approving 2026 Board Meeting Schedule for Community Power

Date: September 25, 2025

Recommendation

Adopt Resolution No. 2025-14, approving Community Power Board meeting schedule for 2026.

Background

Pursuant to Section 4.8 of the Joint Powers Authority (JPA) Agreement, the date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board.

Analysis and Discussion:

During the 2025 calendar year, the Board of Directors held their meetings every fourth Thursday of the month at 5 p.m., except when holidays required an adjustment. Moving forward and to give everyone a chance to enjoy summer downtime, staff recommend that no meeting be scheduled in July. In addition, rather than having three Board meetings within a six-week period and to create efficiencies, staff recommend that for 2026, the November meeting be eliminated. Community Power Board of Directors meetings are scheduled at the Port of San Diego, Don L. Nay Port Administration Boardroom; 3165 Pacific Hwy., San Diego, CA 92101.

Meetings are anticipated to be in person with remote/teleconference option for members of the public, staff and Board Members if the need arises to participate remotely.

Below are proposed 2026 Board meeting dates with a start time of 5 p.m. (exceptions noted):

- January 26, 2026
- February 26, 2026
- March 26, 2026
- April 23, 2026
- May 25, 2026
- June 25, 2026
- August 27, 2026
- September 24, 2026
- October 22, 2026
- December 10, 2026 (Second Thursday)

The attached resolution reflects the schedule and location considerations described above.

Fiscal Impact

N/A

Attachments

A: Resolution No. 2025-14, establishing 2026 Board meeting schedule.

ITEM 11

ATTACHMENT A

RESOLUTION NO. 2025-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, ESTABLISHING ITS REGULAR MEETING SCHEDULE FOR CALENDAR YEAR 2026.

A. San Diego Community Power (Community Power) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*), California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended and restated December 16, 2021 (JPA Agreement).

B. The Ralph M. Brown Act (Cal. Gov. Code § 54950, *et seq.*) provides that the legislative body of each local agency shall provide, by ordinance, resolution, bylaws, or other rule, the time and place for holding its regular meetings.

C. Section 4.8 of the JPA Agreement provides that the “date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board.”

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

Section 1. For calendar year 2026, regular meetings of the Board of Directors shall take place on the dates set forth below and shall begin at 5:00 p.m. All regular meetings shall take place at the Port of San Diego, Don L. Nay Port Administration Boardroom; 3165 Pacific Hwy., San Diego, CA 92101. Teleconferencing or virtual meetings may occur only as authorized under Government Code section 54953 or other applicable law.

Regular Meeting Dates:

- January 26, 2026
- February 26, 2026
- March 26, 2026
- April 23, 2026
- May 25, 2026
- June 25, 2026
- August 27, 2026
- September 24, 2026
- October 22, 2026
- December 10, 2026 (Second Thursday)

Section 2. Special and adjourned meetings of the Board of Directors may be called and held in the manner authorized in the Ralph M. Brown Act, Cal. Gov. Code § 54950, *et seq.*, as may be amended from time to time or as may be modified or suspended by Executive Order.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on September 25, 2025.

AYES:
NOES:
ABSTAIN:
ABSENT:

Terra Lawson-Remer, Chair
San Diego Community Power

ATTEST:

APPROVED AS TO FORM

Maricela Hernandez, MMC, CPMC
Secretary/Clerk of Board of Directors
San Diego Community Power

Veera Tyagi, General Counsel
San Diego Community Power

SAN DIEGO COMMUNITY POWER

Staff Report - Item 12

To: Board of Directors

From: Chandra Pugh, Sr. Director - People Operations & Administration

Via: Karin Burns, Chief Executive Officer

Subject: Approve Sole Source Professional Services Agreement with Nash Consulting Inc. in an amount Not to Exceed \$185,000 from its execution through June 30, 2027

Date: September 25, 2025

Recommendation

Approve Sole Source Professional Services Agreement between Nash Consulting Inc. and Community Power to help support the continuation of its Leadership Sustainability Initiative for an amount not to exceed \$185,000 from execution through June 30, 2027, and delegate authority to the Chief Executive Officer to execute such Professional Services Agreement.

Background

In March of 2023 and again in 2024, Community Power conducted an informal RFP for a set of services (in whole or in part) including organizational development, people management and leadership coaching. Several service providers were selected to help Community Power achieve its aims, including Nash Consulting, Inc. (Nash).

Nash was initially selected based upon:

- 30 years of experience serving private, public, and nonprofit organizations
- Successful ongoing collaboration with San Diego Community Power
- Highly qualified team of consultants, facilitators, and coaches who embrace a partnership-centered approach
- Proprietary and highly effective Managing with Mind & Heart leadership workshop series, which has consistently delivered meaningful change
- Proven executive team development strategies
- Follow-up practices and our best-practice sustainability training

At the core of the Nash approach is a commitment to developing and sustaining essential, best-practice leadership and management skills, including the "Top 15 Management Skills". When implemented effectively, it catalyzes remarkable transformation, setting the stage for a healthier, more positive workplace culture.

Community Power executed two Executive Coaching Agreements, each after an informal RFP, to provide a comprehensive coaching plan designed to support the professional development of Community Power's executive and leadership team. The coaching activities aimed to enhance leadership capabilities, emotional intelligence, communication skills, self-awareness and establish an effective, authentic executive presence. The Agreements totaled \$59,670 for Nash to support Community Power with executive coaching.

Community Power executed a series of three Agreements focusing on workplace culture, manager training, and strategic planning. The Agreements totaled \$110,523 for Nash to support Community Power.

Analysis and Discussion

Community Power is seeking to continue our existing leadership and management development work with Nash to ensure recent new hires gain access to the management program, to ensure the team continues to sustain and practice these behaviors, and to offer leadership and/or executive team coaching by Nash based upon these principles.

This new contract with Nash will provide the following services:

1. Leadership Development Workshops
 - Deliver six (6) full-day Managing with Mind & Heart workshops for SDCP people-leaders.
 - Conduct six (6) full-day Executive Team Workshops focused on collaboration, decision-making, and leadership behaviors.
 - Provide two (2) additional full-day on-site visits for supplemental leadership development, coaching, or departmental organizational development.
2. Coaching Services
 - Provide five (5) individual six-month coaching contracts for SDCP leaders to strengthen leadership skills and effectiveness.
3. Remote Engagements
 - Facilitate up to thirty (30) hours of remote meetings for spot coaching, executive team sessions, sustainability planning, and virtual training.
4. Mind & Heart University Access
 - Provide two (2) one-year subscriptions to Nash Consulting's Mind & Heart University online sustainability platform for SDCP's leadership community.



5. Planning and Coordination
 - Conduct up to eight (8) hours of planning and coordination via phone calls.
6. Travel
 - Include travel expenses for six (6) two-day trips, estimated at \$1,600 per trip.
7. Surveys and Follow-Up
 - Conduct a follow-up survey at no additional charge to assess program impact and sustainability.
8. Other activities as requested up to the not-to-exceed amount

The total amount of the new contract commencing upon execution through June 30, 2027, will not exceed \$185,000 inclusive of workshops, coaching, and travel. This will allow us to continue developing our team's management and organizational skills to ensure we can grow, develop and retain our top talent.

This contract award meets the procurement policy's sole source criteria because there is a demonstrated need for compatibility with an existing service that Community Power has already procured. Nash is uniquely qualified to continue to provide leadership development expertise through their signature leadership training program "Managing with Mind & Heart", which has been training Community Power leaders to balance empathy with execution.

Fiscal Impact

This is budgeted through FY26 as part of the CEO's team leadership development budget and will be budgeted accordingly in the following year through FY 2027,

Strategic Plan

This activity supports the following strategic plan goal in Human Resources: Evolve into a learning organization by Q4 2026, with an emphasis on professional development for our staff and people leaders.

Attachments

A: Professional Services Agreement with Nash Consulting Inc.

ITEM 12

ATTACHMENT A

SAN DIEGO COMMUNITY POWER
PROFESSIONAL SERVICES AGREEMENT
2025-60

This Professional Services Agreement (“Agreement”) is made and entered into this _____ day of _____ 2025 (“Effective Date”), by and between SAN DIEGO COMMUNITY POWER, a California joint powers agency (“SDCP”) and NASH Consulting, Inc. (“Consultant”). SDCP and Consultant are sometimes individually referred to as “Party” and collectively as “Parties.”

RECITALS

- A. Consultant desires to perform and assume responsibility for the provision of professional services to support SDCP’s Sustainability Initiative. Consultant represents that it is experienced in leadership development, executive coaching, organizational culture transformation, and digital sustainability tools, and is familiar with the goals and operations of SDCP (“Project”).
- B. SDCP desires to engage Consultant to render such professional services, including workshops, coaching, and strategic support for the Project, as set forth in this Agreement.

AGREEMENT

1. Scope of Project and Term.

1.1 General Scope of the Project. Consultant promises and agrees to furnish to SDCP all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the Project. The Project is more particularly described in Exhibit A attached hereto, and which are stated in the proposal to SDCP. The Project shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto, and all applicable local, state and federal laws, rules and regulations.

1.2 Term. The term of this Agreement shall be from the Effective Date to June 30, 2027, unless earlier terminated as provided herein. Consultant shall complete the Project within the term of this Agreement and shall meet any other established schedules and deadlines.

2. Responsibilities of Consultant.

2.1 Control and Payment of Subordinates; Independent Contractor. The Project shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Project subject to the requirements of this Agreement. SDCP retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Project under this Agreement on behalf of Consultant shall also not be employees of SDCP and shall at all times be under Consultant’s exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in

connection with their performance of the Project under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

2.2 [RESERVED].

2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of SDCP.

2.4 Substitution of Key Personnel. Consultant has represented to SDCP that certain key personnel will perform and coordinate the Project under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of SDCP. In the event that SDCP and Consultant cannot agree as to the substitution of key personnel, SDCP shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Project in a manner acceptable to SDCP, or who are determined by the SDCP to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the SDCP. The key personnel for performance of this Agreement are as follows:

Michael Nash, Owner & President, Nash Consulting

Ethan Nash, CEO, Consultant and Coach

Tom Keziah, Consultant and Coach

Akpene Torku Sims, Consultant and Coach

2.5 SDCP's Representative. SDCP hereby designates Karin Burns, SDCP's Chief Executive Officer, or her designee, to act as its representative for the performance of this Agreement ("SDCP's Representative"). SDCP's Representative shall have the power to act on behalf of SDCP for all purposes under this Agreement. Consultant shall not accept direction or orders from any person other than SDCP's Representative, or designee.

2.6 Consultant's Representative. Consultant hereby designates Mike Nash, or his designee, to act as its Representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Project, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Project under this Agreement.

2.7 Coordination of The Project. Consultant agrees to work closely with SDCP staff in the performance of the Project and shall be available to SDCP's staff, consultants and other staff at all reasonable times.

2.8 Standard of Care; Performance of Employees. Consultant shall perform the Project under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Project. Consultant warrants that all employees and sub- contractors shall have sufficient skill and experience to perform the Project assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Project, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from SDCP, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its subcontractors who is determined by SDCP to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Project in a manner acceptable to SDCP, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Project or to work on the Project.

2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Project including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with the Project. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to SDCP, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold SDCP, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

2.10 Insurance.

2.10.1 Time for Compliance. Consultant shall not commence the Project under this Agreement until it has provided evidence satisfactory to SDCP that it has secured all insurance required under this section, in a form and with insurance companies acceptable to SDCP. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to SDCP that the subcontractor has secured all insurance required under this section.

2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

2.10.3 Professional Liability. Consultant shall procure and maintain, and require its subcontractors to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$2,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

2.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by SDCP to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury/Advertising Injury; (3) Premises/Operations Liability; (4) Products/Completed Operations Liability; (5) Aggregate Limits that Apply per Project; (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(iii) The policy shall give SDCP, its directors, officials, officers,

employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be “primary and non-contributory” and will not seek contribution from SDCP’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. If Consultant, its employees or subcontracts, use an automobile in the performance of this Agreement, Consultant shall ensure Consultant first obtains an automobile liability policy to state that: (1) SDCP, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects SDCP, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant’s scheduled underlying coverage. Any insurance or self-insurance maintained by SDCP, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant’s insurance and shall not be called upon to contribute with it in any way.

(C) Workers’ Compensation and Employers Liability Coverage.

(i) Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and Consultant will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against SDCP, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Defense costs shall be payable in addition to the limits set forth hereunder. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to SDCP, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(i) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply

on a primary and non-contributory basis for the benefit of SDCP (if agreed to in a written contract or agreement) before SDCP's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(ii) Consultant shall provide SDCP at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to SDCP at least ten (10) days prior to the effective date of cancellation or expiration.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by SDCP, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(v) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, SDCP has the right but not the duty to obtain the insurance it deems necessary and any premium paid by SDCP will be promptly reimbursed by Consultant or SDCP will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, SDCP may cancel this Agreement. SDCP may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(vi) Neither SDCP nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

2.10.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to SDCP, its directors, officials, officers, employees, agents and volunteers.

2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by SDCP. Consultant shall guarantee that, at the

option of SDCP, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects SDCP, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

2.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, licensed to do business in California, and satisfactory to SDCP.

2.10.8 Verification of Coverage. Consultant shall furnish SDCP with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to SDCP. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall be on forms provided by SDCP if requested. All certificates and endorsements must be received and approved by SDCP before work commences. SDCP reserves the right to require complete, certified copies of all required insurance policies, at any time.

2.10.9 Subcontractor Insurance Requirements. Consultant shall not allow any subcontractors to commence work on any subcontract until they have provided evidence satisfactory to SDCP that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors shall be endorsed to name SDCP as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, SDCP may approve different scopes or minimum limits of insurance for particular subcontractors.

2.10.10 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out the Project, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life-saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3. Fees and Payments.

3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for the Project rendered under this Agreement at the rates set forth in Exhibit B, attached hereto. The total compensation shall not exceed **One Hundred and Eighty-Five Thousand Dollars (\$185,000)** without written approval of SDCP's Chief Executive Officer. Extra Work may be authorized, as described below, and, if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.2 Payment of Compensation. Consultant shall submit to SDCP a monthly itemized statement which indicates work completed and hours of the Project rendered by Consultant. The statement shall describe the amount of hours and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. SDCP shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by SDCP.

3.4 Extra Work. At any time during the term of this Agreement, SDCP may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by SDCP to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from SDCP's Representative.

4. Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of SDCP during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

5. General Provisions.

5.1 Termination of Agreement.

5.1.1 Grounds for Termination. SDCP may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to SDCP, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, SDCP may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of the Project under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, SDCP may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: Michael Nash
1700 Westlake Ave N #200
Seattle, WA 98109

SDCP: San Diego Community Power
Attn: Chief Executive Officer
PO Box 12716
San Diego, CA 92112

With a copy to:
San Diego Community Power – Legal Department
PO Box 12716
San Diego, CA 92112

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

5.3 Ownership of Materials and Confidentiality.

5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for SDCP to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). Consultant shall require all subcontractors to agree in writing that SDCP is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by SDCP. SDCP shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at SDCP’s sole risk.

5.3.2 Intellectual Property. In addition, SDCP shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and

source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media (“Intellectual Property”) prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

SDCP shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by SDCP, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of SDCP.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the SDCP.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

SDCP further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement, provided, however, that this license shall not apply to Consultant’s pre-existing proprietary materials, including but not limited to the “Managing with Mind & Heart” curriculum and related content. Such materials shall remain the sole and exclusive property of Consultant and may not be used, modified, or sublicensed by SDCP without Consultant’s prior written consent.

5.3.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of SDCP, be used by Consultant for any purposes other than the performance of the Project. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use SDCP’s name or insignia, photographs of the Project, or any publicity pertaining to the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of SDCP.

5.3.4 Infringement Indemnification. Consultant shall defend, indemnify and hold SDCP, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by SDCP of the Documents & Data, including any method, process, product, or concept specified or depicted.

5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

5.6 Indemnification.

5.6.1 To the fullest extent permitted by law, Consultant shall defend (with counsel of SDCP's choosing), indemnify and hold the SDCP, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against SDCP, its directors, officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against SDCP or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse SDCP and its directors, officials, officers, consultants, employees, agents and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the SDCP, its officials, officers, employees, agents, or volunteers. This section shall survive any expiration or termination of this Agreement.

5.6.2 If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code § 2782.8), then, and only to the extent required by Civil Code § 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's

proportionate percentage of fault.

5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Diego County.

5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

5.10 SDCP's Right to Employ Other Consultants. SDCP reserves right to employ other consultants in connection with this Project.

5.11 Successors and Assigns. This Agreement shall be binding Mion the successors and assigns of the Parties.

5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of SDCP. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to SDCP include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

5.16 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, SDCP shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of SDCP, during the term of his or her service with SDCP, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

5.19 Equal Opportunity Employment and Subcontracting. Consultant represents that it is an equal opportunity employer and it shall not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of applicants, employees, subcontractors, vendors, or suppliers. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Further, Consultant shall provide equal opportunity for subcontractors to participate in subcontracting opportunities.

5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation, or to undertake self- insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Project.

5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

5.23 Subcontracting. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of SDCP. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO
SAN DIEGO COMMUNITY POWER
PROFESSIONAL SERVICES AGREEMENT

IN WITNESS WHEREOF, the Parties have made and executed this Agreement as of the date first written above.

SAN DIEGO COMMUNITY POWER

NASH CONSULTING, INC.

By : _____
Name: Karin Burns
Title: Chief Executive Officer

By : _____
Name: Michael Nash
Title: Owner & President

ATTEST:

Maricela Hernandez
Clerk of the Board/Secretary
SDCP Board of Directors

APPROVED AS TO FORM:

Veera Tyagi
SDCP General Counsel

EXHIBIT A

SCOPE OF WORK

Nash Consulting shall provide professional services to support San Diego Community Power's (SDCP) ongoing Sustainability Initiative ("Project"). The Project will focus on leadership development, organizational culture enhancement, coaching, and strategic planning. The scope includes the following:

1. Leadership Development Workshops

- Deliver six (6) full-day Managing with Mind & Heart workshops for SDCP people-leaders.
- Conduct six (6) full-day Executive Team Workshops focused on collaboration, decision-making, and leadership behaviors.
- Provide two (2) additional full-day on-site visits for supplemental leadership development, coaching, or departmental organizational development.

2. Coaching Services

- Provide five (5) individual six-month coaching contracts for SDCP leaders to strengthen leadership skills and effectiveness.

3. Remote Engagements

- Facilitate up to thirty (30) hours of remote meetings for spot coaching, executive team sessions, sustainability planning, and virtual training.

4. Mind & Heart University Access

- Provide two (2) one-year subscriptions to Nash Consulting's Mind & Heart University online sustainability platform for SDCP's leadership community.

5. Planning and Coordination

- Conduct up to eight (8) hours of planning and coordination via phone calls.

6. Travel

- Include travel expenses for six (6) two-day trips, estimated at \$1,600 per trip.

7. Surveys and Follow-Up

- Conduct a follow-up survey at no additional charge to assess program impact and sustainability.

SDCP Responsibilities:

- Assemble and distribute workshop materials/workbooks using content provided by Nash Consulting.
- For remote workshops, ensure participants receive hard copies of notebooks in advance.

Additional Terms:

- Consultant will bill only for completed work.
- Hourly/daily rates apply for additional sessions or meetings beyond the scope outlined.
- Cancellation within seven (7) days of a scheduled engagement will incur full charges.
- Missed appointments without 12-hour notice will be billed unless exceptions are granted due to extenuating circumstances.

EXHIBIT B

COMPENSATION BILLING RATES

This Rate Sheet outlines the standard pricing for the Project provided by Nash Consulting under this agreement. All rates are based on the scope of work described in Exhibit A and are subject to the terms and conditions of the contract. The Project will be delivered on an as-needed basis, and Nash Consulting will invoice only for work completed. Rates include professional facilitation, coaching, consulting, and access to proprietary tools and materials, unless otherwise noted. Travel and material costs are billed separately in accordance with the expense policies outlined herein.

Service Category	Description	Unit	Rate
Workshops & Meetings	Half-Day (1–2 sessions)	Per Half-Day	
	Half-Day (3–4 sessions)	Per Half-Day	
	Half-Day (5+ sessions)	Per Half-Day	
	Full-Day On-Site Workshop (Leadership or Executive Team)	Per Day	
Organizational Assessment	Organizational Survey	Per Survey	
	Individual Interviews	Per Person	
Hourly Services	Direct Client Work (e.g., coaching, facilitation)	Per Hour	
	Non-Direct Client Work (e.g., prep, admin)	Per Hour	
Coaching Contracts	Individual Coaching – 6 Months	Per Contract	
	Individual Coaching – 4 Months	Per Contract	
Digital Tools	Mind & Heart University Subscription	Annual	
Travel Expenses	Estimated Travel (2-day trip)	Per Trip	
Materials	Client-assembled training materials	Per Engagement	

SAN DIEGO COMMUNITY POWER

Staff Report - Item No. 13

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Colin Santulli, Senior Director of Programs
Lucas Utouh, Senior Director of Data Analytics & Customer Operations

Via: Karin Burns, Chief Executive Officer

Subject: Adopt Resolution No. 2025-15, Approving Proposed Revisions to the Existing Net Energy Metering Tariff and Revisions to the Existing Net Billing Tariff and Establishment of New Net Billing Tariff Virtual and New Net Billing Tariff Aggregation

Date: September 25, 2025

Recommendation

Adopt Resolution No. 2025-15, approving the update on proposed revisions to Community Power's existing Net Energy Metering (NEM) Tariff/Program and to the existing Net Billing Tariff (NBT), and Community Power's establishment of the new Net Billing Tariff Virtual (NBT-V) and a Net Billing Tariff Aggregation (NBT-A) for all new customers who elect this who have installed onsite generation on or after February 15, 2024 that qualify for the tariff, and existing customers transitioning out of the Virtual Net Energy Metering (VNEM) Tariff or the Net Energy Metering Aggregation (NEMA) Tariff following the conclusion and/or termination of their 20-year VNEM or NEMA legacy period.

Background

Net Energy Metering (NEM)

In December 2020, the San Diego Community Power Board approved the Net Energy Metering (NEM) Tariff/Program. The Board adopted revisions to the NEM policy in May 2021 and in October 2023 to address customer feedback and needs.

Net Billing Tariff (NBT)

In October 2023, the San Diego Community Power Board also approved the Net Billing Tariff (NBT), also known as the Solar Billing Plan (SBP). In November 2023, the California Public Utilities Commission (CPUC) approved Decision 23-11-068, which adopted a successor tariff to the VNEM and NEMA Tariff following the transition from NEM 2.0 to NBT. The CPUC

determined through its NEM 2.0 Lookback Study that the current NEM program was not meeting the objectives of Assembly Bill 327 to:

- Ensure sustainable growth in the market for customer-sited renewable distributed generation; and
- Ensure that the total benefits of the successor program to all customers (including nonparticipating customers) are approximately equal to the total costs.

Additional details regarding the NEM 2.0 Lookback Study and findings can be found in the October 26, 2023, Board of Directors packet. With the CPUC making the decision to transition to Net Billing Tariff, VNEM and NEMA were ultimately affected.

The decision authorizes an evaluation of NBT but will not make changes to NBT because in Decision 22-12-056, the Commission intended to collect three years of data after full implementation of the successor tariff before making any recommendations, and NBT has not been in effect for three years yet. Changes may be made to NBT, NBT-V and NBT-A after the evaluation.

Analysis and Discussion

Net Energy Metering (NEM)

The NEM Tariff/Program is revised to: (1) include the functionality and naming convention for the NEM Balance Credit Refund and for the NEM Balance Credit Refund application in Account Closures, (2) declare the NEM Fuel Cell as ineligible for Net Surplus Compensation and the NEM Balance Credit Refund to comply with state law, and (3) standardize language and definitions across the NEM Tariff and Schedules NBT, NBT-A, and NBT-V.

Net Billing Tariff (NBT)

With the transition to any NBT rate, the SDG&E Avoided Cost Calculator (ACC) rates would be used to determine a customer's compensation for any exported energy back to the grid. By design, the ACC provides customer compensation for exported energy from onsite energy systems that is more aligned with wholesale energy prices and thus incentivizes energy storage. As such, adoption of NBT rates is aligned with Community Power's commitment of supporting grid reliability and encouraging energy storage adoption.

Community Power provides a generation adder to new NBT customers enrolling by December 31, 2026, which provides compensation in addition to the ACC rate. The generation adder is set at \$0.0075/kWh for residential non-CARE/FERA customers and non-residential customers and at \$0.11/kWh for residential CARE or FERA customers.

Community Power staff recommend approving the updates to NBT that reflect the modifications to the billing mechanics and adopting other applicable terms and conditions

from SDG&E's tariffs for NBT-V and NBT-A. Community Power modeled NBT-V and NBT-A tariffs off of SDG&E and adjusted the billing mechanics to reflect Community Power processes.

Community Power is preparing to perform an initial analysis in 2026 on the impacts of NBT, which went into effect on April 15th, 2023. Once that evaluation is complete, Community Power will report back to the Board and may propose recommendations to adjust the tariffs. Due to lack of evaluation on NBT, Community Power recommends adopting the SDG&E schedules for NBT-V and NBT-A without any generation adders at this time. Further, NBT-A customers are not eligible for the SBP Balance Credit Refund, per CPUC directive, while the SBP Balance Credit Refund is applicable to NBT and NBT-V customers.

As of August 2025, there are 190,163 NEM accounts and 14,383 NBT accounts enrolled in Community Power's service. Out of these NEM and NBT accounts, 10,745 accounts are on the aggregated tariff and 4,648 are on the virtual tariff.

Fiscal Impact

Unknown.

Committee Review

This Item was reviewed by CAC on September 11, 2025.

Strategic Plan

This activity supports the strategic plan goals of (1) evolving rate strategy to ensure competitiveness, affordability, and fiscal sustainability, and (2) developing customer strategies to increase retention and engagement.

Attachments

A: Resolution No. 2025-15, Approving Revisions to the Existing Net Energy Metering Tariff and Existing Net Billing Tariff, and Approving the New Net Billing Tariff Virtual and New Net Billing Tariff Aggregation

Exhibit A: Net Energy Metering Tariff - redlined

Exhibit B: Net Energy Metering Tariff – clean version

Exhibit C: Net Billing Tariff - redlined

Exhibit D: Net Billing Tariff – clean version

Exhibit E: Net Billing Tariff Virtual

Exhibit F: Net Billing Tariff Aggregation

ITEM 13

ATTACHMENT A

RESOLUTION NO. 2025-15

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, APPROVING REVISIONS TO THE EXISTING NET ENERGY METERING TARIFF AND REVISIONS TO THE EXISTING NET BILLING TARIFF, AND NEW NET BILLING TARIFF VIRTUAL AND NEW NET BILLING TARIFF AGGREGATION.

- A. San Diego Community Power (Community Power) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*), California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended and restated December 16, 2021 (JPA Agreement).
- B. Community Power approved a Net Energy Metering (NEM) tariff in December 2020 and adopted revisions to the NEM tariff in May 2021 and October 2023 to address customer feedback and streamline billing mechanics.
- C. Community Power approved a Net Billing Tariff (NBT) in October 2023, after the California Public Utilities Commission (CPUC) approved Decision 23-11-068, which adopted NBT as a successor to NEM 2.0.
- D. The CPUC also approved San Diego Gas & Electric's (SDG&E) Net Billing Tariff Aggregation (NBT-A) in March 2025 and SDG&E's Net Billing Tariff Virtual (NBT-V) is pending approval as of August 2025.
- E. Community Power staff reviewed the existing NEM tariff and NBT and updated tariffs to reflect modifications to billing mechanics.
- F. Community Power staff also modeled SDG&E's NBT-A and NBT-V schedules and adjusted the billing mechanics to reflect Community Power processes.
- G. Community Power Board of Directors held a public meeting on September 25, 2025, to approve revisions to the existing the NEM tariff and to the existing NBT, and Community Power's establishment of new NBT-V and new NBT-A for all new customers who elect this who have installed onsite generation on or after February 15, 2024 that qualify for the tariff, and existing customers transitioning out of the Virtual Net Energy Metering (VNEM) Tariff or the Net Energy Metering Aggregation (NEMA) Tariff following the conclusion and/or termination of their 20-year VNEM or NEMA legacy period.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

Section 1. Recitals. The above recitals are true and correct.

Section 2. Approval. Community Power Board of Directors hereby approves revisions to the existing Net Energy Metering Tariff (NEM) and to the existing Net Billing Tariff (NBT), and

Community Power's establishment of new Net Billing Tariff Virtual (NBT-V) and new Net Billing Tariff Aggregation (NBT-A) for all new customers who elect this who have installed onsite generation on or after February 15, 2024, that qualify for the tariff, and existing customers transitioning out of the Virtual Net Energy Metering (VNEM) Tariff or the Net Energy Metering Aggregation (NEMA) Tariff following the conclusion and/or termination of their 20-year VNEM or NEMA legacy period.

Section 3. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on September 25, 2025.

AYES:
NOES:
ABSTAIN:
ABSENT:

Terra Lawson-Remer, Chair
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez, MMC, CPMC
Secretary/Clerk of Board of Directors
San Diego Community Power

Veera Tyagi, General Counsel
San Diego Community Power

ITEM 13

EXHIBIT A



Net Energy Metering Program Policy

Updated: May 27, 2024

A. PURPOSE

~~The~~ PURPOSE:

~~The purpose of this Net Energy Metering (Tariff ("NEM") Program Policy (Policy)) or "Schedule NEM") is to provide a process for how Net Energy Metering (commonly referred to as rooftop solar)-NEM customers are enrolled with into and served by San Diego Community Power (SDCP).~~

B. APPLICABILITY:

Customers-

San Diego Community Power customers enrolled in San Diego Gas & Electric's (SDG&E) Electric Company's ("SDG&E") Schedule NEM or those who submitted a complete interconnection agreement to SDG&E prior to April 15, 2023 that has been approved and who have not been opted out of San Diego Community Power Service, will be automatically enrolled in San Diego Community Power's Schedule NEM.

Customers that provide SDG&E with a completed SDG&E NEM application and comply with all SDG&E NEM requirements as described in SDG&E's Schedule NEM or Successor NEM tariff. This includes, but is not limited to, customers served by Virtual Net Energy Metering NEM-V ("NEM-V"), Virtual Net Energy Metering Program (SDG&E NEM) will be automatically enrolled in SDCP's NEM Program. ~~for Multifamily Affordable Housing VNM-A ("VNM-A"), Virtual Net Energy Metering - Solar on Multifamily Affordable Housing VNEM-SOMAH ("VNEM-SOMAH") and Multiple Tariff facilities as described by SDG&E's Schedule NEM.~~

San Diego Community Power phased its NEM customers into service on a monthly basis primarily starting in ~~Phase in will occur as stated in Section D below.~~ 3 of customer enrollment, which commenced in 2022. ~~The Program~~ transition into San Diego Community Power's service occurred at the conclusion of a NEM customer's relevant period with SDG&E. This approach aimed to minimize any impacts from when the SDG&E NEM customers' true ups occurred and when San Diego Community Power's service began.

This tariff is not applicable ~~for all~~ to customers taking service under SDG&E's Schedule Net Billing Tariff ("NBT")/Solar Billing Plan. SDG&E's tariffs are available on SDG&E's website¹ and may be amended or replaced by SDG&E from time to time.

This tariff shall remain in effect until modified, amended, or replaced by San Diego

¹ Current and Effective Tariffs | San Diego Gas & Electric (sdge.com) <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs>

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Community Power's Board of Directors ("Board") at a duly noticed public meeting of the Board.²

ELIGIBILITY:

~~San Diego Community Power's Schedule NEM is available to residential and non-residential customers who have install and use a Renewable Electrical Generation Facilities such Facility ("REGF"), as rooftop solar. The facility must be defined by and eligible under SDG&E's Schedule NEM – Net Energy Metering or similar tariff option(s) focused on NEM, which may be amended or replaced by SDG&E from time to time. Each tariff (i.e., NEM 1.0) or SDG&E's Successor NEM tariff (i.e., NEM 2.0). A customer's eligible Renewable Generating Facility REGF must fall within the capacity limits described in SDG&E's Schedule NEM or Successor NEM and must be located on the customer's owned, leased, or rented premises, must be interconnected and operated in parallel with SDG&E's transmission and distribution systems, and must be intended primarily to offset part or all of the customer's own electrical requirements.~~

~~This rate schedule will be available on a first come, first served basis to customers that provide SDG&E with a completed SDG&E NEM Application and comply with all SDG&E NEM requirements as described in SDG&E's Schedule NEM. This includes, but is not limited to, customers served by NEM V (Virtual Net Energy Metering), VNM A (Virtual Net Energy Metering for Multifamily Affordable Housing), VNEM SOMAH (Virtual Net Energy Metering Solar on Multifamily Affordable Housing) and Multiple Tariff facilities as described by SDG&E's Schedule NEM.~~

C. TERRITORY

~~SDCP service area.~~

D. INITIAL PHASE-IN

~~SDCP will phase its NEM customers into service on a monthly basis starting in Phase 3 of Customer Launch. The transition will occur at the conclusion of a NEM customer's relevant period with SDG&E. This approach is to minimize any impacts from when the SDG&E NEM customers' true-ups occur and when SDCP's service begins.~~

~~**E.** Eligible San Diego Community Power customers who begin service under SDG&E Schedule NEM prior to April 15, 2023, will be eligible for service under San Diego Community Power's Schedule NEM for 20 years following their SDG&E Original Permission to Operate ("PTO")³ Date.~~

~~Customers served under San Diego Community Power's Schedule NEM may elect to switch to San Diego Community Power's Schedule NBT. Customers who voluntarily switch to San Diego Community Power's Schedule NBT or who are automatically transitioned to San Diego Community Power's Schedule NBT following the conclusion and/or termination of~~

² Board agendas are available at: <https://sdcommunitypower.org/resources/meeting-notes>.

³ Permission to Operate Notice ("PTO") is SDG&E's written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer's proposed modifications of the generating facility. The date that SDG&E provides the customer with the original PTO is referred to as the Original PTO Date. See SDG&E's Schedule NBT for additional information.

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their NEM 20-year legacy period are not eligible to return to service under San Diego Community Power's Schedule NEM.

RATES:

All rates charged under this schedule will be in accordance with the customer's otherwise applicable SDG&E San Diego Community Power rate schedule ~~{("OAS")}~~. A customer served under this schedule is responsible for all charges from its OAS, including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges, and all other charges owed to SDG&E San Diego Community Power or SDG&E. Charges for energy ~~{, in kWh}~~, supplied by SDG&E San Diego Community Power, will be based on the net metered usage in accordance with this tariff. Nothing in this tariff will supersede any SDG&E or San Diego Community Power authorized charges.

F. BILLING:

San Diego Community Power's generation charges and credits for electricity (measured in kilowatt-hours, or "kWh") are calculated as described below.

A. Definitions:

- i. "Net Consumer" is defined as a customer having overall positive usage during a specific billing cycle as measured in kilowatt-hours ("kWh").
- ii. Net Generator" is defined as a customer having overall negative usage during a specific billing cycle as measured in kWh.
- iii. "Net Surplus Electricity" is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.
- iv. "Relevant Period" is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E's written approval to begin parallel operation of the REGF PTO for purposes of participating in NEM, and on every subsequent anniversary thereof.

B. Time of Use ("TOU") Rates:

1. For a customer with Non-Time of Use (TOU) Rates: If the customer is a "Net Consumer," ~~having overall positive usage during a specific billing cycle,~~ the customer will be billed in accordance with the customer's OAS. ~~If the customer is a "Net Generator," having overall negative usage during a specific billing cycle,~~ any net energy production shall be valued in ~~consideration of~~ accordance with the customer's OAS. The calculated value of any net energy production shall be credited to the customer according to the OAS.

2. For a customer with TOU Rates: If the customer is a Net Consumer during any discrete TOU period reflected within a specific billing cycle, the net kWh consumed

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during such TOU period shall be billed in accordance with applicable TOU period-specific rates / charges, as described in the customer's OAS. If the customer is a Net Generator during any discrete TOU period reflected within a specific billing cycle, any net energy production shall be valued in consideration of the customer's OAS. The calculated value of such net energy production shall be credited to the customer according to the OAS.

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C. Monthly Settlement and Billing:-

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3. All NEM customers will receive a statement in ~~its~~their monthly SDG&E bill indicating any accrued charges for electric energy usage during the current billing cycle. These charges are due and payable on a monthly basis as the default billing option, in accordance with the OAS. A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable charges, reducing otherwise applicable charges by an equivalent amount to such credits. Any remaining balance reflected on each customer's billing statement shall be carried forward to subsequent billing cycle(s) until either excess credit is sufficient to satisfy the charges or an account true-up is performed. When a customer's net energy production results in an accrued credit balance in excess of currently applicable charges, the value of any net energy production during the billing cycle (in excess of currently applicable charges) shall be valued at the OAS and noted on the customer's bill, including the quantity of any surplus NEM production (measured in kWh), and carried over as a bill credit for use in a subsequent billing cycle(s) ~~until the time of true up.~~

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D. Optional Yearly Settlement and Billing:-Residential

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4. NEM customers ~~as determined by their OAS~~ may elect to receive yearly settlement and billing instead of the default monthly settlement billing option by notifying SDCP. They San Diego Community Power. Customers electing a yearly settlement and billing option will receive a statement in ~~its~~their monthly SDG&E bill indicating any accrued SDCP San Diego Community Power charges or credits for electric energy usage or generation during the current billing cycle. Charges are not due and payable on a monthly basis until the time of true up; rather, the charges or credits are calculated in accordance with the OAS and tracked over the course of the relevant period. At the end of the relevant period following true up, any accrued charges in excess of generation credits are due and payable on the next bill. If at the end of the relevant period a customer has produced net surplus energy, defined as energy generated and exported to the grid in excess generation credits, they of energy consumed by the customer, as measured in kWh, the customer will be paid out in accordance with the SDCP San Diego Community Power, True-up & Cash-Out Process set forth in Section E.

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SDCP

5-E. San Diego Community Power True-Up & Cash-Out Processes:-

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a-i. True-Up: At the end of each NEM customer's relevant period, SDCP San Diego Community Power will determine whether or not each customer has produced net surplus energy, defined as energy generated and exported to the

grid in excess of energy consumed by the customer, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer's commencement of participation in ~~SDCP's NEM program~~ San Diego Community Power's Schedule NEM through the end of their 12-month relevant period, whichever is shorter (the "True-Up Period"). If the customer has not produced net surplus ~~NEM energy, as measured in kWh,~~ energy at the end of the applicable relevant period during the True-Up Period, all NEM credits, if any, generated through participation in ~~SDCP's San Diego Community Power's NEM program~~ Tariff in excess of currently applicable ~~SDCP's San Diego Community Power~~ charges shall be set to zero and any remaining balance will be due and payable. ~~The cumulative kWh balance also tracked through the relevant period will be set to zero during true up and a new Relevant Period will commence.~~

However, if a customer has produced net surplus ~~NEM energy, as measured in kWh, resulting in a credit balance in excess of currently applicable SDCP charges,~~ energy during their True Up Period, then ~~SDCP's San Diego Community Power~~ shall compensate such customer at a Net Surplus Compensation ("NSC") amount equal to the ~~SDCP's San Diego Community Power~~ NSC Rate per kWh, as defined in Section ~~F.5.a.4E.iii~~, multiplied by the quantity of net surplus ~~NEM~~ energy produced by the customer during the True-Up Period, consistent with ~~SDCP's Cash Out~~ San Diego Community Power's cash out practice.

~~SDCP's NSC Rate is~~

- ii. ~~NEM Balance Credit Refund: At the time of the annual true up, if the customer on the default monthly settlement and billing option has accumulated NEM generation credits but incurred San Diego Community Power usage charges earlier within the same San Diego Community Power Annual True Up period, the credits will be applied up to the value of San Diego Community Power charges assessed throughout the Relevant Period. Any NEM generation credits in excess of San Diego Community Power charges assessed over the course of the Relevant Period shall not be carried forward and will instead be zeroed out and a new Relevant Period will commence.~~

- a. ~~For customers who ended up as a Net Consumer over the course of the Relevant Period based on cumulative annual usage and generation, the NEM Balance Credit Refund will be carried over as a Rollover to offset future San Diego Community Power Electricity Charges in the subsequent Relevant Period(s).~~

- b. ~~For customers who ended up as a Net Generator over the course of the Relevant Period based on cumulative annual usage and generation, the NEM Balance Credit Refund will be issued in compliance with San Diego Community Power's Cash Out and Payment practices as defined in Section E.iv below.~~

- iii. ~~Net Surplus Compensation ("NSC"): San Diego Community Power will determine at the time of Annual True Up whether each customer has produced~~

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Net Surplus Electricity over the course of the Relevant Period. If a customer has produced Net Surplus Electricity, then San Diego Community Power shall credit such customer an amount that is equal to the monthly NSC dollar rate per kWh, as defined in Section E.iv, multiplied by the quantity in kWh of Net Surplus Electricity produced by the customer during the Relevant Period, consistent with San Diego Community Power's Annual Cash Out and Payment practices in Section E.iv below. The San Diego Community Power monthly NSC Rate is posted to San Diego Community Power's website and updated monthly.⁴

4-a. San Diego Community Power's NSC Rate is equal to the applicable monthly SDG&E's NSC, which is defined by the California Public Utilities Commission CPUC as "a simple rolling average of each utility's Default Load Aggregation Point ("DLAP") price from 7 a.m. to 5 p.m.", and "calculated monthly based on the hourly day-ahead electricity market price at each utility's DLAP price published on the California Independent System Operator ("CAISO") Open Access Same-Time Information System ("OASIS"), and ending the twentieth day of each month", of the customer true-up month plus \$0.0075/kWh.

iv. Cash Out and Payment: At the end of each customer's relevant period, any current customer with an accrued net surplus compensation equal to or greater than \$100, as determined during the applicable True Up process who has a combined NEM Balance Credit Refund and Net Surplus Compensation value of \$100 or more that exceeds any outstanding Electricity Charges, will be sent a payment by check via United States Postal Service Mail to the customer's U.S. mailing address on file. Customers receiving direct payment by check, up to \$2,500 per account per relevant period. Net surplus compensation less than \$100 will be rolled over into the next relevant period and used to offset future charges. In either scenario, customers will have an equivalent credit amount removed from their NEM account balance Balance at the time of check issuance or roll over their Annual True Up.

b. In the event that customers have a combined NEM Balance Credit Refund and Net Surplus Compensation value that does not exceed \$100, such credit balances will be carried forward into the subsequent Relevant Period(s) to offset future San Diego Community Power Electricity Charges as a Rollover. All NEM accounts will be reset to zero kWh upon annually at the time of the customer's Annual True-up Up and the only NEM credits carried forward on the customer's account will be the combined NEM Balance Credit Refund and any Net Surplus Compensation credit balances less than \$100.

Payments will be released up to 3060 days after true-up billing. Checks will expire 90 calendar days after issuance. If checks expire or are returned to SDGP, customers may request the reissuance of a check and SDGP San Diego Community Power will make a reasonable effort to reissue the check within 30

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⁴ San Diego Community Power Net Energy Metering (NEM) - <https://sdcommunitypower.org/programs/net-energy-metering/>

days of a customer's request.

San Diego Community Power reserves the right to work with customers on a case-by-case basis to transfer Net Surplus Electricity credits as applicable.

e-v. ~~Aggregated NEM and NEM Fuel Cell~~; Pursuant to California Public Utilities Commission Section 2827(h)(4)(B), aggregated NEM and NEM Fuel Cell customers are "permanently ineligible to receive net surplus electricity compensation." Therefore, any excess accrued credits over the course of a year under an aggregated NEM or Fuel Cell account are ineligible for SDCP's Cash Out San Diego Community Power's Net Surplus Compensation and NEM Balance Credit Refund as described in Section 5-E. All other NEM rules apply to aggregated NEM and NEM Fuel Cell accounts.

G. ACCOUNT CLOSURES:

Customers who close their electric account through SDG&E, opt out of SDCP San Diego Community Power and return to bundled service, or move outside of the SDCP San Diego Community Power service area prior to the end of their relevant period will be trued up according to SDCP's NEM policy. Customer San Diego Community Power's NEM Tariff. Customers that have produced net surplus NEM energy, as measured in kWh, or that are eligible for the NEM Balance Credit Refund will be paid out in accordance with the SDCP San Diego Community Power True-up Up & Cash-Out Process. Payments will be released within 60-90 days after final billing to allow for any usage revisions and/or adjustments from SDG&E. Checks will expire 90 calendar days after issuance. If checks expire or are returned to SDCP San Diego Community Power, customers may request the one-time reissuance of a check and SDCP San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request. If customer did not produce net surplus NEM energy, as measured in kWh, they After one year, the funds will not receive a direct payment, be considered unclaimed property and turned over to the California State Controller's Office.

SDCP reserves the right to work with customers on a case-by-case basis to transfer NEM credits.

H. SDG&E NEM SERVICES **SDG&E's SCHEDULE NEM:**

Customers are subject to the all applicable terms and conditions and billing procedures of SDG&E for their non-generation services. SDG&E charges as described in SDG&E's applicable NEM tariffs and options addressing NEM service. Customers should be advised that while SDCP may settle out balances for generation Schedule NEM (with the exception of San Diego Community Power OAS charges, which are described in San Diego Community Power's rate schedules). San Diego Community Power may amend this Schedule NEM to align with SDG&E's Schedule NEM following CPUC approval of SDG&E's Schedule NEM and any future amendments to SDG&E Schedule NEM. San Diego Community Power calculates and applies generation charges and credits on a monthly basis. SDG&E will continue to assess calculate and apply charges and credits for delivery, transmission, and

other services. ~~Customers are encouraged as detailed in SDG&E's Schedule NEM, and San Diego Community Power credits cannot be applied to any SDG&E charges or vice versa. Please review the SDG&E's most up-to-date Schedule NEM tariffs, which are available at www.sdge.com⁵ for more information.~~

I. RETURN TO SDG&E BUNDLED SERVICE:

~~Customers with NEM service-~~

~~San Diego Community Power customers participating in San Diego Community Power's NEM Tariff may opt out and return to SDG&E's bundled service at any time. SDCP, subject to any applicable restrictions imposed by SDG&E. Customers who opt out of Community Power service are subject to SDG&E's Schedule NEM.~~

~~San Diego Community Power will perform a true-up of the customer's account, in consideration of accordance with Section 5.E.1 at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service. For details, please visit www.sdge.com at the time of enrollment in SDG&E bundled service.~~

~~For details concerning opting out of San Diego Community Power service, please contact San Diego Community Power Customer Service by phone at 888-382-0169 or via email at customerservice@sdcommunitypower.org.~~

MISCELLANEOUS:

~~The Chief Executive Officer ("CEO") of San Diego Community Power or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer export credits and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.~~

Prior Versions:

<u>Date</u>	<u>Action</u>	<u>Resolution No.</u>	<u>Policy No.</u>
<u>December 17, 2020</u>	<u>Adopted NEM tariff</u>		
<u>May 27, 2021</u>	<u>Adopted NEM tariff revisions</u>		
<u>October 26, 2023</u>	<u>Adopted NEM tariff revisions</u>		

⁵ See <https://www.sdge.com/solar/net-energy-metering>

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ITEM 13

EXHIBIT B

Policy	Net Energy Metering Tariff	Original Adoption Date	December 17, 2020
Approval Date	September 25, 2025	Resolution No.	2025-15

PURPOSE:

The purpose of this Net Energy Metering Tariff (“NEM” or “Schedule NEM”) is to provide a process for how NEM customers are enrolled into and served by San Diego Community Power.

APPLICABILITY:

San Diego Community Power customers enrolled in San Diego Gas & Electric Company’s (“SDG&E”) Schedule NEM or those who submitted a complete interconnection agreement to SDG&E prior to April 15, 2023 that has been approved and who have not been opted out of San Diego Community Power Service, will be automatically enrolled in San Diego Community Power’s Schedule NEM.

Customers that provide SDG&E with a completed SDG&E NEM application and comply with all SDG&E NEM requirements as described in SDG&E’s Schedule NEM or Successor NEM tariff. This includes, but is not limited to, customers served by Virtual Net Energy Metering NEM-V (“NEM-V”), Virtual Net Energy Metering for Multifamily Affordable Housing VNM-A (“VNM-A”), Virtual Net Energy Metering - Solar on Multifamily Affordable Housing VNEM-SOMAH (“VNEM-SOMAH”) and Multiple Tariff facilities as described by SDG&E’s Schedule NEM.

San Diego Community Power phased its NEM customers into service on a monthly basis primarily starting in Phase 3 of customer enrollment, which commenced in 2022. The transition into San Diego Community Power’s service occurred at the conclusion of a NEM customer’s relevant period with SDG&E. This approach aimed to minimize any impacts from when the SDG&E NEM customers’ true ups occurred and when San Diego Community Power’s service began.

This tariff is not applicable to customers taking service under SDG&E’s Schedule Net Billing Tariff (“NBT”)/Solar Billing Plan. SDG&E’s tariffs are available on SDG&E’s website¹ and may be amended or replaced by SDG&E from time to time.

This tariff shall remain in effect until modified, amended, or replaced by San Diego Community Power’s Board of Directors (“Board”) at a duly noticed public meeting of the Board.²

ELIGIBILITY:

San Diego Community Power’s Schedule NEM is available to residential and non-residential customers who install and use a Renewable Electrical Generation Facility (“REGF”), as defined by

¹ [Current and Effective Tariffs | San Diego Gas & Electric \(sdge.com\) https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs](https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs)

² Board agendas are available at: <https://sdcommunitypower.org/resources/meeting-notes>.

and eligible under SDG&E's Schedule NEM – Net Energy Metering tariff (i.e., NEM 1.0) or SDG&E's Successor NEM tariff (i.e., NEM 2.0). A customer's eligible REGF must fall within the capacity limits described in SDG&E's Schedule NEM or Successor NEM and must be located on the customer's owned, leased, or rented premises, must be interconnected and operated in parallel with SDG&E's transmission and distribution systems, and must be intended primarily to offset part or all of the customer's own electrical requirements.

Eligible San Diego Community Power customers who begin service under SDG&E Schedule NEM prior to April 15, 2023, will be eligible for service under San Diego Community Power's Schedule NEM for 20 years following their SDG&E Original Permission to Operate ("PTO")³ Date.

Customers served under San Diego Community Power's Schedule NEM may elect to switch to San Diego Community Power's Schedule NBT. Customers who voluntarily switch to San Diego Community Power's Schedule NBT or who are automatically transitioned to San Diego Community Power's Schedule NBT following the conclusion and/or termination of their NEM 20-year legacy period are not eligible to return to service under San Diego Community Power's Schedule NEM.

RATES:

All rates charged under this schedule will be in accordance with the customer's otherwise applicable San Diego Community Power rate schedule ("OAS"). A customer served under this schedule is responsible for all charges from its OAS, including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges, and all other charges owed to San Diego Community Power or SDG&E. Charges for energy, in kWh, supplied by San Diego Community Power will be based on the net metered usage in accordance with this tariff. Nothing in this tariff will supersede any SDG&E or San Diego Community Power authorized charges.

BILLING:

San Diego Community Power's generation charges and credits for electricity (measured in kilowatt-hours, or "kWh") are calculated as described below.

A. Definitions:

- i. "Net Consumer" is defined as a customer having overall positive usage during a specific billing cycle as measured in kilowatt-hours ("kWh").
- ii. Net Generator" is defined as a customer having overall negative usage during a specific billing cycle as measured in kWh.

³ Permission to Operate Notice ("PTO") is SDG&E's written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer's proposed modifications of the generating facility. The date that SDG&E provides the customer with the original PTO is referred to as the Original PTO Date. See SDG&E's Schedule NBT for additional information.

- iii. "Net Surplus Electricity" is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.
- iv. "Relevant Period" is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E's written approval to begin parallel operation of the REGF PTO for purposes of participating in NEM, and on every subsequent anniversary thereof.

B. Time of Use ("TOU") Rates:

For a customer with Non-TOU Rates: If the customer is a "Net Consumer," the customer will be billed in accordance with the customer's OAS. If the customer is a "Net Generator," any net energy production shall be valued in accordance with the customer's OAS. The calculated value of any net energy production shall be credited to the customer according to the OAS.

For a customer with TOU Rates: If the customer is a Net Consumer during any discrete TOU period reflected within a specific billing cycle, the net kWh consumed during such TOU period shall be billed in accordance with applicable TOU period-specific rates / charges, as described in the customer's OAS. If the customer is a Net Generator during any discrete TOU period reflected within a specific billing cycle, any net energy production shall be valued in consideration of the customer's OAS. The calculated value of such net energy production shall be credited to the customer according to the OAS.

C. Monthly Settlement and Billing:

All NEM customers will receive a statement in their monthly SDG&E bill indicating any accrued charges for electric energy usage during the current billing cycle. These charges are due and payable on a monthly basis as the default billing option, in accordance with the OAS. A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable charges, reducing otherwise applicable charges by an equivalent amount to such credits. Any remaining balance reflected on each customer's billing statement shall be carried forward to subsequent billing cycle(s) until either excess credit is sufficient to satisfy the charges or an account true up is performed. When a customer's net energy production results in an accrued credit balance in excess of currently applicable charges, the value of any net energy production during the billing cycle (in excess of currently applicable charges) shall be valued at the OAS and noted on the customer's bill, including the quantity of any surplus NEM production (measured in kWh), and carried over as a bill credit for use in a subsequent billing cycle(s) until the time of true up.

D. Optional Yearly Settlement and Billing:

NEM customers may elect to receive yearly settlement and billing instead of the default monthly settlement billing option by notifying San Diego Community Power. Customers electing a yearly settlement and billing option will receive a statement in their monthly SDG&E bill indicating any accrued San Diego Community Power charges or credits for electric energy usage or generation during the current billing cycle. Charges are not due and payable on a monthly basis until the time of true up; rather, the charges or credits are calculated in accordance with the OAS and tracked over the course of the relevant period. At the end of the relevant period following true up, any accrued charges in excess of generation credits are due and payable on the next bill. If at the end of the relevant period a customer has produced net surplus energy, defined as energy generated and exported to the grid in excess of energy consumed by the customer, as measured in kWh, the customer will be paid out in accordance with the San Diego Community Power True up & Cash Out Process set forth in Section E.

E. San Diego Community Power True Up & Cash Out Processes:

- i. *True Up:* At the end of each NEM customer's relevant period, San Diego Community Power will determine whether or not each customer has produced net surplus energy, defined as energy generated and exported to the grid in excess of energy consumed by the customer, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer's commencement of participation in San Diego Community Power's Schedule NEM through the end of their 12-month relevant period, whichever is shorter (the True Up Period). If the customer has not produced net surplus energy at the end of the applicable relevant period during the True Up Period, all NEM credits, if any, generated through participation in San Diego Community Power's NEM Tariff in excess of currently applicable San Diego Community Power charges shall be set to zero and any remaining balance will be due and payable. The cumulative kWh balance also tracked through the relevant period will be set to zero during true up and a new Relevant Period will commence.

However, if a customer has produced net surplus energy during their True Up Period, then San Diego Community Power shall compensate such customer at a Net Surplus Compensation ("NSC") amount equal to the San Diego Community Power NSC Rate per kWh, as defined in Section E.iii, multiplied by the quantity of net surplus energy produced by the customer during the True Up Period, consistent with San Diego Community Power's cash out practice.

- ii. *NEM Balance Credit Refund:* At the time of the annual true up, if the customer on the default monthly settlement and billing option has accumulated NEM generation credits but incurred San Diego Community Power usage charges earlier within the same San Diego Community Power Annual True Up period, the credits will be applied up to the value of San Diego Community Power charges assessed throughout the Relevant Period. Any NEM generation credits in excess of San Diego Community Power charges assessed over the course of the Relevant Period shall

not be carried forward and will instead be zeroed out and a new Relevant Period will commence.

- a. For customers who ended up as a Net Consumer over the course of the Relevant Period based on cumulative annual usage and generation, the NEM Balance Credit Refund will be carried over as a Rollover to offset future San Diego Community Power Electricity Charges in the subsequent Relevant Period(s).
 - b. For customers who ended up as a Net Generator over the course of the Relevant Period based on cumulative annual usage and generation, the NEM Balance Credit Refund will be issued in compliance with San Diego Community Power's Cash Out and Payment practices as defined in Section E.iv below.
- iii. Net Surplus Compensation ("NSC"): San Diego Community Power will determine at the time of Annual True Up whether each customer has produced Net Surplus Electricity over the course of the Relevant Period. If a customer has produced Net Surplus Electricity, then San Diego Community Power shall credit such customer an amount that is equal to the monthly NSC dollar rate per kWh, as defined in Section E.iv, multiplied by the quantity in kWh of Net Surplus Electricity produced by the customer during the Relevant Period, consistent with San Diego Community Power's Annual Cash Out and Payment practices in Section E.iv below. The San Diego Community Power monthly NSC Rate is posted to San Diego Community Power's website and updated monthly.⁴
- a. San Diego Community Power's NSC Rate is equal to the applicable monthly SDG&E NSC, which is defined by the CPUC as "a simple rolling average of each utility's Default Load Aggregation Point ("DLAP") price from 7 a.m. to 5 p.m.", and "calculated monthly based on the hourly day-ahead electricity market price at each utility's DLAP price published on the California Independent System Operator ("CAISO") Open Access Same-Time Information System ("OASIS"), and ending the twentieth day of each month," of the customer true up month plus \$0.0075/kWh.
- iv. Cash Out and Payment: At the end of each customer's relevant period, any current customer who has a combined NEM Balance Credit Refund and Net Surplus Compensation value of \$100 or more that exceeds any outstanding Electricity Charges, will be sent a payment by check via United States Postal Service Mail to the customer's U.S. mailing address on file. Customers receiving direct payment will have an equivalent amount removed from their NEM Balance at the time of their Annual True Up.

⁴ [San Diego Community Power Net Energy Metering \(NEM\)](https://sdcommunitypower.org/programs/net-energy-metering/) - <https://sdcommunitypower.org/programs/net-energy-metering/>

In the event that customers have a combined NEM Balance Credit Refund and Net Surplus Compensation value that does not exceed \$100, such credit balances will be carried forward into the subsequent Relevant Period(s) to offset future San Diego Community Power Electricity Charges as a Rollover. All NEM accounts will be reset to zero kWh annually at the time of the customer's Annual True Up and the only NEM credits carried forward on the customer's account will be the combined NEM Balance Credit Refund and any Net Surplus Compensation credit balances less than \$100.

Payments will be released up to 60 days after true up billing. Checks will expire 90 calendar days after issuance. If checks expire, customers may request the reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request.

San Diego Community Power reserves the right to work with customers on a case-by-case basis to transfer Net Surplus Electricity credits as applicable.

- v. Aggregated NEM and NEM Fuel Cell: Pursuant to California Public Utilities Code section 2827(h)(4)(B), aggregated NEM and NEM Fuel Cell customers are "permanently ineligible to receive net surplus electricity compensation." Therefore, any excess accrued credits over the course of a year under an aggregated NEM or Fuel Cell account are ineligible for San Diego Community Power's Net Surplus Compensation and NEM Balance Credit Refund as described in Section E. All other NEM rules apply to aggregated NEM and NEM Fuel Cell accounts.

ACCOUNT CLOSURES:

Customers who close their electric account through SDG&E, opt out of San Diego Community Power and return to bundled service, or move outside of the San Diego Community Power service area prior to the end of their relevant period will be trued up according to San Diego Community Power's NEM Tariff. Customers that have produced net surplus energy, or that are eligible for the NEM Balance Credit Refund will be paid out in accordance with the San Diego Community Power True Up & Cash Out processes. Payments will be released within 60-90 days after final billing to allow for any usage revisions and/or adjustments from SDG&E. Checks will expire 90 calendar days after issuance. If checks expire or are returned to San Diego Community Power, customers may request the one-time reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request. After one year, the funds will be considered unclaimed property and turned over to the California State Controller's Office.

SDG&E's SCHEDULE NEM:

Customers are subject to all applicable terms and conditions and billing procedures of SDG&E for SDG&E charges as described in SDG&E's Schedule NEM (with the exception of San Diego Community Power OAS charges, which are described in San Diego Community Power's rate

schedules). San Diego Community Power may amend this Schedule NEM to align with SDG&E's Schedule NEM following CPUC approval of SDG&E's Schedule NEM and any future amendments to SDG&E Schedule NEM. San Diego Community Power calculates and applies generation charges and credits on a monthly basis. SDG&E will continue to calculate and apply charges and credits for delivery, transmission, and other services as detailed in SDG&E's Schedule NEM, and San Diego Community Power credits cannot be applied to any SDG&E charges or vice versa. Please review the SDG&E's Schedule NEM⁵ for more information.

RETURN TO SDG&E BUNDLED SERVICE:

San Diego Community Power customers participating in San Diego Community Power's NEM Tariff may opt out and return to SDG&E's bundled service at any time, subject to any applicable restrictions imposed by SDG&E. Customers who opt out of Community Power service are subject to SDG&E's Schedule NEM.

San Diego Community Power will perform a true up of the customer's account in accordance with Section E.i at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service at the time of enrollment in SDG&E bundled service.

For details concerning opting out of San Diego Community Power service, please contact San Diego Community Power Customer Service by phone at 888-382-0169 or via email at customerservice@sdcommunitypower.org.

MISCELLANEOUS:

The Chief Executive Officer ("CEO") of San Diego Community Power or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer export credits and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

Prior Versions:

Date	Action	Resolution No.	Policy No.
December 17, 2020	Adoption	N/A	2020-09
May 27, 2021	Revision	N/A	2021-03

⁵ See <https://www.sdge.com/solar/net-energy-metering>

ITEM 13

EXHIBIT C



Net Billing Tariff

PURPOSE:

The purpose of this

APPLICABILITY: San Diego Community Power ("SDCP") Net Billing Tariff ("NBT" or "Schedule NBT") is to provide a process for how NBT customers are enrolled into and served by San Diego Community Power.

APPLICABILITY: Tariff)

San Diego Community Power Schedule NBT shall be effective beginning on April 15, 2023, the day following the NEM-Successor Tariff ("NEM-ST") eligibility sunset required by the California Public Utilities Commission ("CPUC").

This Schedule NBT Tariff shall apply to:
SDCP

- (i) San Diego Community Power customers served under San Diego Gas & Electric Company ("SDG&E") Solar Billing Plan ("SBP") and/or Schedule NBT Net Billing Tariff for Customer-Sited Renewable Distributed Generation¹ ("SDG&E Schedule NBT") receiving electric generation service~~service~~ from SDCP San Diego Community Power, including customers with battery storage, fuel cells, using renewable fuels, ocean wave or as approved by the CPUC under future aggregated or virtual designs, other renewable resource, SDCP
- (ii) San Diego Community Power customers who are eligible for SDG&E's NEM Tariff and elect to switch to the SDCP San Diego Community Power's Schedule NBT Tariff, and SDCP
- (iii) San Diego Community Power customers who are automatically transitioned to the SDCP San Diego Community Power's Schedule NBT following the conclusion and/or termination of their 20-year SDG&E Net Energy Metering ("NEM") legacy period.²

SDG&E's tariffs are available on SDG&E's website³ and may be amended or replaced by SDG&E from time to time. This tariff shall remain in effect until modified, amended, or replaced by San Diego Community Power's Board of Directors ("Board") at a duly noticed

¹ SDG&E's Schedule NBT available via: <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs>

² See SDG&E's Schedule NEM and Schedule NEM-ST at <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs> for details on SDG&E's NEM legacy periods.

³ Current and Effective Tariffs | San Diego Gas & Electric (sdge.com) <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs>

public meeting of the Board.⁴

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This tariff shall remain in effect until modified, amended, or replaced by SDCP's Board of Directors ("Board") at a duly noticed public meeting of the Board.⁵

ELIGIBILITY: SDCP's

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San Diego Community Power's Schedule NBT Tariff is available to residential and non-residential customers operating a solar, wind, biomass, geothermal, or other renewable resource as defined in the California Energy Commission's ("CEC") Renewables Portfolio Standard ("RPS") Eligibility Guidebook.⁶ Renewable Energy Generation Facilities ("REGF") are limited to 1MW under the SDCP San Diego Community Power and SDG&E's Schedule NBT tariffs. Additionally, the customer must participate in SDG&E's SBP (or successor) and/or Schedule NBT for non-generation services, such as transmission and distribution. SDCP San Diego Community Power customers served under SDCP's NBT Tariff San Diego Community Power's Schedule NBT must provide SDG&E with a completed SDG&E NBT or SDG&E NEM Application and comply with all other SDG&E requirements for enrollment in the SDG&E⁷ before becoming eligible for the SDCP San Diego Community Power Schedule NBT Program. No direct agreement with SDCP San Diego Community Power is necessary.

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Eligible SDCP San Diego Community Power customers who begin service under the SDG&E NBT's Schedule NBT on or after April 15, 2023, are automatically enrolled in the SDCP NBT Tariff San Diego Community Power's Schedule NBT either at the time of initially enrolling with SDCP San Diego Community Power or at the time SDG&E begins serving them on the SDG&E's Schedule NBT Schedule. Eligible SDCP San Diego Community Power customers who begin service under the SDG&E's NEM tariff prior to April 15, 2023, will be eligible for service under the SDCP San Diego Community Power's NEM Tariff⁸ for 20 years following their SDG&E Original PTO.

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Customers served under the SDCP San Diego Community Power's NEM Tariff may elect to switch to the SDCP San Diego Community Power's Schedule NBT Tariff. Customers who voluntarily switch to the SDCP San Diego Community Power's Schedule NBT Tariff or who are automatically transitioned to the SDCP NBT Tariff San Diego Community Power's Schedule NBT, following the conclusion and/or termination of their NEM 20-year legacy period are **not** eligible to return to service under the SDCP San Diego Community Power's NEM Tariff.

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⁴ Board agendas are available at: <https://sdcommunitypower.org/resources/meeting-notes>.

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⁶ The latest RPF Eligibility Guidebook can be found at the CEC's website: <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard>.

⁷ See <https://www.sdge.com/solar/solar-billing-plan> for more information.

⁸ San Diego Community Power's NEM Program Policy is available at: <https://sdcommunitypower.org/key-documents/>.

This tariff does not apply to customer-generators with multiple meters who wish to aggregate the electrical load of the meters located on the customer's owned, leased, or rented property where the Renewable Electrical Generation Facility is located, including existing Net Energy Metering Aggregation or Virtual Net Energy Metering tariffs. Customers under aggregated designs shall be served on Schedule Net Billing Tariff Aggregation ("NBT-A"), and customers under virtual designs shall be served on Schedule Net Billing Tariff Virtual ("NBT-V").

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NBT TRANSITION CUSTOMERS:

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Customers who ~~submit~~submitted complete applications to SDG&E on or after April 15, 2023 ~~will interconnect~~were interconnected under SDG&E's Schedule NBT but ~~will be~~were temporarily billed on NEM-ST until SDG&E's Schedule NBT ~~is~~was fully operationalized in SDG&E's and ~~SDCP's~~San Diego Community Power's billing systems, respectively. Once SDG&E's Schedule NBT ~~is~~was operationalized, any customers who interconnected under SDG&E's Schedule NBT but were billed temporarily on NEM-ST ~~will complete~~completed their true up under their temporary NEM service and ~~transition~~transitioned to billing on the SDG&E's Schedule NBT at the beginning of their next available billing cycle, ~~currently expected as of in~~ December 2023. The NEM-ST 20-year legacy period is not applicable to SDG&E's Schedule NBT customers ~~taking~~who took interim service on NEM-ST, ~~as described above.~~

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LEGACY PERIOD:

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The terms of ~~the~~Schedule NBT Tariff shall remain effective for a period of up to 9 years from the Permission to Operate Notice ("PTO")⁹ ~~Date~~ from SDG&E. Per CPUC Decision 22-~~12056~~12-056, the legacy period is linked to the customer that originally ~~causes~~caused the system to be installed, not to the system or premise. Should another customer take control of ~~(e.g., buys, leases, or pays a power purchase agreement for)~~ the system (such as a new customer ~~moves~~moving into the premise), the subsequent customer ~~does~~will not have a ~~new or continued~~ legacy period ~~from the customer that originally caused the system to be installed.~~ Exceptions are made ~~for~~in cases where:

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- The subsequent customer is or was the legal partner ~~(e.g., spouse or domestic partner in the case of nonresidential)~~residential customers or, in the case of non-residential customers, the account-holding entity continues to be majority controlled by the same underlying individuals or entities from the time the legacy system was installed, of the original customer. For this latter group, the legacy period maintains its original interconnection date and length of nine years.

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⁹- Permission to Operate Notice ("PTO") is SDG&E's written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer's proposed modifications of the generating facility. The date that SDG&E provides the customer with the original PTO is referred to as the Original PTO Date. See SDG&E's Schedule NBT for additional information.

- When a
 - A builder/contractor constructs a new building and receives PTO before selling the unit. The new owner after the rebuild will be able to retain the 9-year legacy period.

RATES:

All rates for ~~the SDCP NBT Tariff~~ San Diego Community Power's Schedule NBT, are in accordance with the applicable customer's otherwise applicable ~~SDCP San Diego Community Power~~ rate schedule ("~~SDCP San Diego Community Power Otherwise Applicable Schedule ("OAS");⁴⁹ SDCP~~").¹¹ San Diego Community Power's Schedule NBT residential customers are required to enroll ~~en in~~ highly differentiated time-of-use rates currently defined as EV-TOU-5 in ~~SDCP San Diego Community Power~~ and SDG&E territory, or other qualified rates that SDG&E and ~~SDCP San Diego Community Power~~ may develop in the future, and may choose to enroll in critical peak pricing or peak day pricing rates wherever applicable. ~~The SDCP NBT Tariff~~ San Diego Community Power's Schedule NBT, provides the mechanism for billing and crediting customers with generating facilities only. Customers served under this tariff are still responsible for all billed usage charges according to their applicable ~~SDCP San Diego Community Power's~~ rate schedule, including volumetric usage, demand charges (if applicable), Power100 surcharges (if applicable), taxes, ~~fees (if applicable)~~ and all other charges owed to ~~SDCP San Diego Community Power~~. Nothing in this tariff will supersede any SDG&E or ~~SDCP San Diego Community Power~~ authorized charges.

CHARGES, CREDITS AND BILLING: SDCP's

San Diego Community Power's generation charges and credits for electricity (measured in kilowatt-hours, or "kWh") are calculated as described below.

A) Definitions:

- "Imported Electricity" is defined as when a customer uses any metered electricity supplied by ~~SDCP San Diego Community Power~~, reflected as "positive" kWh usage, as recorded on the import channel of the customer's SDG&E meter.
- "Imported Charges" is defined as the charges associated with the amount of Imported Electricity during a billing cycle within the Relevant Period based on the customer's OAS.
- "Energy True Up" is defined as the process performed by SDG&E for the transmission and delivery service and by ~~SDCP San Diego Community Power~~ for the generation service, as applicable, at the end of each Relevant Period following the date the customer-generator was first eligible for schedule NBT, or the date of

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¹¹ San Diego Community Power's residential rates can be found at <https://sdcommunitypower.org/billing-rates/residential-rates> and non-residential rates at <https://sdcommunitypower.org/billing-rates/commercial-rates>.

SDG&E's written approval to begin parallel operation of the REGF for purposes of participating in Schedule NBT, whichever is later, and at each anniversary date thereafter.

- iv. "Exported Electricity" is defined as when a customer supplies any metered electricity to the electric grid, reflected as "negative" kWh usage, as recorded on the export channel of the customer's SDG&E meter.
- v. "Export Compensation Rate," at times referred to as the Generation Electricity Export Credits ("EEC"),¹² is defined as the rate or amount at which Exported Electricity will be compensated per kWh. The Export Compensation Rate is based on the CPUC's most recent Avoided Cost Calculator ("ACC"), adopted as of January 1 of the calendar year of the customer's interconnection date. The Generation EEC is based on hourly ACC values, averaged across days in a month for each hour, differentiated by weekdays and weekends/holidays. SDG&E San Diego Community Power utilizes SDG&E's Generation EEC calculated based on a weighted average of ACC values across its four different climate zones. EEC does not vary between customer classes or technology. The Generation EEC Price is posted on SDG&E's & SDG&E's websites website.
- vi. "Export Credits" are defined as the appropriate credit for any Exported Electricity, based on the Export Compensation Rate multiplied by the amount of Exported Electricity, and any applicable credit surcharges.
- vii. "Export Credit Balance" is defined as when a customer has excess export credits carried into the subsequent billing period, or into the SDG&E San Diego Community Power true up process at the end of the relevant period.
- viii. "Net Surplus Electricity" is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.
- ix. "Relevant Period" is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E's written approval to begin parallel operation of the REGF PTO for purposes of participating in NBT, and on every subsequent anniversary thereof.

B. Generation Electricity Charges:-

B) As determined in each billing period, Generation Electricity Charges are calculated by multiplying the customer's Imported Electricity (i.e., electricity consumption from the grid) in kWh by the applicable electricity (commodity) rate components (\$/kWh) in the

¹² The EEC Price is a \$/kWh value which represents the estimated value of exports to the grid. Each year, the EEC Price is calculated using the California Public Utilities Commission ("CPUC") Avoided Cost Calculator ("ACC") approved to be effective as of January 1 of the calculation year (the "vintage year"). For each "vintage year", the EEC Price is calculated for each month of a 9-year horizon period, and it is differentiated by hour (24 hours) and by weekdays and weekend/holidays. In addition, each hourly EEC Price is broken down in two components: (1) the Generation EEC Price (energy, cap and trade and generation capacity) component, and (2) the Delivery Service EEC Price (transmission, distribution, greenhouse adder and methane leakage) component. The current version of the ACC is available at <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/idsm>.

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customer's applicable ~~SDCP~~San Diego Community Power, OAS.-

~~C.~~ **Export Credits:-**

As determined in each billing period, Export Credits are calculated by multiplying the hourly-differentiated customer's Exported Electricity (i.e., electricity generated and sent to the grid) in kWh by the Export Compensation Rate.¹³ The calculated value of such net electricity exports shall be credited to the customer and applied as described in Sections (C) and (F), below.-

Export Credits are calculated monthly and can be used to offset ~~currently applicable~~ volumetric (kWh) Generation Electricity Charges (as calculated above) incurred during the billing period but at no point can they offset ~~demand charges, taxes, or other charges or fees within the Customer's SDGP OAS, nor will they offset any~~ SDG&E transmission and delivery charges. Any unused Generation Electricity Export Credits accrued in a given month can be ~~used~~carried forward to offset ~~currently applicable~~ volumetric (kWh) Generation Electricity Charges within the customer's Relevant Period as described in Section (E). Customers on ~~SDCP~~San Diego Community Power, NBT will be billed based on ~~no~~ netting of kWh imports (consumption) and kWh exports (excess generation placed on the grid). Generation charges owed to ~~SDCP~~San Diego Community Power, net of any eligible credits will be paid ~~by the customer~~ each month and all charges and credits will be trued up at the end of the Relevant Period.-

For the first five years of ~~this~~San Diego Community Power's Schedule NBT-Tariff ("lock-in period"), the Export Compensation Rate will be set annually using a 9-year schedule from the ACC. All customers who interconnect during this five year "lock-in period" will receive a nine-year schedule of Generation ECC set in the year of interconnection as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer (or an "eligible ~~customer~~generator~~customer-generator~~", as defined in SDG&E's Schedule NBT). During the "lock-in period", these customers will have the Export Compensation Rate derived from the ACC adopted by the CPUC to be in effect as of January 1 of the calendar year of the customer's Original PTO Date. A new customer moving into a dwelling with an existing generating facility served under SDG&E's Schedule NBT will not be eligible to retain the Export Compensation Rate associated with the Original PTO Date of the generating facility, with two exceptions as described in SDG&E's Schedule NBT.-

Customers may opt out of their nine-year schedule of Generation EEC and receive an Export Compensation Rate that is updated annually based on the most recently adopted ACC. Customers that interconnect during the five-year lock-in period may exit their respective nine-year schedule of Generation EEC, but will not be able to opt back in. Following the five-year lock-in period, Generation EEC for new NBT customers will be updated annually on January 1 based on the ACC adopted as of January 1 of that year. Generation EEC will be accrued separately for Delivery under SDG&E and Generation under ~~SDCP~~-San Diego Community Power, ~~SDGP~~

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¹³ See <https://sdcommunitypower.org/programs/net-billing-tariff>.

D. San Diego Community Power Generation Adders:-

All new NBT customers are eligible to receive an ~~SDCP~~ San Diego Community Power Generation Adder. Customers that subsequently transfer into this Schedule NBT Tariff after the conclusion and/or termination of their 20-year NEM legacy period are not eligible for the ~~SDCP~~ San Diego Community Power Generation Adder.

The credit is calculated monthly by multiplying the Exported Electricity by the applicable \$/kWh Generation Adder Rate shown in Table 1.

Table 1: Generation Adder Rates

Table 1: Generation Adder Rates¹⁴

Residential Non-CARE/FERA	Residential CARE/FERA	Non-Residential
\$0.0075/kWh	\$0.11/kWh	\$0.0075/kWh

i. Eligibility:-

- To be eligible for the ~~SDCP~~ San Diego Community Power, "Residential Non-CARE" and "Non-Residential" Generation Adder, customers need to (a) be served on this tariff, and (b) have an NBT effective date between April 15, 2023 and December 31, 2026.
- To be eligible for the ~~SDCP~~ San Diego Community Power, "Residential CARE/FERA" Generation Adder, customers need to (a) be served on this tariff, (b) have an NBT effective date between April 15, 2023 and December 31, 2026, and (c) be enrolled in either the CARE or FERA programs as of the effective date.
- A new customer moving into a dwelling with an existing Generating Facility served under this tariff on or after January 1, 2027 will not be eligible for the ~~SDCP~~ San Diego Community Power Generation Adder.

ii. Adder Period:-

- The ~~SDCP~~ San Diego Community Power Generation Adder Rates, as defined above, will be fixed during the first six (6) years (the "Adder Period") beginning on the NBT effective date communicated by SDG&E to ~~SDCP~~ San Diego Community Power. Residential customers will receive the ~~SDCP~~ San Diego Community Power

¹⁴ Generation Adder Rates are effective as tariff approval date and may be subject to change.

Generation Adder during their Adder Period, as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer.

b. Customers receiving the Residential CARE adder will need to maintain enrollment in either the CARE or FERA programs for the duration of the Adder Period.

i. If a customer account ceases to be enrolled in either the CARE or FERA programs (as communicated to SDCPSan Diego Community Power by SDG&E), the customer will be moved to the Residential Non-CARE adder rate.

ii. If a customer account enrolls or re-enrolls in either the CARE or FERA programs (as communicated to SDCPSan Diego Community Power by SDG&E), the customer will be moved to the Residential CARE adder rate— for the remainder of their Adder Period.

E. Monthly Settlement of SDCPSan Diego Community Power Charges/Credits:

All NBT customers will pay monthly for all applicable charges including the fixed charges within the OAS and any additional net charges due to SDCPSan Diego Community Power, and SDG&E. Customers will have net charges due in a given month if the sum of their Import Charges and Export Credits is greater than zero. Each customer will receive a statement as part of their monthly SDG&E bill indicating accrued SDCPSan Diego Community Power, Electricity Charges for Imported Electricity and/or SDCPSan Diego Community Power, Export Credits for Exported Electricity during the current monthly billing cycle. When a customer's SDCPSan Diego Community Power, credits during the monthly billing cycle result in an accrued credit balance in excess of currently applicable SDCPSan Diego Community Power, Electricity Charges, the value of those credits shall be noted on the customer's bill and carried over as a bill credit for use in a subsequent billing cycle(s) within the Relevant Period.

A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable SDCPSan Diego Community Power, Generation Electricity Charges, reducing otherwise applicable Generation Electricity Charges by an equivalent amount to such credits. Any remaining credits reflected on the customer's billing statement shall be carried forward to subsequent billing cycle(s) until either (i) the excess credit is used to satisfy current Generation Electricity Charges, (ii) the customer no longer receives service from SDCPSan Diego Community Power, or (iii) an annual account true up is performed.

F. SDCP San Diego Community Power Annual True Up & Cash Out Processes:

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i.i) San Diego Community Power Annual True Up: At the end of the most recent twelve (12) monthly billing cycles ("Relevant Period") of each Schedule NBT customer, SDCPSan Diego Community Power will perform a true up of all active customers. SDCPSan Diego Community Power will determine whether or not each customer has produced net surplus electricity, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer's commencement of participation in SDCP's NBT TariffSan Diego Community Power's Schedule NBT, through the end of their Relevant Period, whichever is shorter ("True Up Period") and at each anniversary date thereafter.

NBT Generation Payment

a. SBP Balance Credit Refund: If the customer has an Export Credit Effective Date 10/26/2023 7 Originally Approved: Net Billing Tariff Balance Balance but incurred SDCPSan Diego Community Power usage charges earlier within the same SDCPSan Diego Community Power Annual True Up period, the credits will be applied against any up to the value of these San Diego Community Power charges still due.

If these charges were already paid during applied throughout the Relevant Period being trued up, the amount will instead be and carried over as a bill credit for use Rollover to offset future San Diego Community Power Electricity Charges in the subsequent Relevant Period(s) for the benefit of the customer.

b.a. Electricity Export Credit Refund: At the time of the Annual True Up, if the customer has accumulated Electricity). Any Export Credits in excess of any currently outstanding Electricity Charges, those credits will be carried over as a bill credit for use in the subsequent San Diego Community Power charges applied over the course of the Relevant Period(s) for the benefit of the customer up to the total SDCP Electricity Charges paid by the customer on the same NBT account during the applicable Relevant Period ("Refundable EEC"), consistent with SDCP's Annual Cash Out practice in Section (F)(ii). Any unused Electricity Export Credits over what is carried over as a bill credit for use in the subsequent Relevant Period (s) for the benefit of the customer up to the total SDCP Electricity Charges paid by the customer, shall not be carried forward to the start of a new Relevant Period; rather, the unused Electricity Export Credits shall be and will instead be zeroed out and a new Relevant Period will commence.

e.b. Net Surplus Compensation ("NSC"): SDCPSan Diego Community Power will determine at the time of Annual True Up whether each customer has produced Net Surplus Electricity over the course of the Relevant Period. If a customer has produced Net Surplus Electricity, then SDCPSan Diego Community Power shall credit such customer an amount that is equal to the monthly Net Surplus Compensation dollar rate per kWh, as defined

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in Section F.i.1, multiplied by the quantity in kWh of Net Surplus Electricity produced by the customer during the Relevant Period, consistent with SDCP's San Diego Community Power's Annual Cash Out practice in Section F.ii below. The SDCP's San Diego Community Power's monthly NSC Rate is posted to SDCP's San Diego Community Power's website and updated monthly.¹⁵

SDCP's

1. San Diego Community Power's NSC Rate is equal to the applicable monthly SDG&E's NSC, which is defined by the CPUC as "a simple rolling average of each utility's Default Load Aggregation Point ("DLAP") price from 7 a.m. to 5 p.m.", and "calculated monthly based on the hourly day-ahead electricity market price at each utility's DLAP price published on the California Independent System Operator ("CAISO") Open Access Same-Time Information System ("OASIS"), and ending the twentieth day of each month¹⁶ of the customer true up month plus \$0.0075/kWh.¹⁷

SDCP

- ii) San Diego Community Power, Annual Cash Out: At the end of each customer's relevant period, any current customer who has a combined Refundable EECSBP Balance Credit Refund and Net Surplus Compensation value of \$100 or more that exceeds any outstanding Electricity Charges, will be sent a payment by check via United States Postal Service Mail to the customer's U.S. mailing address on file ~~at the time of mailing for the credit balance on their account, as determined through SDCP's Annual True Up process as specified in this section F(i), above.~~ Customers receiving direct payment will have an equivalent amount removed from their NBT account balance at the time of ~~check issuance.~~ their Annual True Up. In the event that customers have a combined Refundable EECSBP Balance Credit Refund and Net Surplus Compensation value that does not exceed \$100, such credit balances will be carried forward into the subsequent Relevant Period(s) to offset future SDCP's San Diego Community Power Electricity Charges as a Rollover. All NBT accounts will be reset to zero kWh annually ~~as at the time~~ of the customer's ~~next monthly billing cycle.~~ Annual True Up and the only NBT credits carried forward on the customer's account will be the combined Refundable EECSBP Balance Credit Refund and Net Surplus Compensation credit balances less than \$100.-

iii-

Payments will be released up to 60 days after true up billing. Checks will expire 90 calendar days after issuance. If checks expire, customers may request the reissuance of a check and SDCP's San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request.

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¹⁵ San Diego Community Power Net Energy Metering (NEM) - <https://sdcommunitypower.org/programs/net-energy-metering/>

¹⁶ CPUC Decision 11-06-016 https://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/137431.pdf

¹⁷ Generation Adder Rates are effective as tariff approval date and may be subject to change.

SDCP

San Diego Community Power reserves the right to work with customers on a case-by-case basis to transfer Net Surplus Electricity credits as applicable.

- iii-iii) San Diego Community Power, Cash Out for Terminations: Customers who close their electric account through SDG&E, opt out of SDCPSan Diego Community Power, and return to bundled service, and/or move outside of the SDCPSan Diego Community Power service area prior to the end of their relevant period, shall be true'd up according to SDCP'sSan Diego Community Power's Annual True Up Process. If applicable, the customer shall receive a refund payment by check for any applicable SBP Balance Credit Refund and/or Net Surplus Compensation above any outstanding Electricity Charges if they are determined by San Diego Community Power to have produced Net Surplus Electricity. Payment will be issued via United States Postal Service mail to the customer's U.S. mailing address on file within 60-90 days after final billing to allow for any usage revisions and/or any adjustments from SDG&E for any Export Electricity Credits on their account that exceed outstanding Electricity Charges at the time of true up, up to the total amount of Electricity Charges paid by the customer during the Relevant Period along with Net Surplus Compensation if they are determined to have produced Net Surplus Electricity.

Checks will expire 90 calendar days after issuance. If checks expire or are returned to SDCPSan Diego Community Power, customers may request the one-time reissuance of a check and SDCPSan Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request. If the customer did not produce Net Surplus Electricity, as measured in kWh, they will not receive a direct payment. After one year, the funds will be considered unclaimed property and turned over to the California State Controller's Office.

SDCP reserves the right to work with customers on a case by case basis to transfer Net Surplus Electricity credits.

SDG&E's SCHEDULE NBT PROGRAM:-

Customers are subject to all applicable terms and conditions and billing procedures of SDG&E for SDG&E charges as described in SDG&E's Schedule NBT (with the exception of SDCPSan Diego Community Power OAS charges, which are described in SDCP'sSan Diego Community Power's rate schedules). SDCPSan Diego Community Power may amend this Schedule NBT Tariff to align with SDG&E's Schedule NBT following CPUC approval of the SDG&E's Schedule NBT and any future amendments to the SDG&E Schedule NBT. SDCPSan Diego Community Power calculates and applies generation charges and credits on a monthly basis. SDG&E will continue to calculate and apply charges and credits for delivery, transmission, and other services as detailed in SDG&E's NBT Rate Schedule, and SDCPSan Diego Community Power credits cannot be applied to any SDG&E charges or vice

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versa.

Please review the SDG&E's Schedule NBT¹⁸ for more information.

RETURN TO SDG&E BUNDLED SERVICE: SDCP

San Diego Community Power customers participating in the ~~SDCP~~ San Diego Community Power's NBT Program may opt out and enroll in return to SDG&E's bundled service, subject to any applicable restrictions imposed by SDG&E. Customers who opt out of SDCP Community Power service are subject to SDG&E's Schedule NBT.

San Diego Community Power will perform a true up of the customer's account in accordance with Section (F)(iii) at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service at the time of enrollment in SDG&E bundled service.

For details concerning opting out of SDCP San Diego Community Power service, please contact SDCP San Diego Community Power Customer Service by phone at 888-382-0169 or via email at customerservice@sdcommunitypower.org.

MISCELLANEOUS:

The Chief Executive Officer ("CEO") of SDCP San Diego Community Power or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer NEM export credits and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

Prior Versions:

Date	Action	Resolution No.	Policy No.
October 26, 2023	Adopt NBT		

¹⁸. See <https://www.sdge.com/solar/solar-billing-plan>

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ITEM 13

EXHIBIT D

Policy	Net Billing Tariff	Original Adoption Date	October 26, 2023
Approval Date	September 25, 2025	Resolution No.	2025-15

PURPOSE:

The purpose of this Net Billing Tariff (“NBT” or “Schedule NBT”) is to provide a process for how NBT customers are enrolled into and served by San Diego Community Power.

APPLICABILITY:

San Diego Community Power Schedule NBT shall be effective beginning on April 15, 2023, the day following the NEM-Successor Tariff (“NEM-ST”) eligibility sunset required by the California Public Utilities Commission (“CPUC”).

This Schedule NBT shall apply to:

- (i) San Diego Community Power customers served under San Diego Gas & Electric Company (“SDG&E”) Solar Billing Plan (“SBP”) and/or Schedule Net Billing Tariff for Customer-Sited Renewable Distributed Generation¹ (“SDG&E Schedule NBT”) receiving electric generation service from San Diego Community Power, including customers with battery storage, fuel cells using renewable fuels, ocean wave or other renewable resource,
- (ii) San Diego Community Power customers who are eligible for SDG&E’s NEM Tariff and elect to switch to San Diego Community Power’s Schedule NBT, and
- (iii) San Diego Community Power customers who are automatically transitioned to San Diego Community Power’s Schedule NBT following the conclusion and/or termination of their 20-year SDG&E Net Energy Metering (“NEM”) legacy period.²

SDG&E’s tariffs are available on SDG&E’s website³ and may be amended or replaced by SDG&E from time to time. This tariff shall remain in effect until modified, amended, or replaced by San Diego Community Power’s Board of Directors (“Board”) at a duly noticed public meeting of the Board.⁴

ELIGIBILITY:

¹ SDG&E’s Schedule NBT available via: <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs>

² See SDG&E’s Schedule NEM and Schedule NEM-ST at <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs> for details on SDG&E’s NEM legacy periods.

³ [Current and Effective Tariffs | San Diego Gas & Electric \(sdge.com\)](https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs) <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs>

⁴ Board agendas are available at: <https://sdcommunitypower.org/resources/meeting-notes>.

San Diego Community Power's Schedule NBT is available to residential and non-residential customers operating a solar, wind, biomass, geothermal, or other renewable resource as defined in the California Energy Commission's ("CEC") Renewables Portfolio Standard ("RPS") Eligibility Guidebook.⁵ Renewable Energy Generation Facilities ("REGF") are limited to 1MW under the San Diego Community Power and SDG&E's Schedule NBT. Additionally, the customer must participate in SDG&E's SBP (or successor) and/or Schedule NBT for non-generation services, such as transmission and distribution. San Diego Community Power customers served under San Diego Community Power's Schedule NBT must provide SDG&E with a completed SDG&E NBT or SDG&E NEM Application and comply with all other SDG&E requirements for enrollment⁶ before becoming eligible for the San Diego Community Power Schedule NBT. No direct agreement with San Diego Community Power is necessary.

Eligible San Diego Community Power customers who begin service under the SDG&E's Schedule NBT on or after April 15, 2023, are automatically enrolled in San Diego Community Power's Schedule NBT either at the time of initially enrolling with San Diego Community Power or at the time SDG&E begins serving them on the SDG&E's Schedule NBT. Eligible San Diego Community Power customers who begin service under the SDG&E's NEM Tariff prior to April 15, 2023, will be eligible for service under San Diego Community Power's NEM Tariff⁷ for 20 years following their SDG&E Original PTO.

Customers served under San Diego Community Power's NEM Tariff may elect to switch to San Diego Community Power's Schedule NBT. Customers who voluntarily switch to San Diego Community Power's Schedule NBT or who are automatically transitioned to San Diego Community Power's Schedule NBT following the conclusion and/or termination of their NEM 20-year legacy period are not eligible to return to service under San Diego Community Power's NEM Tariff.

This tariff does not apply to customer-generators with multiple meters who wish to aggregate the electrical load of the meters located on the customer's owned, leased, or rented property where the Renewable Electrical Generation Facility is located, including existing Net Energy Metering Aggregation or Virtual Net Energy Metering tariffs. Customers under aggregated designs shall be served on Schedule Net Billing Tariff Aggregation ("NBT-A"), and customers under virtual designs shall be served on Schedule Net Billing Tariff Virtual ("NBT-V").

NBT TRANSITION CUSTOMERS:

⁵ The latest RPF Eligibility Guidebook can be found at the CEC's website: <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard>.

⁶ See <https://www.sdge.com/solar/solar-billing-plan> for more information.

⁷ San Diego Community Power's NEM Program Policy is available at: <https://sdcommunitypower.org/key-documents/>.

Customers who submitted complete applications to SDG&E on or after April 15, 2023 were interconnected under SDG&E's Schedule NBT but were temporarily billed on NEM-ST until SDG&E's Schedule NBT was fully operationalized in SDG&E's and San Diego Community Power's billing systems, respectively. Once SDG&E's Schedule NBT was operationalized, any customers who interconnected under SDG&E's Schedule NBT but were billed temporarily on NEM-ST completed their true up under their temporary NEM service and transitioned to billing on the SDG&E's Schedule NBT at the beginning of their next available billing cycle in December 2023. The NEM-ST 20-year legacy period is not applicable to SDG&E's Schedule NBT customers who took interim service on NEM-ST as described above.

LEGACY PERIOD:

The terms of Schedule NBT shall remain effective for a period of up to 9 years from the Permission to Operate Notice ("PTO")⁸ Date from SDG&E. Per CPUC Decision 22-12-056, the legacy period is linked to the customer that originally caused the system to be installed, not to the system or premise. Should another customer take control of (*e.g., buys, leases, or pays a power purchase agreement for*) the system (such as a new customer moving into the premise), the subsequent customer will not have a new or continued legacy period from the customer that originally caused the system to be installed. Exceptions are made in cases where:

- The subsequent customer is or was the legal partner (*e.g., spouse or domestic partner in the case of residential customers or, in the case of non-residential customers, the account-holding entity continues to be majority controlled by the same underlying individuals or entities from the time the legacy system was installed*) of the original customer. For this latter group, the legacy period maintains its original interconnection date and length of nine years.
- A builder/contractor constructs a new building and receives PTO before selling the unit. The new owner after the rebuild will be able to retain the 9-year legacy period.

RATES:

All rates for San Diego Community Power's Schedule NBT are in accordance with the applicable customer's otherwise applicable San Diego Community Power rate schedule ("San Diego Community Power Otherwise Applicable Schedule ("OAS")).⁹ San Diego Community Power's Schedule NBT residential customers are required to enroll in highly differentiated time-of-use

⁸ Permission to Operate Notice ("PTO") is SDG&E's written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer's proposed modifications of the generating facility. The date that SDG&E provides the customer with the original PTO is referred to as the Original PTO Date. See SDG&E's Schedule NBT for additional information.

⁹ San Diego Community Power's residential rates can be found at <https://sdcommunitypower.org/billing-rates/residential-rates> and non-residential rates at <https://sdcommunitypower.org/billing-rates/commercial-rates>.

rates currently defined as EV-TOU-5 in San Diego Community Power and SDG&E territory, or other qualified rates that SDG&E and San Diego Community Power may develop in the future, and may choose to enroll in critical peak pricing or peak day pricing rates wherever applicable. San Diego Community Power's Schedule NBT provides the mechanism for billing and crediting customers with generating facilities only. Customers served under this tariff are still responsible for all billed usage charges according to their applicable San Diego Community Power's rate schedule, including volumetric usage, demand charges (if applicable), Power100 surcharges (if applicable), taxes, fees (if applicable) and all other charges owed to San Diego Community Power. Nothing in this tariff will supersede any SDG&E or San Diego Community Power authorized charges.

CHARGES, CREDITS AND BILLING:

San Diego Community Power's generation charges and credits for electricity (measured in kilowatt-hours, or "kWh") are calculated as described below.

A. Definitions:

- i. "Imported Electricity" is defined as when a customer uses any metered electricity supplied by San Diego Community Power, reflected as "positive" kWh usage, as recorded on the import channel of the customer's SDG&E meter.
- ii. "Imported Charges" is defined as the charges associated with the amount of Imported Electricity during a billing cycle within the Relevant Period based on the customer's OAS.
- iii. "Energy True Up" is defined as the process performed by SDG&E for the transmission and delivery service and by San Diego Community Power for the generation service, as applicable, at the end of each Relevant Period following the date the customer-generator was first eligible for schedule NBT, or the date of SDG&E's written approval to begin parallel operation of the REGF for purposes of participating in Schedule NBT, whichever is later, and at each anniversary date thereafter.
- iv. "Exported Electricity" is defined as when a customer supplies any metered electricity to the electric grid, reflected as "negative" kWh usage, as recorded on the export channel of the customer's SDG&E meter.
- v. "Export Compensation Rate," at times referred to as the Generation Electricity Export Credits ("EEC"),¹⁰ is defined as the rate or amount at which Exported Electricity will be

¹⁰ The EEC Price is a \$/kWh value which represents the estimated value of exports to the grid. Each year, the EEC Price is calculated using the California Public Utilities Commission ("CPUC") Avoided Cost Calculator ("ACC") approved to be effective as of January 1 of the calculation year (the "vintage year"). For each "vintage year", the EEC Price is calculated for each month of a 9-year horizon period, and it is differentiated by hour (24 hours) and by weekdays and weekend/holidays. In addition, each hourly EEC Price is broken down in two components: (1) the Generation EEC Price (energy, cap and trade and generation capacity) component, and (2) the Delivery Service EEC Price (transmission, distribution, greenhouse adder and methane leakage) component. The current version of the ACC is available at <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/idsm>.

compensated per kWh. The Export Compensation Rate is based on the CPUC's most recent Avoided Cost Calculator ("ACC"), adopted as of January 1 of the calendar year of the customer's interconnection date. The Generation EEC is based on hourly ACC values, averaged across days in a month for each hour, differentiated by weekdays and weekends/holidays. San Diego Community Power utilizes SDG&E's Generation EEC calculated based on a weighted average of ACC values across its four different climate zones. EEC does not vary between customer classes or technology. The Generation EEC Price is posted on SDG&E's website.

- vi. "Export Credits" are defined as the appropriate credit for any Exported Electricity, based on the Export Compensation Rate multiplied by the amount of Exported Electricity, and any applicable credit surcharges.
- vii. "Export Credit Balance" is defined as when a customer has excess export credits carried into the subsequent billing period, or into the San Diego Community Power true up process at the end of the relevant period.
- viii. "Net Surplus Electricity" is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.
- ix. "Relevant Period" is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E's written approval to begin parallel operation of the REGF PTO for purposes of participating in NBT, and on every subsequent anniversary thereof.

B. Generation Electricity Charges:

As determined in each billing period, Generation Electricity Charges are calculated by multiplying the customer's Imported Electricity (i.e., electricity consumption from the grid) in kWh by the applicable electricity (commodity) rate components (\$/kWh) in the customer's applicable San Diego Community Power OAS.

C. Export Credits:

As determined in each billing period, Export Credits are calculated by multiplying the hourly-differentiated customer's Exported Electricity (i.e., electricity generated and sent to the grid) in kWh by the Export Compensation Rate.¹¹ The calculated value of such net electricity exports shall be credited to the customer and applied as described in Sections (C) and (F), below.

Export Credits are calculated monthly and can be used to offset currently applicable volumetric (kWh) Generation Electricity Charges (as calculated above) incurred during the billing period but at no point can they offset any SDG&E transmission and delivery charges.

¹¹ See <https://sdcommunitypower.org/programs/net-billing-tariff>.

Any unused Generation Electricity Export Credits accrued in a given month can be carried forward to offset currently applicable volumetric (kWh) Generation Electricity Charges within the customer’s Relevant Period as described in Section (E). Customers on San Diego Community Power NBT will be billed based on no netting of kWh imports (consumption) and kWh exports (excess generation placed on the grid). Generation charges owed to San Diego Community Power net of any eligible credits will be paid by the customer each month and all charges and credits will be trued up at the end of the Relevant Period.

For the first five years of San Diego Community Power’s Schedule NBT (“lock-in period”), the Export Compensation Rate will be set annually using a 9-year schedule from the ACC. All customers who interconnect during this five year “lock-in period” will receive a nine-year schedule of Generation ECC set in the year of interconnection as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer (or an “eligible customer-generator” as defined in SDG&E’s Schedule NBT). During the “lock-in period,” these customers will have the Export Compensation Rate derived from the ACC adopted by the CPUC to be in effect as of January 1 of the calendar year of the customer’s Original PTO Date. A new customer moving into a dwelling with an existing generating facility served under SDG&E’s Schedule NBT will not be eligible to retain the Export Compensation Rate associated with the Original PTO Date of the generating facility, with two exceptions as described in SDG&E’s Schedule NBT.

Customers may opt out of their nine-year schedule of Generation EEC and receive an Export Compensation Rate that is updated annually based on the most recently adopted ACC. Customers that interconnect during the five-year lock-in period may exit their respective nine-year schedule of Generation EEC, but will not be able to opt back in. Following the five-year lock-in period, Generation EEC for new NBT customers will be updated annually on January 1 based on the ACC adopted as of January 1 of that year. Generation EEC will be accrued separately for Delivery under SDG&E and Generation under San Diego Community Power.

D. San Diego Community Power Generation Adders:

All new NBT customers are eligible to receive a San Diego Community Power Generation Adder. Customers that subsequently transfer into this Schedule NBT after the conclusion and/or termination of their 20-year NEM legacy period are not eligible for the San Diego Community Power Generation Adder.

The credit is calculated monthly by multiplying the Exported Electricity by the applicable \$/kWh Generation Adder Rate shown in Table 1.

Table 1: Generation Adder Rates¹²

Residential Non-CARE/FERA	Residential CARE/FERA	Non-Residential

¹² Generation Adder Rates are effective as tariff approval date and may be subject to change.

\$0.0075/kWh	\$0.11/kWh	\$0.0075/kWh

i. Eligibility:

- a. To be eligible for the San Diego Community Power “Residential Non-CARE” and “Non-Residential” Generation Adder, customers need to (a) be served on this tariff, and (b) have an NBT effective date between April 15, 2023 and December 31, 2026.
- b. To be eligible for the San Diego Community Power “Residential CARE/[FERA](#)” Generation Adder, customers need to (a) be served on this tariff, (b) have an NBT effective date between April 15, 2023 and December 31, 2026, and (c) be enrolled in either the CARE or FERA programs as of the effective date.
- c. A new customer moving into a dwelling with an existing Generating Facility served under this tariff on or after January 1, 2027 will not be eligible for the San Diego Community Power Generation Adder.

ii. Adder Period:

- a. The San Diego Community Power Generation Adder Rates, as defined above, will be fixed during the first six (6) years (the “Adder Period”) beginning on the NBT effective date communicated by SDG&E to San Diego Community Power. Residential customers will receive the San Diego Community Power Generation Adder during their Adder Period, as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer.
- b. Customers receiving the Residential CARE adder will need to maintain enrollment in either the CARE or FERA programs for the duration of the Adder Period.
 - i. If a customer account ceases to be enrolled in either the CARE or FERA programs (as communicated to San Diego Community Power by SDG&E), the customer will be moved to the Residential Non-CARE adder rate.
 - ii. If a customer account enrolls or re-enrolls in either the CARE or FERA programs (as communicated to San Diego Community Power by SDG&E), the customer will be moved to the Residential

CARE adder rate for the remainder of their Adder Period.

E. Monthly Settlement of San Diego Community Power Charges/Credits:

All NBT customers will pay monthly for all applicable charges including the fixed charges within the OAS and any additional net charges due to San Diego Community Power and SDG&E. Customers will have net charges due in a given month if the sum of their Import Charges and Export Credits is greater than zero. Each customer will receive a statement as part of their monthly SDG&E bill indicating accrued San Diego Community Power Electricity Charges for Imported Electricity and/or San Diego Community Power Export Credits for Exported Electricity during the current monthly billing cycle. When a customer's San Diego Community Power credits during the monthly billing cycle result in an accrued credit balance in excess of currently applicable San Diego Community Power Electricity Charges, the value of those credits shall be noted on the customer's bill and carried over as a bill credit for use in a subsequent billing cycle(s) within the Relevant Period.

A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable San Diego Community Power Generation Electricity Charges, reducing otherwise applicable Generation Electricity Charges by an equivalent amount to such credits. Any remaining credits reflected on the customer's billing statement shall be carried forward to subsequent billing cycle(s) until either (i) the excess credit is used to satisfy current Generation Electricity Charges, (ii) the customer no longer receives service from San Diego Community Power, or (iii) an annual account true up is performed.

F. San Diego Community Power Annual True Up & Cash Out Processes:

- i) San Diego Community Power Annual True Up: At the end of the most recent twelve (12) monthly billing cycles ("Relevant Period") of each Schedule NBT customer, San Diego Community Power will perform a true up of all active customers. San Diego Community Power will determine whether or not each customer has produced net surplus electricity, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer's commencement of participation in San Diego Community Power's Schedule NBT through the end of their Relevant Period, whichever is shorter ("True Up Period") and at each anniversary date thereafter.
- a. SBP Balance Credit Refund: If the customer has an Export Credit Balance but incurred San Diego Community Power usage charges earlier within the same San Diego Community Power Annual True Up period, the credits will be applied up to the value of San Diego Community Power charges applied throughout the Relevant Period and carried over as a Rollover to offset future San Diego Community Power Electricity Charges in the subsequent Relevant Period(s). Any Export Credits in excess of San Diego Community Power charges applied over the course of the Relevant Period shall not be carried

forward and will instead be zeroed out and a new Relevant Period will commence.

- b. Net Surplus Compensation (“NSC”): San Diego Community Power will determine at the time of Annual True Up whether each customer has produced Net Surplus Electricity over the course of the Relevant Period. If a customer has produced Net Surplus Electricity, then San Diego Community Power shall credit such customer an amount that is equal to the monthly Net Surplus Compensation dollar rate per kWh, as defined in Section F.i.b.1, multiplied by the quantity in kWh of Net Surplus Electricity produced by the customer during the Relevant Period, consistent with San Diego Community Power’s Annual Cash Out practice in Section F.ii below. The San Diego Community Power monthly NSC Rate is posted to San Diego Community Power’s website and updated monthly.¹³

1. San Diego Community Power’s NSC Rate is equal to the applicable monthly SDG&E’s NSC, which is defined by the CPUC as “a simple rolling average of each utility’s Default Load Aggregation Point (“DLAP”) price from 7 a.m. to 5 p.m.”, and “calculated monthly based on the hourly day-ahead electricity market price at each utility’s DLAP price published on the California Independent System Operator (“CAISO”) Open Access Same-Time Information System (“OASIS”), and ending the twentieth day of each month”,¹⁴ of the customer true up month plus \$0.0075/kWh.¹⁵

- ii) San Diego Community Power Annual Cash Out: At the end of each customer’s relevant period, any current customer who has a combined SBP Balance Credit Refund and Net Surplus Compensation value of \$100 or more that exceeds any outstanding Electricity Charges, will be sent a payment by check via United States Postal Service Mail to the customer’s U.S. mailing address on file. Customers receiving direct payment will have an equivalent amount removed from their NBT account balance at the time of their Annual True Up. In the event that customers have a combined SBP Balance Credit Refund and Net Surplus Compensation value that does not exceed \$100, such credit balances will be carried forward into the subsequent Relevant Period(s) to offset future San Diego Community Power Electricity Charges as a Rollover. All NBT accounts will be reset to zero kWh annually at the time of the customer’s Annual True Up and the only NBT credits carried forward on the customer’s account will be the combined SBP Balance Credit Refund and Net Surplus Compensation credit balances less than \$100.

Payments will be released up to 60 days after true up billing. Checks will expire

¹³ [San Diego Community Power Net Energy Metering \(NEM\)](https://sdcommunitypower.org/programs/net-energy-metering/) - <https://sdcommunitypower.org/programs/net-energy-metering/>

¹⁴ [CPUC Decision 11-06-016](https://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/137431.pdf) https://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/137431.pdf

¹⁵ Generation Adder Rates are effective as tariff approval date and may be subject to change.

90 calendar days after issuance. If checks expire, customers may request the reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request.

San Diego Community Power reserves the right to work with customers on a case-by-case basis to transfer Net Surplus Electricity credits as applicable.

- iii) *San Diego Community Power Cash Out for Terminations:* Customers who close their electric account through SDG&E, opt out of San Diego Community Power and return to bundled service, and/or move outside of the San Diego Community Power service area prior to the end of their relevant period, shall be trued up according to San Diego Community Power's Annual True Up Process. If applicable, the customer shall receive a refund payment by check for any applicable SBP Balance Credit Refund and/or Net Surplus Compensation above any outstanding Electricity Charges if they are determined by San Diego Community Power to have produced Net Surplus Electricity. Payment will be issued via United States Postal Service mail to the customer's U.S. mailing address on file within 60-90 days after final billing to allow for any usage revisions and/or any adjustments from SDG&E.

Checks will expire 90 calendar days after issuance. If checks expire or are returned to San Diego Community Power, customers may request the one-time reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request. After one year, the funds will be considered unclaimed property and turned over to the California State Controller's Office.

SDG&E's SCHEDULE NBT:

Customers are subject to all applicable terms and conditions and billing procedures of SDG&E for SDG&E charges as described in SDG&E's Schedule NBT (with the exception of San Diego Community Power OAS charges, which are described in San Diego Community Power's rate schedules). San Diego Community Power may amend this Schedule NBT to align with SDG&E's Schedule NBT following CPUC approval of the SDG&E's Schedule NBT and any future amendments to the SDG&E Schedule NBT. San Diego Community Power calculates and applies generation charges and credits on a monthly basis. SDG&E will continue to calculate and apply charges and credits for delivery, transmission, and other services as detailed in SDG&E's NBT Rate Schedule, and San Diego Community Power credits cannot be applied to any SDG&E charges or vice versa.

Please review the SDG&E's Schedule NBT¹⁶ for more information.

RETURN TO SDG&E BUNDLED SERVICE:

¹⁶ See <https://www.sdge.com/solar/solar-billing-plan>

San Diego Community Power customers participating in San Diego Community Power's NBT program may opt out and return to SDG&E's bundled service, subject to any applicable restrictions imposed by SDG&E. Customers who opt out of Community Power service are subject to SDG&E's Schedule NBT.

San Diego Community Power will perform a true up of the customer's account in accordance with Section (F)(iii) at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service at the time of enrollment in SDG&E bundled service.

For details concerning opting out of San Diego Community Power service, please contact San Diego Community Power Customer Service by phone at 888-382-0169 or via email at customerservice@sdcommunitypower.org.

MISCELLANEOUS:

The Chief Executive Officer ("CEO") of San Diego Community Power or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer export credits and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

Prior Versions:

Date	Action	Resolution No.	Policy No.
October 26, 2023	Adoption	N/A	N/A

ITEM 13

EXHIBIT E

Policy	Net Billing Tariff Virtual	Original Adoption Date	
Approval Date	September 25, 2025	Resolution No.	2025-

PURPOSE:

The purpose of this Net Billing Tariff Virtual (“NBT-V” or “Schedule NBT-V”) is to provide a process for how NBT-V customers are enrolled into and served by San Diego Community Power.

APPLICABILITY:

San Diego Community Power Schedule NBT-V shall be effective beginning on February 15, 2024, the day following the NEM-Successor Tariff Virtual (“NEM-V-ST”) eligibility sunset required by the California Public Utilities Commission (“CPUC”).

Schedule NBT-V shall be optionally available to Eligible San Diego Community Power Customers, owning, renting or leasing space within a multi-tenant or multi-meter property, which includes all residential (whether rental properties or condominiums), commercial and industrial properties, where the Owner of the property has installed a Renewable Electrical Generation Facility (“REGF”), that is intended primarily to offset part or all of the eligible property’s electrical requirements¹ (hereinafter “eligible customer-generator”) and contracts with San Diego Community Power to have all eligible output from the REGF supplied to San Diego Community Power for the purpose of providing a credit to the Eligible Customers. Net Billing Tariff Virtual (NBT-V) facilitates cost savings for Owners by avoiding the installation of an eligible customer-generator on each individual tenant’s unit and provides Eligible Customers with benefits that would otherwise be provided under Schedule NBT.

Schedule NBT-V shall apply to:

- (i) San Diego Community Power customers served under San Diego Gas & Electric Company’s (“SDG&E”) Solar Billing Plan Virtual (“SBP-V”) and/or Schedule Net Billing Tariff Virtual for Customer-Sited Renewable Distributed Generation¹ (“SDG&E’s Schedule NBT-V”) receiving electric generation services from San Diego Community Power, including customers with battery storage, fuel cells, or as approved by the CPUC under virtual designs;
- (ii) San Diego Community Power customers who are eligible for SDG&E’s Schedule NEM-V-ST and elect to switch to San Diego Community Power’s Schedule NBT-V, and;

¹ Electrical requirements mean the recorded kWh usage over the most recent 12-month period preceding the submission of an interconnection application or an estimate of usage over a 12-month period.

- (iii) San Diego Community Power customers who are automatically transitioned to San Diego Community Power's Schedule NBT-V following the conclusion and/or termination of their 20-year SDG&E Net Energy Metering ("NEM") legacy period.²

SDG&E tariffs are available on SDG&E's website³ and may be amended or replaced by SDG&E from time to time. This tariff shall remain in effect until modified, amended, or replaced by San Diego Community Power's Board of Directors ("Board") at a duly noticed public meeting of the Board.⁴

ELIGIBILITY:

San Diego Community Power's Schedule NBT-V is available to residential and non-residential customers operating a solar, wind, biomass, geothermal, or other renewable resource as defined in the California Energy Commission's ("CEC") Renewables Portfolio Standard ("RPS") Eligibility Guidebook.⁵ REGF are limited to 1MW under San Diego Community Power and SDG&E's Schedule Net Billing Tariff ("NBT"). All Customers with Generating Facilities sized larger than 1 MW seeking interconnection with SDG&E's Transmission System shall apply to the CAISO for interconnection and be subject to the CAISO Tariff and must submit an executed CAISO interconnection agreement in addition to all other requirements by SDG&E prior to receiving service under this Schedule. Additionally, the customer must participate in SDG&E's SBP (or successor) and/or Schedule NBT for non-generation services, such as transmission and distribution. San Diego Community Power customers served under San Diego Community Power's Schedule NBT-V must provide SDG&E with a completed SDG&E NBT-V or SDG&E NEM Application and comply with all other SDG&E requirements for enrollment⁶ before becoming eligible for the San Diego Community Power NBT Program. No direct agreement with San Diego Community Power is necessary.

Eligible San Diego Community Power customers who begin service under the SDG&E's NBT-V Schedule on or after February 15, 2024, are automatically enrolled in the San Diego Community Power's Schedule NBT-V either at the time of initially enrolling with San Diego Community Power or at the time SDG&E begins serving them on the SDG&E's NBT-V Schedule. Eligible San Diego Community Power customers who begin service under the SDG&E NEM Tariff prior to February 15, 2024, will be eligible for service under San Diego Community Power's NEM Tariff⁷ for 20 years following their SDG&E Original Permission

² See SDG&E's Schedule NEM and Schedule NEM-V-ST at <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs> for details on SDG&E's NEM legacy periods.

³ [Current and Effective Tariffs | San Diego Gas & Electric \(sdge.com\)](https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs) <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs>

⁴ Board agendas are available at: <https://sdcommunitypower.org/resources/meeting-notes>.

⁵ The latest RPF Eligibility Guidebook can be found at the CEC's website: <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard>.

⁶ See <https://www.sdge.com/solar/solar-billing-plan> for more information.

⁷ San Diego Community Power's NEM Program Policy is available at: <https://sdcommunitypower.org/key-documents/>.

to Operate (“PTO”).

Customers served under San Diego Community Power’s NEM Tariff may elect to switch to San Diego Community Power’s Schedule NBT-V. Customers who voluntarily switch to San Diego Community Power’s Schedule NBT-V or who are automatically transitioned to San Diego Community Power’s Schedule NBT-V following the conclusion and/or termination of their NEM 20-year legacy period are **not** eligible to return to service under the San Diego Community Power NEM Tariff.

NBT TRANSITION CUSTOMERS:

Customers who submitted complete applications to SDG&E on or after February 15, 2024 were interconnected under SDG&E’s Schedule NBT-V but were temporarily billed on NEM-V-ST until SDG&E’s Schedule NBT-V was fully operationalized in SDG&E’s and San Diego Community Power’s billing systems, respectively. Once SDG&E’s Schedule NBT-V was operationalized, any customers who interconnected under SDG&E’s Schedule NBT-V but were billed temporarily on NEM-V-ST completed their true up under their temporary NEM service and transitioned to billing on the SDG&E’s Schedule NBT-V at the beginning of their next available billing cycle. The NEM-V-ST 20-year legacy period is not applicable to SDG&E’s Schedule NBT-V customers who took interim service on NEM-V-ST as described above.

Pursuant to Decision (D.) 23-11-068, SDG&E’s Schedule NEM-V-ST is closed to customers requesting interconnection for new REGFs, or modified REGFs exceeding the allowable threshold (10% of original REGF or 1 kW), on or after February 15, 2024.

LEGACY PERIOD:

The terms of Schedule NBT-V shall remain effective for a period of up to 9 years from the PTO Notice⁸ Date from SDG&E. Per CPUC Decision 22-12-056, the legacy period is linked to the customer that originally caused the system to be installed, not to the system or premise. Should another customer take control of (*e.g., buys, leases, or pays a power purchase agreement for*) the system (such as a new customer moving into the premise), the subsequent customer will not have a new or continued legacy period from the customer that originally caused the system to be installed. Exceptions are made in cases where:

- The subsequent customer is or was the legal partner (*e.g., spouse or domestic partner in the case of residential customers or, in the case of non-residential customers, the account-holding entity continues to be majority controlled by the same underlying individuals or entities from the time the legacy system was*

⁸ Permission to Operate Notice (“PTO”) is SDG&E’s written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer’s proposed modifications of the generating facility. The date that SDG&E provides the customer with the original PTO is referred to as the Original PTO Date. See SDG&E’s Schedule NBT for additional information.

installed) of the original customer. For this latter group, the legacy period maintains its original interconnection date and length of nine years.

- A builder/contractor constructs a new building and receives PTO before selling the unit. The new owner after the rebuild will be able to retain the 9-year legacy period.

RATES:

All rates for the San Diego Community Power's Schedule NBT-V are in accordance with the applicable customer's otherwise applicable San Diego Community Power rate schedule ("San Diego Community Power Otherwise Applicable Schedule ("OAS")).⁹ San Diego Community Power Schedule NBT-V residential customers are required to enroll in highly differentiated time-of-use rates currently defined as EV-TOU-5 in San Diego Community Power and SDG&E territory, or other qualified rates that SDG&E and San Diego Community Power may develop in the future, and may choose to enroll in critical peak pricing or peak day pricing rates wherever applicable. San Diego Community Power's Schedule NBT-V provides the mechanism for billing and crediting customers with generating facilities only. Customers served under this tariff are still responsible for all billed usage charges according to their applicable San Diego Community Power rate schedule, including volumetric usage, demand charges (if applicable), Power100 surcharges (if applicable), taxes, fees (if applicable) and all other charges owed to San Diego Community Power. Nothing in this tariff will supersede any SDG&E or San Diego Community Power authorized charges.

CHARGES, CREDITS AND BILLING:

San Diego Community Power's generation charges and credits for electricity (measured in kilowatt-hours, or "kWh") are calculated as described below.

A) Definitions:

- i) "Imported Electricity" is defined as when a customer uses any metered electricity supplied by San Diego Community Power, reflected as "positive" kWh usage, as recorded on the import channel of the customer's SDG&E meter.
- ii) "Imported Charges" is defined as the charges associated with the amount of Imported Electricity during a billing cycle within the Relevant Period based on the customer's OAS.
- iii) "Energy True Up" is defined as the process performed by SDG&E for the transmission and delivery service and by San Diego Community Power for the

⁹ San Diego Community Power's residential rates can be found at <https://sdcommunitypower.org/billing-rates/residential-rates> and non-residential rates at <https://sdcommunitypower.org/billing-rates/commercial-rates>.

generation service, as applicable, at the end of each Relevant Period following the date the customer-generator was first eligible for Schedule NBT-V, or the date of SDG&E's written approval to begin parallel operation of the REGF for purposes of participating in Schedule NBT-V, whichever is later, and at each anniversary date thereafter.

- iv) "Exported Electricity" is defined as when a customer supplies any metered electricity to the electric grid, reflected as "negative" kWh usage, as recorded on the export channel of the customer's SDG&E meter.
- v) "Export Compensation Rate," at times referred to as the Generation Electricity Export Credits ("EEC"),¹⁰ is defined as the rate or amount at which Exported Electricity will be compensated per kWh. The Export Compensation Rate is based on the CPUC's most recent Avoided Cost Calculator ("ACC"), adopted as of January 1 of the calendar year of the customer's interconnection date. The Generation EEC is based on hourly ACC values, averaged across days in a month for each hour, differentiated by weekdays and weekends/holidays. San Diego Community Power utilizes SDG&E's Generation EEC calculated based on a weighted average of ACC values across its four different climate zones. EEC does not vary between customer classes or technology. The Generation EEC Price is posted on SDG&E's website.
- vi) "Export Credits" are defined as the appropriate credit for any Exported Electricity, based on the Export Compensation Rate multiplied by the amount of Exported Electricity, and any applicable credit surcharges.
- vii) "Export Credit Balance" is defined as when a customer has excess export credits carried into the subsequent billing period, or into the San Diego Community Power true up process at the end of the relevant period.
- viii) "Net Surplus Electricity" is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.
- ix) "Relevant Period" is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E's written approval to begin parallel operation of the REGF PTO for purposes of participating in NBT, and on every subsequent anniversary thereof.

¹⁰ The EEC Price is a \$/kWh value which represents the estimated value of exports to the grid. Each year, the EEC Price is calculated using the California Public Utilities Commission ("CPUC") Avoided Cost Calculator ("ACC") approved to be effective as of January 1 of the calculation year (the "vintage year"). For each "vintage year", the EEC Price is calculated for each month of a 9-year horizon period, and it is differentiated by hour (24 hours) and by weekdays and weekend/holidays. In addition, each hourly EEC Price is broken down in two components: (1) the Generation EEC Price (energy, cap and trade and generation capacity) component, and (2) the Delivery Service EEC Price (transmission, distribution, greenhouse adder and methane leakage) component. The current version of the ACC is available at <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/idsm>.

- x) "Allocation of Credit" is defined as the Monthly allocated Credits for Eligible Customers are determined by multiplying the monthly Energy Exported (kWh) by the percentage contained in the Generation Credit Allocation Request Form.
- xi) "Generation Credit Allocation Request Form" is defined as the form completed by the Owner that designates how the Energy Exported will be allocated among Eligible Customers. The Credit Allocation Form provides the Owner the option to designate the disposition of unallocated credits to either: a Common Area Account, or one Eligible Customer Account.
- xii) "Virtual Net Billing Tariff and Billing" is defined as measuring the difference between the electric energy supplied by San Diego Community Power to Eligible Customers and the electric energy generated by an eligible customer-generator, fed to the electric grid, and credited to Eligible Customers over twelve-month period (Relevant Period).
- xiii) "Property" is defined as all of the real property and apparatus employed in a single multi-tenant or multi-meter facility on contiguous parcels of land. These parcels may be divided by a dedicated street, highway or public thoroughfare or railway, so long as they are otherwise contiguous, part of the same single multi-tenant or multi-meter facility, and all under the same ownership.
- xiv) "Generating Account" is defined as the account to which an Eligible Generator is interconnected with SDG&E through a single meter for which the Owner or Operator is an SDG&E customer. Pursuant to D.11-12-056 Ordering Paragraph 9, multiple REGFs on an eligible property are allowed to be treated as one generator, with credits allocated across Benefitting Accounts on the Property.
- xv) "Benefitting Account" is defined as each Eligible Customer Service Account that the Owner has designated on the Allocation Request Form to receive an Allocated Credit.
- xvi) "Arrangement" is defined as one or more Generating Accounts and all designated Benefitting Accounts that will receive Allocated Credits from the Generating Account. A Eligible Customer may have more than one Arrangement but Generating Accounts and Benefitting Accounts can only be designated to a single Arrangement. There must be more than one Benefitting Account per Arrangement.
- xvii) "Eligible Customer" is defined as either: (i) the Owner or Operator of the multi-tenant, multi-meter Property with one or more separately metered accounts; (ii) an entity authorized by the Owner to install and/or operate the generating facility and who will be SDG&E's customer of record for the Generating Facility; or (iii) a tenant/occupant of the Property with a separately metered account. The Eligible Customer definition shall extend to Owner for the purpose of billing common use

areas, unoccupied units, and other metered accounts under which the owner receives service.

xviii) “Owner” is defined as The Enterprise, or Entity, that owns a multi-tenant or multi-meter property.

xix) “Operator” is defined as a Eligible Customer who operates a business by leasing or renting the Property from an Owner and who has an Eligible Generator located on the Property.

B) Generation Electricity Charges:

As determined in each billing period, Generation Electricity Charges are calculated by multiplying the customer’s Imported Electricity (i.e., electricity consumption from the grid) in kWh by the applicable electricity (commodity) rate components (\$/kWh) in the customer’s applicable San Diego Community Power OAS.

C) Export Credits:

As determined in each billing period, Export Credits are calculated by multiplying the hourly-differentiated customer’s Exported Electricity (i.e., electricity generated and sent to the grid) in kWh by the Export Compensation Rate.¹¹ The calculated value of such net electricity exports shall be credited to the customer and applied as described in the sections below.

Export Credits are calculated monthly and can be used to offset currently applicable volumetric (kWh) Generation Electricity Charges (as calculated above) incurred during the billing period but at no point can they offset any SDG&E transmission and delivery charges. Any unused Generation Electricity Export Credits accrued in a given month can be carried forward to offset currently applicable volumetric (kWh) Generation Electricity Charges within the customer’s Relevant Period as described in Section (E). For Residential customers, the export kWh is valued after 15-minute unit-level netting of consumption and generation whereas Non-residential customers do not have netting of consumption and generation kWh. Generation charges owed to San Diego Community Power net of any eligible credits will be paid by the customer each month and all charges and credits will be trued up at the end of the Relevant Period.

For the first five years of this Schedule NBT-V (“lock-in period”), the Export Compensation Rate will be set annually using a 9-year schedule from the ACC. All customers who interconnect during this five year “lock-in period” will receive a nine-year schedule of Generation ECC set in the year of interconnection as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer (or an “eligible customer-generator” as defined in SDG&E’s Schedule NBT-V). During the “lock-in period,” these customers will have the Export Compensation Rate derived from the ACC adopted by the CPUC to be in effect as of January 1 of the calendar year of the customer’s Original PTO Date. A new customer moving into a dwelling with an

¹¹ See <https://sdcommunitypower.org/programs/net-billing-tariff>.

existing generating facility served under SDG&E's Schedule NBT-V will not be eligible to retain the Export Compensation Rate associated with the Original PTO Date of the generating facility, with two exceptions as described in SDG&E's Schedule NBT-V.

Customers may opt out of their nine-year schedule of Generation EEC and receive an Export Compensation Rate that is updated annually based on the most recently adopted ACC. Customers that interconnect during the five-year lock-in period may exit their respective nine-year schedule of Generation EEC, but will not be able to opt back in. Following the five-year lock-in period, Generation EEC for new NBT-V customers will be updated annually on January 1 based on the ACC adopted as of January 1 of that year. Generation EEC will be accrued separately for Delivery under SDG&E and Generation under San Diego Community Power.

D) Monthly Settlement of San Diego Community Power Charges/Credits:

All NBT-V customers will pay monthly for all applicable charges including the fixed charges within the OAS and any additional net charges due to San Diego Community Power and SDG&E.

The following is applicable to the billing process for residential customers:

- i) For an OAS with Time-of-Use Rates: If the Eligible Customer is a net consumer based on 15-minute intervals, the net kWh consumed shall be billed at the applicable TOU rates charged in the OAS. If the Eligible Customer is a net generator based on 15-minute intervals, the net kWh generated shall be valued at the applicable CPUC avoided cost.

For non-residential customers, all allocated exported kWh in a given month will be valued at the Export Compensation Rate for generation by San Diego Community Power and delivery by SDG&E. The amount owed by the customer in that month for generation by San Diego Community Power and delivery volumetric (kWh) import charges by SDG&E based on their OAS will be reduced by the corresponding export credits accrued in that month. Unused generation and delivery Export Credits by San Diego Community Power and SDG&E, respectively accrued in a given month can be applied to offset generation and delivery volumetric (kWh) charges completely independent of each other within a customers' Relevant Period.

A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable San Diego Community Power Generation Electricity Charges, reducing otherwise applicable Generation Electricity Charges by an equivalent amount to such credits. Any remaining credits reflected on the customer's billing statement shall be carried forward to subsequent billing cycle(s) until either (i) the excess credit is used to satisfy current Generation Electricity Charges, (ii) the customer no longer receives service from San Diego Community Power, or (iii) an annual account true up is performed.

E) San Diego Community Power Annual True Up & Cash Out Processes:

- i) San Diego Community Power Annual True Up: At the end of the most recent twelve (12) monthly billing cycles (“Relevant Period”) of each NBT-V customer, San Diego Community Power will perform a true up of all active customers. San Diego Community Power will determine whether or not each customer has produced net surplus electricity, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer’s commencement of participation in San Diego Community Power’s Schedule NBT-V through the end of their Relevant Period, whichever is shorter (“True Up Period”) and at each anniversary date thereafter.
 - a. SBP Balance Credit Refund: If the customer has an Export Credit Balance but incurred San Diego Community Power usage charges earlier within the same San Diego Community Power Annual True Up period, the credits will be applied up to the value of San Diego Community Power charges applied throughout the Relevant Period and carried over as a Rollover to offset future San Diego Community Power Electricity Charges in the subsequent Relevant Period(s). Any Export Credits in excess of San Diego Community Power charges applied over the course of the Relevant Period shall not be carried forward and will instead be zeroed out and a new Relevant Period will commence.
 - b. Net Surplus Compensation (“NSC”): San Diego Community Power will determine at the time of Annual True Up whether each customer has produced Net Surplus Electricity over the course of the Relevant Period. If a customer has produced Net Surplus Electricity, then San Diego Community Power shall credit such customer an amount that is equal to the monthly Net Surplus Compensation dollar rate per kWh, as defined in Section E.i.b.1, multiplied by the quantity in kWh of Net Surplus Electricity produced by the customer during the Relevant Period, consistent with San Diego Community Power’s Annual Cash Out practice in Section E.ii below. The San Diego Community Power monthly NSC Rate is posted to San Diego Community Power’s website and updated monthly.
 - 1. San Diego Community Power’s NSC Rate is equal to the applicable monthly SDG&E’s NSC, which is defined by the CPUC as “a simple rolling average of each utility’s Default Load Aggregation Point (“DLAP”) price from 7 a.m. to 5 p.m.”, and “calculated monthly based on the hourly day-ahead electricity market price at each utility’s DLAP price published on the California Independent System Operator (“CAISO”) Open Access Same-Time Information System (“OASIS”), and ending the twentieth day of each month”, of the customer true up month plus \$0.0075/kWh.

- ii) *San Diego Community Power Annual Cash Out:* At the end of each customer's relevant period, any current customer who has a combined SBP-V Balance Credit Refund and Net Surplus Compensation value of \$100 or more that exceeds any outstanding Electricity Charges, will be sent a payment by check via United States Postal Service Mail to the customer's U.S. mailing address on file. Customers receiving direct payment will have an equivalent amount removed from their NBT account balance at the time of their Annual True Up. In the event that customers have a combined SBP Balance Credit Refund and Net Surplus Compensation value that does not exceed \$100, such credit balances will be carried forward into the subsequent Relevant Period(s) to offset future San Diego Community Power Electricity Charges as a Rollover. All NBT-V accounts will be reset to zero kWh annually at the time of the customer's Annual True Up and the only NBT-V credits carried forward on the customer's account will be the combined SBP-V Balance Credit Refund and Net Surplus Compensation credit balances less than \$100.

Payments will be released up to 60 days after true up billing. Checks will expire 90 calendar days after issuance. If checks expire, customers may request the reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request.

San Diego Community Power reserves the right to work with customers on a case-by-case basis to transfer Net Surplus Electricity credits as applicable.

- iii) *San Diego Community Power Cash Out for Terminations:* Customers who close their electric account through SDG&E, opt out of San Diego Community Power and return to bundled service, and/or move outside of the San Diego Community Power service area prior to the end of their relevant period, shall be trued up according to San Diego Community Power's Annual True Up Process. If applicable, the customer shall receive a refund payment by check for any applicable SBP-V Balance Credit Refund and/or Net Surplus Compensation above any outstanding Electricity Charges if they are determined by San Diego Community Power to have produced Net Surplus Electricity. Payment will be issued via United States Postal Service mail to the customer's U.S. mailing address on file within 60-90 days after final billing to allow for any usage revisions and/or any adjustments from SDG&E. Checks will expire 90 calendar days after issuance. If checks expire or are returned to San Diego Community Power, customers may request the one-time reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request. After one year, the funds will be considered unclaimed property and turned over to the California State Controller's Office.

SDG&E's SCHEDULE NBT-V:

Customers are subject to all applicable terms and conditions and billing procedures of SDG&E for SDG&E charges as described in SDG&E's Schedule NBT-V (with the exception of San Diego Community Power OAS charges, which are described in San Diego Community Power's rate schedules). San Diego Community Power may amend this Schedule NBT-V to align with SDG&E's Schedule NBT-V following CPUC approval of the SDG&E's Schedule NBT-V and any future amendments to the SDG&E's Schedule NBT-V. San Diego Community Power calculates and applies generation charges and credits on a monthly basis. SDG&E will continue to calculate and apply charges and credits for delivery, transmission, and other services as detailed in SDG&E's NBT Rate Schedule, and San Diego Community Power credits cannot be applied to any SDG&E charges and vice versa.

Please review the SDG&E's Schedule NBT-V¹² for more information.

RETURN TO SDG&E BUNDLED SERVICE:

San Diego Community Power customers participating in San Diego Community Power's NBT-V program may opt out and return to SDG&E's bundled service, subject to any applicable restrictions imposed by SDG&E. Customers who opt out of Community Power service are subject to SDG&E's Schedule NBT-V.

San Diego Community Power will perform a true up of the customer's account in accordance with Section E.iii at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service at the time of enrollment in SDG&E bundled service.

For details concerning opting out of San Diego Community Power service, please contact San Diego Community Power Customer Service by phone at 888-382-0169 or via email at customerservice@sdcommunitypower.org.

MISCELLANEOUS:

The Chief Executive Officer ("CEO") of San Diego Community Power or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer export credits and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

Prior Versions:

Date	Action	Resolution No.	Policy No.

¹² See <https://www.sdge.com/solar/solar-billing-plan/virtual-solar-billing-plan>

ITEM 13

EXHIBIT F

Policy	Net Billing Tariff Aggregation	Original Adoption Date	
Approval Date	September 25, 2025	Resolution No.	2025-

PURPOSE:

The purpose of this Net Billing Tariff Aggregation (“NBT-A” or “Schedule NBT-A”) is to provide a process for how NBT-A customers are enrolled into and served by San Diego Community Power.

APPLICABILITY:

San Diego Community Power Schedule NBT-A shall be effective beginning on February 15, 2024, the day following the NEM-Successor Tariff Aggregation (“NEM-A-ST”) eligibility sunset required by the California Public Utilities Commission (“CPUC”).

Schedule NBT-A shall be optionally available to Eligible Customers, including a residential and non-residential customer who uses a Renewable Electrical Generation Facility (“REGF”), a facility that generates electricity from a renewable source.

Eligible Schedule NBT-A customers may elect to aggregate their electrical load and be served under this tariff, provided that all of their multiple electric meters are located on parcels (properties) that are part of an unbroken chain of contiguous parcels that are customer-owned, leased, or rented premises. Parcels that are divided by a street, highway, or public thoroughfare are considered contiguous. The REGF is interconnected and operates in parallel with the SDG&E’s transmission and distribution systems and is intended primarily to offset part or all of the customer’s own electrical requirements¹ (hereinafter “eligible customer-generator” or “customer”). All electric meters must be located on the same property and adjacent or contiguous property as the REGF and must be billed under the same customer’s name on record.

Schedule NBT-A shall apply to:

- (i) San Diego Community Power customers served under San Diego Gas & Electric Company’s (“SDG&E”) Solar Billing Plan Aggregation (“SBP-A”) and/or Schedule Net Billing Tariff Aggregation for Customer-Sited Renewable Distributed Generationⁿ under the NBT Aggregation Special Condition, receiving electric generation services from San Diego Community Power, including customers with battery storage, fuel cells, or as approved by the CPUC under aggregated designs;

¹ Electrical requirements mean the recorded kWh usage over the most recent 12-month period preceding the submission of an interconnection application or an estimate of usage over a 12-month period.

- (ii) San Diego Community Power customers who are eligible for SDG&E's NEM-A-ST Tariff and elect to switch to San Diego Community Power's Schedule NBT-A, and;
- (iii) San Diego Community Power customers who are automatically transitioned to San Diego Community Power's Schedule NBT-A following the conclusion and/or termination of their 20-year SDG&E Net Energy Metering ("NEM") legacy period.²

SDG&E tariffs are available on SDG&E's website³ and may be amended or replaced by SDG&E from time to time. This tariff shall remain in effect until modified, amended, or replaced by San Diego Community Power's Board of Directors ("Board") at a duly noticed public meeting of the Board.⁴

ELIGIBILITY:

San Diego Community Power's Schedule NBT-A is available to residential and non-residential customers operating a solar, wind, biomass, geothermal, or other renewable resource as defined in the California Energy Commission's ("CEC") Renewables Portfolio Standard ("RPS") Eligibility Guidebook.⁵ Renewable Energy Generation Facilities ("REGF") are limited to 1MW under the San Diego Community Power and SDG&E's Schedule Net Billing Tariff ("NBT"). Additionally, the customer must participate in SDG&E's SBP (or successor) and/or Schedule NBT for non-generation services, such as transmission and distribution. San Diego Community Power customers served under San Diego Community Power's Schedule NBT under the NBT Aggregation Special Condition must provide SDG&E with a completed SDG&E's Schedule NBT or SDG&E NEM Application and comply with all other SDG&E requirements for enrollment before becoming eligible for the San Diego Community Power NBT Program. No direct agreement with San Diego Community Power is necessary.

Eligible San Diego Community Power customers who begin service under SDG&E Schedule NBT on or after February 15, 2024, are automatically enrolled in the San Diego Community Power Schedule NBT-A either at the time of initially enrolling with San Diego Community Power or at the time SDG&E begins serving them on SDG&E's Schedule NBT under the NBT Aggregation Special Condition. Eligible San Diego Community Power customers who begin service under the SDG&E's NEM Tariff prior to February 15, 2024, will be eligible for service under the San Diego Community Power's NEM Tariff⁶ for 20 years following their SDG&E Original Permission to Operate ("PTO").

² See SDG&E's Schedule NEM and Schedule NEM-A-ST at <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs> for details on SDG&E's NEM legacy periods.

³ [Current and Effective Tariffs | San Diego Gas & Electric \(sdge.com\)](https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs) <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs>

⁴ Board agendas are available at: <https://sdcommunitypower.org/resources/meeting-notes>.

⁵ The latest RPF Eligibility Guidebook can be found at the CEC's website: <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard>.

⁶ San Diego Community Power's NEM Program Policy is available at: <https://sdcommunitypower.org/key-documents/>.

Customers served under the San Diego Community Power's NEM Tariff may elect to switch to San Diego Community Power Schedule NBT-A. Customers who voluntarily switch to San Diego Community Power's Schedule NBT-A or who are automatically transitioned to San Diego Community Power's Schedule NBT-A following the conclusion and/or termination of their NEM 20-year legacy period are **not** eligible to return to service under the San Diego Community Power's NEM Tariff.

NBT TRANSITION CUSTOMERS:

Customers who submitted complete applications to SDG&E on or after February 15, 2024 were interconnected under SDG&E's Schedule NBT under the NBT Aggregation Special Condition but were temporarily billed on NEM-A-ST until SDG&E's Schedule NBT under the NBT Aggregation Special Condition was fully operationalized in SDG&E's and San Diego Community Power's billing systems, respectively. Once SDG&E's Schedule NBT under the NBT Aggregation Special Condition was operationalized, any customers who interconnected under the said Schedule but were billed temporarily on NEM-A-ST completed their true up under their temporary NEM service and transitioned to billing on the SDG&E's Schedule NBT under the NBT Aggregation Special Condition at the beginning of their next available billing cycle as of February 2025. The NEM-A-ST 20-year legacy period is not applicable to SDG&E's Schedule NBT under the NBT Aggregation Special Condition customers who took interim service on NEM-A-ST as described above.

Pursuant to Decision (D.) 23-11-068, SDG&E Schedule NEM-A-ST is closed to customers requesting interconnection for new REGFs, or modified REGFs exceeding the allowable threshold (10% of original REGF or 1 kW), on or after February 15, 2024.

LEGACY PERIOD:

The terms of Schedule NBT-A shall remain effective for a period of up to 9 years from the PTO Notice⁷ Date from SDG&E. Per CPUC Decision 22-12-056, the legacy period is linked to the customer that originally caused the system to be installed, not to the system or premise. Should another customer take control of (*e.g., buys, leases, or pays a power purchase agreement for*) the system (such as a new customer moving into the premise), the subsequent customer will not have a new or continued legacy period from the customer that originally caused the system to be installed. Exceptions are made in cases where:

- The subsequent customer is or was the legal partner (*e.g., spouse or domestic partner in the case of residential customers or, in the case of non-residential customers, the account-holding entity continues to be majority controlled by the*

⁷ Permission to Operate Notice ("PTO") is SDG&E's written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer's proposed modifications of the generating facility. The date that SDG&E provides the customer with the original PTO is referred to as the Original PTO Date. See SDG&E's Schedule NBT for additional information.

same underlying individuals or entities from the time the legacy system was installed) of the original customer. For this latter group, the legacy period maintains its original interconnection date and length of nine years.

- A builder/contractor constructs a new building and receives PTO before selling the unit. The new owner after the rebuild will be able to retain the 9-year legacy period.

RATES:

All rates for the San Diego Community Power's Schedule NBT-A are in accordance with the applicable customer's otherwise applicable San Diego Community Power rate schedule ("San Diego Community Power Otherwise Applicable Schedule ("OAS")).⁸ San Diego Community Power Schedule NBT-A residential customers are required to enroll in highly differentiated time-of-use rates currently defined as EV-TOU-5 in San Diego Community Power and SDG&E territory, or other qualified rates that SDG&E and San Diego Community Power may develop in the future, and may choose to enroll in critical peak pricing or peak day pricing rates wherever applicable. San Diego Community Power's Schedule NBT-A provides the mechanism for billing and crediting customers with generating facilities only. Customers served under this tariff are still responsible for all billed usage charges according to their applicable San Diego Community Power rate schedule, including volumetric usage, demand charges (if applicable), Power100 surcharges (if applicable), taxes, fees (if applicable) and all other charges owed to San Diego Community Power. Nothing in this tariff will supersede any SDG&E or San Diego Community Power authorized charges.

CHARGES, CREDITS AND BILLING:

San Diego Community Power's generation charges and credits for electricity (measured in kilowatt-hours, or "kWh") are calculated as described below.

A) Definitions:

- i) "Imported Electricity" is defined as when a customer uses any metered electricity supplied by San Diego Community Power, reflected as "positive" kWh usage, as recorded on the import channel of the customer's SDG&E meter.
- ii) "Imported Charges" is defined as the charges associated with the amount of Imported Electricity during a billing cycle within the Relevant Period based on the customer's OAS.
- iii) "Energy True Up" is defined as the process performed by SDG&E for the

⁸ San Diego Community Power's residential rates can be found at <https://sdcommunitypower.org/billing-rates/residential-rates> and non-residential rates at <https://sdcommunitypower.org/billing-rates/commercial-rates>.

transmission and delivery service and by San Diego Community Power for the generation service, as applicable, at the end of each Relevant Period following the date the customer-generator was first eligible for Schedule NBT-A, or the date of SDG&E's written approval to begin parallel operation of the REGF for purposes of participating in Schedule NBT-A, whichever is later, and at each anniversary date thereafter.

- iv) "Exported Electricity" is defined as when a customer supplies any metered electricity to the electric grid, reflected as "negative" kWh usage, as recorded on the export channel of the customer's SDG&E meter.
- v) "Export Compensation Rate," at times referred to as the Generation Electricity Export Credits ("EEC"),⁹ is defined as the rate or amount at which Exported Electricity will be compensated per kWh. The Export Compensation Rate is based on the CPUC's most recent Avoided Cost Calculator ("ACC"), adopted as of January 1 of the calendar year of the customer's interconnection date. The Generation EEC is based on hourly ACC values, averaged across days in a month for each hour, differentiated by weekdays and weekends/holidays. San Diego Community Power utilizes SDG&E's Generation EEC calculated based on a weighted average of ACC values across its four different climate zones. EEC does not vary between customer classes or technology. The Generation EEC Price is posted on SDG&E's website.
- vi) "Export Credits" are defined as the appropriate credit for any Exported Electricity, based on the Export Compensation Rate multiplied by the amount of Exported Electricity, and any applicable credit surcharges.
- vii) "Export Credit Balance" is defined as when a customer has excess export credits carried into the subsequent billing period, or into the San Diego Community Power true up process at the end of the relevant period.
- viii) "Net Surplus Electricity" is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.
- ix) "Relevant Period" is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E's written approval to begin parallel operation of the REGF PTO for

⁹ The EEC Price is a \$/kWh value which represents the estimated value of exports to the grid. Each year, the EEC Price is calculated using the California Public Utilities Commission ("CPUC") Avoided Cost Calculator ("ACC") approved to be effective as of January 1 of the calculation year (the "vintage year"). For each "vintage year", the EEC Price is calculated for each month of a 9-year horizon period, and it is differentiated by hour (24 hours) and by weekdays and weekend/holidays. In addition, each hourly EEC Price is broken down in two components: (1) the Generation EEC Price (energy, cap and trade and generation capacity) component, and (2) the Delivery Service EEC Price (transmission, distribution, greenhouse adder and methane leakage) component. The current version of the ACC is available at <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/idsm>.

purposes of participating in NBT, and on every subsequent anniversary thereof.

- x) “Aggregated Arrangement” is defined as the single Generating Account and all associated NBT Aggregated Accounts identified by the NBT-A Customer on the NBT-A Form. All Aggregated Accounts in the Aggregated Arrangement must have the same Relevant Period and must be receiving electricity generation service from the same load serving entity.
- xi) “Generating Account” is defined as the account with an associated REGF.
- xii) “NBT Aggregated Account(s)” is defined as the eligible account(s) associated with the eligible meters, as identified by the customer whose load will be aggregated for the purpose of applying NBT-A that are listed on NBT-A Form.

B) Generation Electricity Charges:

As determined in each billing period, Generation Electricity Charges are calculated by multiplying the customer’s Imported Electricity (i.e., electricity consumption from the grid) in kWh by the applicable electricity (commodity) rate components (\$/kWh) in the customer’s applicable San Diego Community Power OAS.

C) Export Credits:

As determined in each billing period, Export Credits are calculated by multiplying the hourly-differentiated customer’s Exported Electricity (i.e., electricity generated and sent to the grid) in kWh by the Export Compensation Rate.¹⁰ The calculated value of such net electricity exports shall be credited to the customer and applied as described in Sections (C) and (F), below.

Export Credits are calculated monthly and can be used to offset currently applicable volumetric (kWh) Generation Electricity Charges (as calculated above) incurred during the billing period but at no point can they offset any SDG&E transmission and delivery charges. Any unused Generation Electricity Export Credits accrued in a given month can be carried forward to offset currently applicable volumetric (kWh) Generation Electricity Charges within the customer’s Relevant Period as described in Section (E). Customers on San Diego Community Power NBT-A will be billed based on no netting of kWh imports (consumption) and kWh exports (excess generation placed on the grid). Generation charges owed to San Diego Community Power net of any eligible credits will be paid by the customer each month and all charges and credits will be trued up at the end of the Relevant Period.

For the first five years of San Diego Community Power’s Schedule NBT-A (“lock-in period”), the Export Compensation Rate will be set annually using a 9-year schedule from the ACC. All customers who interconnect during this five year “lock-in period” will receive a nine-year schedule of Generation ECC set in the year of interconnection as

¹⁰ See <https://sdcommunitypower.org/programs/net-billing-tariff>.

long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer (or an “eligible customer-generator” as defined in SDG&E’s Schedule NBT-A). During the “lock-in period,” these customers will have the Export Compensation Rate derived from the ACC adopted by the CPUC to be in effect as of January 1 of the calendar year of the customer’s Original PTO Date. A new customer moving into a dwelling with an existing generating facility served under SDG&E’s Schedule NBT will not be eligible to retain the Export Compensation Rate associated with the Original PTO Date of the generating facility, with two exceptions as described in SDG&E’s Schedule NBT-A.

Customers may opt out of their nine-year schedule of Generation EEC and receive an Export Compensation Rate that is updated annually based on the most recently adopted ACC. Customers that interconnect during the five-year lock-in period may exit their respective nine-year schedule of Generation EEC, but will not be able to opt back in. Following the five-year lock-in period, Generation EEC for new NBT-A customers will be updated annually on January 1 based on the ACC adopted as of January 1 of that year. Generation EEC will be accrued separately for Delivery under SDG&E and Generation under San Diego Community Power.

D) Monthly Settlement of San Diego Community Power Charges/Credits:

All NBT-A customers will pay monthly for all applicable charges including the fixed charges within the OAS and any additional net charges due to San Diego Community Power and SDG&E. San Diego Community Power will use the aggregated load for the purpose of determining whether an NBT-A Customer is a net consumer or a net producer during the Relevant Period. Load Aggregation customers (for both Generating and Aggregated Accounts) will have net charges due in a given month if the sum of their Import Charges and Export Credits is greater than zero. Each customer will receive a statement as part of their monthly SDG&E bill indicating accrued San Diego Community Power Electricity Charges for Imported Electricity and/or San Diego Community Power Export Credits for Exported Electricity during the current monthly billing cycle. When a customer’s San Diego Community Power credits during the monthly billing cycle result in an accrued credit balance in excess of currently applicable San Diego Community Power Electricity Charges, the value of those credits shall be noted on the customer’s bill and carried over as a bill credit for use in a subsequent billing cycle(s) until the end of the Relevant Period. The electric generation service (for the Generating Account) is billed in the same manner as an NBT customer where the imported electricity in kWh is billed at the OAS and exported electricity in kWh is billed at the EEC with no netting of kWh imports (consumption) and kWh exports (excess generation placed on the grid). The aggregated accounts with only imported electricity in kWh will be billed at the OAS. The monthly allocation percentage of export credits from the Generating Account as applicable to the Aggregated Accounts will be based on the cumulative usage for each Aggregated Account compared with the total cumulative usage for all of the Aggregated Accounts within specific billing cycle in the Relevant Period. SDG&E shall provide the NBT-A

Customer with individual Aggregated Account consumption and allocated generation information with each regular monthly bill. The information shall include the current monetary balance owed to San Diego Community Power for the net energy consumed in the current Relevant Period.

A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable San Diego Community Power Generation Electricity Charges, reducing otherwise applicable Generation Electricity Charges by an equivalent amount to such credits. Any remaining credits reflected on the customer's billing statement shall be carried forward to subsequent billing cycle(s) until either (i) the excess credit is used to satisfy current Generation Electricity Charges, (ii) the customer no longer receives service from San Diego Community Power, or (iii) an annual account true up is performed.

E) San Diego Community Power Annual True Up & Cash Out Processes:

- i) *San Diego Community Power Annual True Up:* At the end of the most recent twelve (12) monthly billing cycles ("Relevant Period") of each NBT-A customer, San Diego Community Power will perform a true up of all active customers. San Diego Community Power will determine whether or not each customer has produced net surplus electricity, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer's commencement of participation in San Diego Community Power's Schedule NBT-A through the end of their Relevant Period, whichever is shorter ("True Up Period") and at each anniversary date thereafter.
 - a. *Net Surplus Compensation ("NSC"):* San Diego Community Power will determine at the time of Annual True Up whether each customer has produced Net Surplus Electricity over the course of the Relevant Period. If a customer has produced Net Surplus Electricity, then San Diego Community Power shall credit such customer an amount that is equal to the monthly Net Surplus Compensation dollar rate per kWh, as defined in Section E.i.b.1, multiplied by the quantity in kWh of Net Surplus Electricity produced by the customer during the Relevant Period, consistent with San Diego Community Power's Annual Cash Out practice in Section E.ii below. The San Diego Community Power monthly NSC Rate is posted to San Diego Community Power's website and updated monthly.
 - 1. San Diego Community Power's NSC Rate is equal to the applicable monthly SDG&E's NSC, which is defined by the CPUC as "a simple rolling average of each utility's Default Load Aggregation Point ("DLAP") price from 7 a.m. to 5 p.m.", and "calculated monthly based on the hourly day-ahead electricity

market price at each utility's DLAP price published on the California Independent System Operator ("CAISO") Open Access Same-Time Information System ("OASIS"), and ending the twentieth day of each month", of the customer true up month plus \$0.0075/kWh.

- ii) *San Diego Community Power Annual Cash Out:* At the end of each customer's relevant period, any current customer who has a Net Surplus Compensation value of \$100 or more that exceeds any outstanding Electricity Charges, will be sent a payment by check via United States Postal Service Mail to the customer's U.S. mailing address on file. Customers receiving direct payment will have an equivalent amount removed from their NBT account balance at the time of their Annual True Up. In the event that customers have a Net Surplus Compensation value that does not exceed \$100, such credit balances will be carried forward into the subsequent Relevant Period(s) to offset future San Diego Community Power Electricity Charges as a Rollover. All NBT-A accounts will be reset to zero kWh annually at the time of the customer's Annual True Up and the only NBT-A credits carried forward on the customer's account will be the Net Surplus Compensation credit balances less than \$100.

Payments will be released up to 60 days after true up billing. Checks will expire 90 calendar days after issuance. If checks expire, customers may request the reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request.

San Diego Community Power reserves the right to work with customers on a case-by-case basis to transfer Net Surplus Electricity credits as applicable.

- iii) *San Diego Community Power Cash Out for Terminations:* Customers who close their electric account through SDG&E, opt out of San Diego Community Power and return to bundled service, and/or move outside of the San Diego Community Power service area prior to the end of their relevant period, shall be trued up according to San Diego Community Power's Annual True Up Process. If applicable, the customer shall receive a refund payment by check for any applicable SBP-V Balance Credit Refund and/or Net Surplus Compensation above any outstanding Electricity Charges if they are determined by San Diego Community Power to have produced Net Surplus Electricity. Payment will be issued via United States Postal Service mail to the customer's U.S. mailing address on file within 60-90 days after final billing to allow for any usage revisions and/or any adjustments from SDG&E.

- iv) Checks will expire 90 calendar days after issuance. If checks expire or are returned to San Diego Community Power, customers may request the one-time reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's

request. After one year, the funds will be considered unclaimed property and turned over to the California State Controller's Office.

SDG&E's SCHEDULE NBT-A:

Customers are subject to all applicable terms and conditions and billing procedures of SDG&E for SDG&E charges as described in SDG&E's Schedule NBT under the NBT Aggregation Special Condition (with the exception of San Diego Community Power OAS charges, which are described in San Diego Community Power's rate schedules). San Diego Community Power may amend this Schedule NBT-A to align with SDG&E's Schedule NBT following CPUC approval of changes and any future amendments to SDG&E's Schedule NBT. San Diego Community Power calculates and applies generation charges and credits on a monthly basis. SDG&E will continue to calculate and apply charges and credits for delivery, transmission, and other services as detailed in SDG&E's NBT Schedule, and San Diego Community Power credits cannot be applied to any SDG&E charges or vice versa.

Please review the SDG&E's Schedule NBT under the NBT Aggregation Special Condition¹¹ for more information.

RETURN TO SDG&E BUNDLED SERVICE:

San Diego Community Power customers participating in San Diego Community Power's NBT-A program may opt out and return to SDG&E's bundled service, subject to any applicable restrictions imposed by SDG&E. Customers who opt out of Community Power service are subject to SDG&E's Schedule NBT-A.

San Diego Community Power will perform a true up of the customer's account in accordance with Section E.iii at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service at the time of enrollment in SDG&E bundled service.

For details concerning opting out of San Diego Community Power service, please contact San Diego Community Power Customer Service by phone at 888-382-0169 or via email at customerservice@sdcommunitypower.org.

MISCELLANEOUS:

The Chief Executive Officer ("CEO") of San Diego Community Power or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer export credits and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

¹¹ See <https://www.sdge.com/solar/solar-billing-plan/solar-billing-plan-aggregation>

Prior Versions:

Date	Action	Resolution No.	Policy No.

SAN DIEGO COMMUNITY POWER

Staff Report - Item 14

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Jen Lebron, Sr. Director of Public Affairs
Xiomalys Crespo, Sr. Community Engagement Manager

Via: Karin Burns, Chief Executive Officer

Subject: Community Advisory Committee Quarterly Report

Date: September 25, 2025

Recommendation

Receive and file the Community Advisory Committee (CAC) quarterly report.

Background

Per Section 5.10.3 of the San Diego Community Power (Community Power) Joint Powers Authority Agreement:

The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee shall be to advise the Board of Directors and provide a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of SDCP.

At the direction of the Board Chair, the CAC provides quarterly presentations to the Board of Directors on the regular agenda and monthly reports on the consent agenda. The last quarterly report was provided during the May 22, 2025 regular Board meeting.

Analysis and Discussion

At the May 22, 2025, regular meeting of the Board of Directors, the CAC presented a summary of CAC activities from February through April. This report summarizes May through August.

May: Member Vasilakis (City of San Diego) chaired his last meeting, in which the CAC received a presentation from the Programs team on Vehicle-Grid Integration. Members had questions around battery warranty, charging fleet inventory and needs from member agencies, program marketing and enrollment strategies, and local automaking presence, with the suggestion of creating partnerships that foster workforce training on emerging technologies. Members also heard an update on the Solar Advantage Program. Members asked about battery inclusion in the solicitation, upfront financing, and collaboration with member agencies to augment project benefits. Member Sclafani (City of Chula Vista), who represents the member agency where the Luminia project is in, congratulated staff for repurposing a community hub previously used for a public good during the pandemic, and asked clarifying questions on the enrollment priority system, encouraging Community Power to take a more collaborative approach with developers that ends up in more community projects that directly benefit the neighboring communities.

June: The CAC held elections for its Fiscal Year 2025-2026 Officers. The results were as follows:

Chair: David Harris (City of La Mesa)

Vice-Chair: Luis Montero-Adams (City of San Diego)

Secretary: Ross Pike (Unincorporated San Diego County)

Members received a joint presentation from the Regulatory and Legislative Affairs and Power Services teams on Tariffs, Tax Credits and Executive Orders: New-Build Market Outlook. The CAC relayed concern around the uncertainty regarding federal tax credits and tariffs and encouraged staff to advocate for alternate ways to incentivize developers, such as expediting permitting processes. The CAC also discussed the Draft Fiscal Year 2025-2026 Operating and Capital Budgets, as well as the Fiscal Year 2026-2030 Capital Improvement Plan. Members asked questions on reserve target timelines, the qualifications of the consultant providing Community Power's enterprise-wide data platform, the Solar Battery Savings program and its implementation, as well as earned media opportunities. Lastly, the CAC recognized and thanked Member Jahns (City of Encinitas) for his service at the Board of Directors at their next regular meeting.

July: The CAC observed a meeting recess in July.

August: The CAC received the quarterly Regulatory and Legislative Affairs Update, in which members relayed concerns around a variety of state bills and encouraged staff to return with additional information about how Federal actions are making an impact on state and local matters. The CAC also received an update on the San Diego Regional Energy Academy, which members lauded as a critical, valuable Community Power initiative that has already made a significant impact on raising the energy knowledge of stakeholders in the region. The CAC also learned about the Results from Clean Prepayment Transaction No. 2. Members had questions about the mechanics of the transaction and how Community Power's long-term power purchase agreements give the agency an opportunity to receive discounts on payment.

As of September 25, 2025, the CAC has two vacancies representing the City of Encinitas and the City of Imperial Beach, as former Member Sandoval resigned from her role in the latter earlier this month. Members of the public must be residents, community leaders, and/or business owners of the respective jurisdictions and may submit their applications electronically. The vacancies are advertised at meetings, community events, and through Community Power's social media.

Fiscal Impact

N/A

Strategic Plan

Public Affairs Goal 1: Establish Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders

Attachments

N/A

SAN DIEGO COMMUNITY POWER

Staff Report - Item 15

To: Board of Directors

From: Dr. Eric Washington, Chief Financial Officer/Treasurer
Christopher Stephens, Procurement Manager

Via: Karin Burns, Chief Executive Officer

Subject: Adoption of Resolution No. 2025-16, Approving Revisions to the Non-Energy Procurement Policy

Date: September 25, 2025

Recommendation

Adoption of Resolution No. 2025-16, approving revisions to the Non-Energy Procurement Policy.

Background

At the July 28, 2022, regular meeting of Community Power's Board of Directors, the non-energy procurement policy for the organization was approved via Resolution No. 2022-09.¹ As outlined then, the policy is intended to be applied to solicitation and contracting for professional services, general services, supplier, and non- power contracts. Community Power has a separate and distinct Energy Risk Management Policy, which provides the procedures whereby power and energy attributes will be procured.

It is the responsibility of staff to periodically review Community Power's policies and ensure that they align with the agency's Mission and Vision,² and scale with the Agency's growth, where feasible.

Analysis and Discussion

Through the earlier part of last year, staff have been collaborating with Community Power's General Counsel to identify and track updates to sections of the Non-Energy Procurement

¹ <https://sdcommunitypower.org/wp-content/uploads/2020/12/00.-Agenda-Packet-7.28.22-2.pdf> (See Agenda Item No. 4).

² <https://sdcommunitypower.org/about/about-sdcp/>

Policy to take to the Board for consideration and approval. Those new sections are found as redlines in attachments to this staff report.

For this regular update, staff recommend the following changes to Community Power's Non-Energy Procurement Policy:

- Clarify sections of the policy for easier reference, including separate sections for competitive procurement, non-competitive procurement, and sole source.
- Clarify Request for Proposals (RFP) and Requests for Qualifications (RFQ) and requirements.
- Require written quotes/bids for contracts greater than \$10K (existing policy allows verbal quotes bids between \$10K and \$49,999.99) and up to \$150K.
- Allow non-competitive procurement for Legal Services.
- Define "emergency" for purposes of non-competitive procurement.
- Further clarify sole-source requirements.
- Add cooperative procurement and piggyback procurement as authorized procurement methods.
- Clarify split purchase requirements.
- Add a section to the policy for bid protests.

In addition, the revisions include minor administrative and formatting updates.

Fiscal Impact

N/A

Committee Review

This item was presented at the Finance and Risk Management Committee meeting on September 18. The Committee members unanimously recommended Board approval of this policy.

Strategic Plan

This policy furthers the Strategic Planning goal of continuing to enhance financial controls and policies to meet or exceed best practices, including contracting, risk management, and procurement.

Attachments

A: Resolution 2025-16, Adopting Updated Community Power Procurement Policy
Exhibit A: Procurement Policy_9.11.25 Update (Clean with proposed Changes)
Exhibit B: Procurement Policy_9.11.25 (Redlined with Proposed Changes)

ITEM 15

ATTACHMENT A

RESOLUTION NO. 2025-16

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, ADOPTING A REVISED NON- ENERGY PROCUREMENT POLICY.

A. San Diego Community Power (“Community Power”) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, as amended (“JPA Agreement”).

B. On April 23, 2020, at the regular meeting of the Community Power Board of Directors, the Board approved Resolution 2020-02, adopting a Procurement Policy related to the procurement of goods and services by Community Power. Community Power’s Procurement Policy establishes formal and informal bidding procedures for Community Power’s procurement of professional services, general services, and supplies, and specifies that Community Power shall comply with the competitive bidding requirements of California law when procuring public works projects.

C. On July 28, 2022, at the regular meeting of the Community Power Board of Directors, the Board approved Resolution 2022-09, adopting revisions to the Community Power Procurement Policy.

D. The Community Power Board of Directors now desires to amend the Procurement Policy to read as set forth in Exhibit A to this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

Section 1. The Board of Directors finds that the foregoing recitals are true and correct and are incorporated herein.

Section 2. The Procurement Policy attached hereto as Exhibit A is incorporated as though fully set forth herein and is hereby adopted as the revised Procurement Policy of Community Power.

Section 3. If any provision of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are severable. The Board of Directors hereby declares that it would have adopted this resolution irrespective of the invalidity of any particular portion thereof.

Section 4. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on September 25, 2025.

AYES:

NOES:

ABSTAIN:

ABSENT:

Terra Lawson-Remer, Chair
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez, MMC, CPMC
Secretary/Clerk of Board of Directors
San Diego Community Power

Veera Tyagi, General Counsel
San Diego Community Power

ITEM 15

EXHIBIT A

Policy	Non-Energy Procurement	Original Adoption Date	April 23, 2020
Approval Date	September 25, 2025	Resolution No.	2025-16

PURPOSE AND SCOPE:

It is in the interest of San Diego Community Power (“Community Power”) to establish procurement practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities, whenever possible, within a framework of high quality and competitive service offerings.

This Non-Energy Procurement Policy (“Policy”) shall not apply to energy procurement or transactions governed by the Energy Risk Management Policy as enacted, adopted or revised from time to time by Community Power’s Board of Directors (“Board”).

POLICY STATEMENT:

1. Procurement of Professional Services

Community Power may contract for professional services, which are services that require expertise and knowledge, including but not limited to consultant, legal, or design services, in its sole discretion. Community Power shall procure professional services in compliance with this Policy. Community Power shall endeavor to secure the highest quality professional services available and is not required to award a contract for services to the lowest-cost proposer.

2. Procurement of General Services

Community Power may contract for general services, which are services that are not professional services, including but not limited to cleaning or maintenance services, in its sole discretion. Community Power shall procure general services in compliance with this Policy. Although Community Power shall not be required to award a contract to the lowest-cost proposer, Community Power shall seek to procure general services at the lowest costs.

3. Procurement of Goods

Community Power shall procure goods, including but not limited to supplies, materials, furnishings, software or equipment, in compliance with this Policy. Although Community Power shall not be required to award a contract to the lowest-cost proposer, Community Power shall seek to procure goods at the lowest costs. Community Power is encouraged to jointly procure goods with other governmental agencies to obtain the lowest cost when possible.

4. Procurement of Public Works Projects

Community Power shall comply with California Public Contract Code Section 20160 *et seq.* and

other applicable laws and regulations when procuring public projects in excess of \$5,000. For purposes of this section, a “public project” shall have the same meaning as defined in Public Contract Code Section 20160, and includes, among other things, projects for the erection, improvement, painting, or repair of public buildings and works.

5. Competitive Procurement Requirements

- a. Contracts Exceeding \$150,000. One of the following methods shall be used for anticipated goods and/or services with an aggregate contract value exceeding \$150,000 over the entire duration of the contract:
 - i. Request for Proposals (“RFP”): An RFP is typically used to procure technical, complex and unique services, and/or when the requirements are qualitative rather than quantitative. A RFP tends to be used when creative or innovative approaches are needed or when Community Power is looking for a customized solution to a problem. An RFP will include, at a minimum, a requirements statement or statement of work; experience, expertise, or qualification criteria; and an evaluation criteria for which a proposal will be evaluated. Proposals will be required to include a detailed explanation of Proposer’s approach, detailed work plans, solutions, or methods, and price/budget, as applicable. All RFPs shall, at a minimum, be posted on Community Power’s website.
 - ii. Request for Qualifications (“RFQ”): An RFQ is typically used to procure goods and/or services when Community Power needs to establish a pool of pre-qualified providers (“PQPs”). The RFQ process is typically used to determine a proposer’s capability to perform specified services and meet stipulated requirements. The RFQ will specify the areas of expertise, experience, or knowledge that Community Power seeks, and, if applicable, the process for a proposer to become a pre-qualified provider in those specified areas. PQPs are then eligible to propose and compete in subsequent task order solicitations when defined scopes of work are identified by Community Power. Subsequent task order solicitations will include scope of work, experience, expertise or qualifications, and evaluation criteria for which proposals will be evaluated against.

Additionally, the RFQ method can be used to award contracts for services that include scopes of work to be authorized on an as-needed basis. All RFQs shall, at a minimum, be posted on Community Power’s website.

- b. Contracts between \$10,000 and \$150,000. For anticipated goods and/or services with an aggregate contract value between \$10,000 and \$150,000 over the entire duration of the contract. Community Power shall obtain written quotes or bids from at least three providers, if feasible. Each quote or bid shall include the provider’s name, address, phone number, professional license

number (if applicable), a description of the work to be performed, and the proposed cost. Public advertising is not required for these solicitations.

6. Non-Competitive Procurement

- a. Contracts Less than \$10,000. For anticipated goods and/or services with an aggregate contract value of less than \$10,000 over the entire duration of the contract, no competitive procurement is required, but staff is directed to seek the lowest cost goods and the highest quality services available. This process shall not be used when it is reasonably foreseeable that additional goods and/or services are anticipated from the same vendor would exceed the \$10,000 threshold in the aggregate, in which case competitive procurement shall be used.
- b. Legal Services. No competitive procurement is required for legal services.
- c. Rent or Lease of Office Space. No competitive procurement is required to rent or lease office space.
- d. Contracting with a Government Agency. No competitive procurement is required for goods and/or services provided by another governmental agency, provided that such agency's procurement is in compliance with California law.
- e. Emergencies. In the event of an emergency, the Chief Executive Officer ("CEO") may suspend the normal purchasing and procurement requirements for goods and/or services related to abatement of the impacts or effects of the emergency. "Emergency" for purposes of this Policy means a situation creating an imminent danger to life or property or other material financial loss that calls for immediate action with inadequate time for a competitive procurement.

7. Sole-Source

The Board or the CEO, as applicable, after consultation with the General Counsel, may waive the competitive procurement requirements in this Policy and procure goods and/or services from a sole source, based upon written documentation justifying a sole-source award as described below, and as allowed by applicable law.

- a. Written justification for a sole-source award must demonstrate that:
 - i. The desired goods and/or services are available from only the sole source based upon one or more of the following reasons: (a) The unique experience and capabilities of the sole source; (b) The project involves the use of proprietary technology from sole source; or (c) The sole source has ownership of key assets required for project performance; or
 - ii. Other circumstances exist which in the determination of the Board or the CEO, as applicable, require such waiver in the best interests of Community Power. Such circumstances may include, but are not limited to: (a) Projects

involving cost sharing by multiple sponsors; (b) Time extension of an existing sole source agreement; or (c) Projects requiring compatibility with existing specialized equipment.

b. The following are not permissible justification for sole source:

- i. Personal preference for product or vendor;
- ii. Cost, vendor performance or local service (the latter may be considered an award factor in competitive procurements);
- iii. Features that exceed the minimum requirements for the goods and/or services; or
- iv. The length of time needed to conduct a competitive procurement is inconvenient.

8. Additional Authorized Procurement Methods

- a. Cooperative Procurement. Cooperative Procurement refers to the combining of requirements of two or more government agencies to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, the reduction of administrative time and expenses, or some combination thereof. Community Power may use Cooperative Procurement when the use of it enhances operational efficiencies and demonstrates potential cost savings for Community Power, including transaction costs.
- b. Piggyback Procurement. Piggyback Procurement is a type of Cooperative Procurement, and it refers to a government agency's use of an existing competitively awarded contract from another government agency to form its own contract directly with that vendor to purchase goods and/or services on the same or similar terms. Community Power may use Piggyback Procurement when such a procurement enhances operational efficiencies and demonstrates potential cost savings for Community Power, including transaction costs.

9. RFP/RFQ Proposal Evaluation

- a. Responses received through an RFP or RFQ shall be subject to a set of criteria and a scoring system, reviewed and evaluated by relevant Community Power staff and an evaluation committee selected by the CEO or, at the discretion of the Board, members of a designated Board committee. Responses received shall be evaluated based on competency to perform the scope of work, best fit, price competitiveness, and other additional criteria pursuant to Community Power's Inclusive and Sustainable Workforce Policy. The preferences below may not apply to procurements conducted jointly with other public agencies, and shall not apply when prohibited by state or federal statutes or regulations

that require award to the lowest responsible bidder. Proposers may only pursue two of the four preferences.

- i. Businesses with office(s) located in San Diego County and include at least 25% San Diego County residents under their employment shall receive a bonus of up to 5 points or 5% out of a 100-point scoring system in competitive solicitations. To receive the preference, a proposer must submit written information relating to the location of its office(s) in San Diego County and the percentage of San Diego County residents under its employment.
 - ii. Businesses certified as disabled veteran business enterprises by the Supplier Clearinghouse (thesupplierclearinghouse.com) shall receive a bonus of up to 5 points or 5% out of a 100-point scoring system in competitive solicitations. To receive the preference, a proposer must submit proof of current, valid certification by the Supplier Clearinghouse. Such proof shall be subject to verification by Community Power.
 - iii. Businesses certified as a Persons with Disabilities business enterprise by the Supplier Clearinghouse or Disability:IN shall receive a bonus of up to 5% or 5 points out of a 100 point scoring system in competitive solicitations. To receive the preference, a proposer must submit proof of current, valid certification by the Supplier Clearinghouse or Disability:IN. Such proof shall be subject to verification by Community Power.
 - iv. Businesses certified as small business by the Department of General Services shall receive a bonus of up to 5% or 5 points out of a 100- point scoring system in competitive solicitations. To receive the preference, a proposer must submit proof of current, valid certification by the Department of General Services. Such proof shall be subject to verification by Community Power.
- b. Community Power is committed to the highest standards of responsible behavior and integrity in all of its business relationships. Community Power will consider an organization's business practices, environmental record, and commitment to fair employment practices and compensation in its procurement decisions.

10. Amendments.

- a. For non-Board-approved contracts with an original value less than \$10,000, amendments may be authorized to increase the aggregate contract value up to \$10,000.
- b. For non-Board-approved contracts with an original value between \$10,000

and \$150,000 that were procured in accordance with Section 5 of this Policy, amendments may be authorized to increase the aggregate contract value up to \$150,000.

- c. For Board-approved contracts, amendments may be authorized to increase the aggregate contract value by up to an additional \$150,000 or 10% of the original contract value, whichever is greater, without Board approval. Amendments exceeding these values shall require Board approval. The contract amendments shall be reported at the next regular Board meeting.

11. General Provisions. The provisions below shall apply to all methods of procurement described above.

- a. All awards resulting from solicitations conducted in accordance with this Policy shall be documented in a written agreement. Execution of such agreements shall be effectuated in accordance with Community Power's Delegated Authority Policy.
- b. The Board may, consistent with applicable law, waive one or more purchasing procedures in this Policy in its sole discretion.
- c. The Board designates the CEO as Community Power's purchasing agent. As the purchasing agent for Community Power, the CEO is hereby authorized on behalf of Community Power to (i) purchase Goods; (ii) rent furnishings and equipment; (iii) contract for Services, Professional Services, or Legal Services, or (iv) procure Public Works projects, as provided herein. The CEO may further delegate this authority in the CEO's discretion.
- d. The CEO, at their discretion, may direct Community Power to use competitive procurement for anticipated goods and/or services with an aggregate contract value of \$150,000 or less for a contract term.
- e. When procuring goods and/or services utilizing state or federal funds (e.g., grant or loan funds), Community Power shall comply with all state and federal project requirements in securing any goods or services necessary. If there is a conflict between the foregoing, the more restrictive requirements shall apply.
- f. Community Power shall not be required to award a contract to purchase goods or services from the lowest responsible bidder, unless required by California law.
- g. A contract shall not split purchases into more than one purchase in order to avoid the Competitive Procurement Requirements in this Policy. If it is reasonably foreseeable that similar goods and/or services are anticipated from a vendor that would have an aggregate value of \$10,000 or more, the competitive procurement requirements of this Policy shall apply.
- h. No Community Power officer or employee shall accept, directly or indirectly, any gift, rebate, money or anything of value from any person or entity if such gift,

rebate, money or anything of value is intended to reward or be an inducement for conducting business, placing orders with, or otherwise using the officer's or employee's position to secure a contract with Community Power.

12. Protests

- a. Protest Regarding Solicitation – an interested party that is an actual or prospective proposer with a direct economic interest in the procurement may submit a protest in writing relating to the form or content of a solicitation to Community Power's Procurement Manager at least five (5) business days before the deadline to submit proposals.
- b. Protest Regarding Award of Contract – a proposer may submit a protest in writing regarding the award of a contract to Community Power's Procurement Manager no later than five (5) business days after proposer receives notification of non-award.
- c. Protest Contents – For the protest to be valid, it must: clearly identify the procurement action being protested; specify, in detail, the factual and legal grounds for the protest, including identifying the specific provisions of the solicitation, rules, regulations or laws upon which the protest is based; include all relevant, supporting documentation with the protest at the time of filing; identify the specific relief requested; and include the name, mailing, address, telephone number and email address of the person representing the protester. Any matters not set forth in the protest shall be deemed waived.
- d. Community Power Review – upon receipt of a valid and timely protest, Community Power will investigate the protest and will provide a written response to the protester within a reasonable time. If necessary, the CEO at their sole discretion may extend the deadline to submit proposals to allow for a reasonable time to review the protest. The CEO at their sole discretion may elect to withhold contract execution until the protest is resolved or denied, or proceed with contract execution while the review is pending. If the protest is upheld, the CEO will consider all circumstances surrounding the procurement in their decision for a fair and reasonable remedy, including the degree of prejudice to the protester or to the integrity of the competitive procurement process, the urgency of the procurement, the extent of performance if the contract has already been executed, the cost to Community Power, and the impact of the proposed remedy. The remedy may include, but is not limited to, reissuance of the solicitation, revised evaluation of the proposals, or termination of the contract.
- e. Exclusive Remedy – The procedure set forth in this Policy is mandatory. Failure by a protester to comply with the procedure for protests will constitute a waiver of any right to pursue the protest, including the filing of a claim under the relevant

Government Code section or initiating legal proceedings. In no event will a protest be considered if all proposals are rejected or no contract is awarded. If Community Power determines that the protest is frivolous, the protester may be deemed ineligible for future contract awards.

13. Nondiscrimination Contract Clause

Each Community Power contract and subcontract shall contain a nondiscrimination clause that reads substantially as follows:

“Contractor shall not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in subcontracting opportunities.”

14. Information on Supplier Diversity

Public Utilities Code Section 366.2(m) requires certain community choice aggregators, including Community Power, to annually submit to the California Public Utilities Commission (CPUC): (1) a detailed and verifiable plan for increasing procurement from small, local, and diverse business enterprises; and (2) a report regarding its procurement from women, minority, disabled veteran, and LGBT business enterprises.

General Order 156 (GO 156), adopted by the CPUC, requires certain California public utilities to engage in outreach activities and meet specific procurement goals from women, minority, disabled veteran, persons with disabilities, and LGBT business enterprises. Qualified businesses become GO 156 certified through the CPUC and are then added to the GO 156 Supplier Clearinghouse database (www.thesupplierclearinghouse.com).

To assist Community Power with its reporting obligations under Public Utilities Code Section 366.2(m) and with evaluating its supplier outreach and other activities, proposers that are awarded the contract will be asked to voluntarily disclose their certification status with the CPUC Clearinghouse, as well as their efforts to work with diverse business enterprises, including WBEs, MBEs, DVBES, and LGBTBEs.

Except as otherwise expressly provided under this Policy and/or required by applicable state or federal law or funding requirements (including, without limitation, any grant or loan conditions), Community Power shall not use any demographic information received from potential vendors in any way as part of its decision-making or selection process. Rather, Community Power will use such information solely for compliance with its reporting obligations to the CPUC and evaluation of Community Power’s outreach and other activities consistent with applicable law. Pursuant to Article I, Section 31 of the California Constitution, Community Power shall not discriminate against or give preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin except as

otherwise allowed therein.

15. Signing Authority

Community Power's CEO and designated staff are authorized to execute contracts and related documents in accordance with Community Power's Delegated Contract and Signature Authority Policy, as enacted, adopted or revised from time to time by the Board.

16. Review and Approval as to Form by General Counsel

All Community Power agreements must be approved as to the form and content by the General Counsel or his/her designee prior to signature by any authorized individual.

Prior Versions:

Date	Action	Resolution No.	Policy No.
April 23, 2020	Adopted	2020-02	N/A
July 28, 2022	Update	2022-09	2022-11

ITEM 15

EXHIBIT B



San Diego Community Power **Non-Energy Procurement Policy**

Effective Date: ~~June 26, 2025-~~

Adopted/Amended by: Resolution 2025-XX

Previous Version: July 28, 2022

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Purpose

It is in the interest of San Diego Community Power ("**Community Power**") to establish ~~administrative~~ procurement practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities, whenever possible, within a framework of high quality, ~~and~~ competitive service offerings.

~~This policy~~ **Non-Energy Procurement Policy** ("**Policy**") shall not apply to energy procurements or transactions governed by the Energy Risk Management Policy as enacted, adopted or revised from time to time by Community Power's Board of Directors ("**Board**").

Policy

1. Procurement of Professional Services

~~SDCP~~**Community Power** may contract for professional services, ~~which are services that focus on~~ **require expertise and knowledge**, including but not limited to ~~consultant~~**consultants**, legal, or design services, in its sole discretion. ~~SDCP~~**Community Power** shall procure professional services in compliance with ~~the Competitive Procurement Requirements in Section 5 of~~ this Policy. ~~SDCP~~**Community Power** shall endeavor to secure the highest quality professional services available and is not required to award a contract for services to the lowest ~~cost~~ proposer.

2. Procurement of General Services

~~SDCP~~**Community Power** may contract for general services, ~~which are services that are not professional services~~, including but not limited to cleaning or maintenance services, in its sole discretion. ~~SDCP~~**Community Power** shall procure general services in compliance with ~~the Competitive Procurement Requirements in Section 5 of~~ this Policy. Although ~~SDCP~~**Community Power** shall not be required to award ~~a contract~~ to the lowest ~~cost~~ proposer, ~~SDCP staff~~**Community Power** shall seek to procure general services at the lowest costs.

3. Procurement of ~~Supplies~~Goods

~~SDCP~~**Community Power** shall procure ~~goods, including but not limited to~~ **supplies, materials, furnishings, software or equipment**, in compliance with ~~the Competitive Procurement Requirements in Section 5 of~~ this Policy. Although ~~SDCP~~**Community Power** shall not be required to award ~~a contract~~ to the lowest ~~cost~~ proposer, ~~SDCP staff~~**Community Power** shall

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seek to ~~purchase supplies~~procure goods at the lowest costs. ~~SDCPCommunity Power~~ is encouraged to jointly procure ~~supplies~~goods with other governmental agencies to obtain the lowest cost when possible. ~~In the event one or more SDCP employees are designated as purchasing agents, those individuals shall be included in SDCP's Conflict of Interest Code as persons who must file an annual statement of economic interest.~~

4. Procurement of Public Works Projects

~~SDCPCommunity Power~~ shall comply with California Public Contract Code Section 20160 *et seq.* and other applicable laws and regulations when procuring public projects in excess of \$5,000. For purposes of this section, a "public project" shall have the same meaning as defined in Public Contract Code Section 20160, and includes, among other things, projects for the erection, improvement, painting, or repair of public buildings and works.

5. Competitive Procurement Requirements

a. ~~Formal Bidding~~. ~~SDCP shall issue a request~~Contracts Exceeding \$1250,000. One of the following methods shall be used for proposals (RFP), a request for qualifications (RFQ), or similar competitive instrument for the purchase of anticipated goods and/or services in excesswith an aggregate contract value exceeding \$12550,000 over the entire duration of the contract, or for any contract(s) with a single vendor for similar goods and/or services exceeding \$125,000 in any given contract year or term. ~~fiscal year, and responses received shall be subject to Section 9 — Evaluation of Responses to RFPs/RFQs of this Policy.~~

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i. ~~Request for Proposals shall be~~ ("RFP"): An RFP is typically used to procure technical, complex and unique services, ~~when creative or innovative approaches are needed, and/or when the requirements are qualitative rather than quantitative.~~ A RFP tends to be used when creative or innovative approaches are needed or when Community Power is looking for a customized solution to a problemwhere performance of services is anticipated to be ongoing in nature. An RFP will include, at a minimum, a requirements statement or statement of work; experience, expertise, or qualification criteria; and an evaluation criteria for which a proposal will be evaluated in accordance with Section 7 of this Policy. ~~These contracts are subject to Board approval before final execution. Proposals will be required to include a detailed explanation of Proposer's approach, detailed work plans, solutions, or methods, and price/budget, as applicable. All RFPs shall, at a minimum, be posted on Community Power's website.~~

~~a. Informal Bidding Procedures:~~

ii. ~~Request for Qualifications ("RFQ"):~~ An RFQ is typically used to procure goods and/or services when Community Power needs to establish a pool of pre-qualified providers ("PQPs"). The RFQ process is typically used to determine a proposer's capability to perform specified services and meet stipulated requirements, ~~procure distinct, stand-alone, or discrete projects having a specified deadline, or for services ordered or used by Community Power on a routine basis.~~ The RFQ will specify the areas of expertise,

~~experience, or knowledge that Community Power seeks, and, if applicable, the process for a proposer to become a pre-qualified provider in those specified areas. All RFQs shall, at a minimum, be posted on Community Power's website. PQPs are then eligible to participatepropose and compete in subsequent task order solicitations when defined thascopes of work are identified byt Community Power. Subsequent task order solicitations will include scope of work, experience, expertise or qualifications, and evaluation criteria for which proposals will be evaluated against.~~

~~may issue from time to time for the relevant good and/or service and sign a Master Agreement if awarded the task order. Additionally, the RFQ method can be used to award contracts for services that include scopes of work to be authorized on an as-needed basis. All RFQs shall, at a minimum, be posted on Community Power's website.~~

- b. ~~Contracts between \$10,000 and \$12550,000. For contracts valued between \$50,000 and \$124,999.99, staff anticipated goods and/or services with an aggregate contract value between \$10,000 and \$12550,000 over the entire duration of the contract, or for any contract with a single vendor totaling between \$10,000 and \$125,000 in any given fiscal year. Community Power shall solicitobtain informal-written proposalsquotes or bids from at least three providers, if feasible. An informal-written proposal consists of a written proposal that includesEach quote or bid shall include the provider's name, address, phone number, professional license number (if applicable), a description of the work to be performed, and the amount of the proposal. A written proposal may be in an electronic formatproposed cost. Public advertising is not required for these solicitations.~~

6. Non-Competitive Procurement

- i. ~~Contracts Less than \$10,000. For contracts valued between \$10,000 and \$49,999.99, staff shall solicit informal verbal proposals from at least three providers. Staff shall note the three verbal proposals by including the provider's name, address, phone number, and amount of the verbal proposal in SDCP's records.~~
- ii. ~~For contracts valued at anticipated goods and/or services with an aggregate contract value of less than \$10,000, no formal or informal proposals shall be over the entire duration of the contract, or for any contract with a single vendor totaling less than \$10,000 in any given fiscal year. nNo competitive procurement is required, but SDCP staff is directed to seek the lowest cost suppliesgoods and the highest quality services available.~~
- iii. ~~The Chief Executive Officer ("CEO"), at his or her discretion, may direct that SDCP solicit competitive procurements through the formal bidding. This process for contracts under \$125,000.~~

6. General Provisions. The provisions below shall apply to all methods of procurement

Adopted April 23, 2020 | Amended July 28, 2022

~~described above.~~

~~iv. When procuring shall not be used when it is reasonably foreseeable that additional goods and/or services utilizing state or federal funds (e.g., grant or loan funds), SDCP shall comply with all state or federal project requirements in securing any goods or services necessary. If there is conflict between the foregoing, the more restrictive requirements shall apply.~~

~~v. SDCP shall not be required to award a contract to purchase goods or services are anticipated from the lowest responsible bidder, unless required by California law.~~

- a. ~~No SDCP officer or employee shall split purchases into more than one purchases same vendor which would exceed the \$10,000 threshold in the aggregate, in order to avoid the Competitive Procurement Requirements in this Policy which case competitive procurement shall be used.~~

~~vi. No SDCP officer or employee shall accept, directly or indirectly, any gift, rebate, money or anything else of value from any person or entity if such gift, rebate, money or anything of value is intended to reward or be an inducement for conducting business, placing orders with, or otherwise using the officer's or employee's position to secure a contract with SDCP.~~

~~b. Exceptions to Competitive Procurement Requirements:~~

~~i. The Board of Directors may, consistent with applicable law, waive one or more purchasing procedures in this Policy and/or use sole source procurement in its sole discretion.~~

~~ii. Based on the unique facts or circumstances described below and a written justification retained in SDCP's records, the CEO, after consultation with the General Counsel, may waive one or more purchasing procedures in this Policy and/or use sole source procurement if the CEO determines that the best interests of SDCP are served; provided, however, that such method is not in violation of applicable law or policy.~~

~~Sole source purchasing is authorized when the goods or services contemplated are capable of being supplied or performed by a sole provider, such as the holder of an exclusive patent or franchise, for purchase of unique or innovative goods or services including but not limited to computer software and technology, or for purchases of goods or services when there is a demonstrated need for compatibility with an existing item or service. Sole source procurement may also be utilized when it is apparent that a needed product or service is uniquely available from the source, or for all practical purposes, it is justifiably in the best interest of SDCP to utilize sole source procurement. The following factors shall not apply to sole source procurements and shall not be included in the sole source justification: personal preference for product or vendor; cost; vendor performance, or local service (this may be considered an~~

award factor in competitive procurements); features that exceed the minimum requirements for the goods or services; explanation of the actual need and basic use for the equipment, unless the information relates to a request for unique factors.

b. Legal Services. No competitive procurement is required for legal services.

b-c. Rent or Lease of Office Space or Office Equipment. No competitive procurement shall be required for goods to rent or services valued at less than \$10,000 in any one contract term lease office space or contract year office equipment.

iii. Contracting with a Government Agency. No competitive procurement shall be required to rent or lease equipment.

c-d. Competitive procurement shall not be required when the contract for goods and/or services will be provided by another governmental agency. SDCP can rely on the competitive procurement process provided by another governmental agency, provided that such agency's procurement is in compliance with California law.

d-e. Emergencies. In the event of an emergency, the Chief Executive Officer ("CEO") may suspend the normal purchasing and procurement requirements for goods and/or services related to abatement of the impacts or effects of the emergency. "Emergency" for purposes of this Policy means a situation creating an imminent danger to life or property or other material financial loss that calls for immediate action with inadequate time for a competitive procurement.

7. Signing Authority:

8. SDCP's CEO and designated staff are authorized to execute contracts and related documents in accordance with SDCP's Delegated Contract Authority Policy.

7. Sole-Source

The Board or the CEO, as applicable, after consultation with the General Counsel, may waive the competitive procurement requirements in this Policy and procure goods and/or services from a sole source, based upon written documentation justifying a sole-source award as described below, and as allowed by applicable law.

a. Written justification for a sole-source award must demonstrate that:

i. The desired goods and/or services are available from only the sole source based upon one or more of the following reasons: (a) The unique experience and capabilities of the sole source; (b) The project involves the use of proprietary technology from sole source; or (c) The sole source has ownership of key assets required for project performance; or

ii. Other circumstances exist which in the determination of the Board or the CEO, as applicable, require such waiver in the best interests of Community Power. Such circumstances may include, but are not limited to: (a) Projects involving cost sharing by multiple sponsors; (b) Time extension of an

existing sole source agreement; or (c) Projects requiring compatibility with existing specialized equipment.

b. The following are not permissible justification for sole source:

- i. Personal preference for product or vendor;
- ii. Cost, vendor performance or local service (the latter may be considered an award factor in competitive procurements);
- iii. Features that exceed the minimum requirements for the goods and/or services; or
- iv. The length of time needed to conduct a competitive procurement is inconvenient.

8. Additional Authorized Procurement Methods

- a. Cooperative Procurement. Cooperative Procurement refers to the combining of requirements of two or more government agencies to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, the reduction of administrative time and expenses, or some combination thereof. Community Power may use Cooperative Procurement when the use of it enhances operational efficiencies and demonstrates potential cost savings for Community Power, including transaction costs.
- b. Piggyback Procurement. Piggyback Procurement is a type of Cooperative Procurement, and it refers to a government agency's use of an existing competitively awarded contract from another government agency to form its own contract directly with that vendor to purchase goods and/or services on the same or similar terms. Community Power may use Piggyback ~~Recruitment~~Procurement when such a procurement enhances operational efficiencies and demonstrates potential cost savings for Community Power, including transaction costs.

9. RFP/RFQ ~~Issuance and~~ Proposal Evaluation

- a. ~~Proposals~~Responses received through ~~formal bidding procedures~~an RFP or RFQ shall be subject to a set of criteria and a scoring system, reviewed and evaluated by relevant ~~SDCP~~Community Power staff and an evaluation committee selected by the CEO or, at the discretion of the Board, members of a designated Board committee. ~~Proposals~~Responses received shall be evaluated based on competency to perform the scope of work, best fit, price competitiveness, ~~compliance with subsections i (San Diego County Preference) and ii (Other Preferences) below,~~ and other additional criteria ~~added~~ pursuant to ~~SDCP's~~Community Power's Inclusive and Sustainable Workforce Policy. The preferences below may not apply to procurements conducted jointly with other public agencies, and shall not apply when prohibited by state or federal statutes or regulations that require award to the lowest responsible bidder. Proposers may only pursue two of the four preferences.

Adopted April 23, 2020 | Amended July 28, 2022

- i. Businesses with office(s) located in San Diego County and include at least 25% San Diego County residents under their employment shall receive a bonus of up to 5 points or 5% out of a 100-point scoring system in competitive solicitations. To receive the preference, a proposer must submit written information relating to the location of its office(s) in San Diego County and the percentage of San Diego County residents under its employment.
- ii. Businesses certified as disabled veteran business enterprises ~~as~~ by the Supplier Clearinghouse (~~thesupplierclearinghouse.com~~thesupplierclearinghouse.com) shall receive a bonus of up to 5 points or 5% out of a 100-point scoring system in competitive solicitations. To receive the preference, a proposer must submit proof of current, valid certification by the Supplier Clearinghouse. Such proof shall be subject to verification by Community Power.
- iii. Businesses certified as a Persons with Disabilities business enterprise by the Supplier Clearinghouse or Disability:IN shall receive a bonus of up to 5% or 5 points out of a 100 point scoring system in competitive solicitations. To receive the preference, a proposer must submit proof of current, valid certification by the Supplier Clearinghouse or Disability:IN. Such proof shall be subject to verification by SDCPCommunity Power.
- iv. Businesses certified as small business by the Department of General Services shall receive a bonus of up to 5% or 5 points out of a 100- point scoring system in competitive solicitations. To receive the preference, a proposer must submit proof of current, valid certification by the Department of General Services. Such proof shall be subject to verification by SDCPCommunity Power.
- b. SDCPCommunity Power is committed to the highest standards of responsible behavior and integrity in all of its business relationships. SDCPCommunity Power will consider an organization's ~~company's~~ business practices, environmental record, and commitment to fair employment practices and compensation in its procurement decisions.

10. Amendments.

- a. For non-Board-approved contracts with an original value less than \$10,000, amendments may be authorized to increase the aggregate contract value up to \$10,000.
- b. For non-Board-approved contracts with an original value between \$10,000 and \$150,000 that were procured in accordance with Section 5 of this Policy, amendments may be authorized to increase the aggregate contract value up to \$150,000.
- b-c. For Board-approved contracts, amendments may be authorized to increase the aggregate contract value by up to an additional \$150,000 or 10%

Adopted April 23, 2020 | Amended July 28, 2022

of the original contract value, whichever is greater, without Board approval. Amendments exceeding these values shall require Board approval. The contract amendments shall be reported at the next regular Board meeting.

11. General Provisions. The provisions below shall apply to all methods of procurement described above.

- a. All awards resulting from solicitations conducted in accordance with this Policy shall be documented in a written agreement. Execution of such agreements shall be effectuated in accordance with ~~San Diego~~ Community Power's Delegated Authority Policy.
- b. The Board may, consistent with applicable law, waive one or more purchasing procedures in this Policy in its sole discretion.
- c. The Board designates the ~~Chief Executive Officer ("CEO")~~ as Community Power's purchasing agent. As the purchasing agent for Community Power, the CEO is hereby authorized on behalf of Community Power to (i) purchase Goods; (ii) rent furnishings and equipment; (iii) contract for Services, Professional Services, or Legal Services, or (iv) procure Public Works projects, as provided herein. The CEO may further delegate this authority in the CEO's discretion.
- d. The CEO, at ~~their~~^{his or her} discretion, may direct Community Power to use competitive procurement for anticipated goods and/or services with an aggregate contract value of ~~\$125~~^{\$50},000 or less for a contract term.
- e. When procuring goods and/or services utilizing state or federal funds (e.g., grant or loan funds), Community Power shall comply with all state ~~and~~ federal project requirements in securing any goods or services necessary. If there is a conflict between the foregoing, the more restrictive requirements shall apply.
- f. Community Power shall not be required to award a contract to purchase goods or services from the lowest responsible bidder, unless required by California law.
- g. A contract shall not split purchases into more than one purchase in order to avoid the Competitive Procurement Requirements in this Policy. If it is reasonably foreseeable that similar goods and/or services are anticipated from a vendor that would have an aggregate value of \$10,000 or more, the competitive procurement requirements of this Policy shall apply.
- h. No Community Power officer or employee shall accept, directly or indirectly, any gift, rebate, money or anything of value from any person or entity if such gift, rebate, money or anything of value is intended to reward or be an inducement for conducting business, placing orders with, or otherwise using the officer's or employee's position to secure a contract with Community Power.
- i. ~~To execute contract amendments to increase the aggregate contract price of Board approved non energy contracts by up to the greater of \$150,000 or 10% of the original contract price, over the life of the contract. The contract amendments shall be reported at the next regular Board meeting.~~

12. Protests

- a. Protest Regarding Solicitation – an interested party that is an actual or prospective proposer with a direct economic interest in the procurement may submit a protest in writing relating to the form or content of a solicitation to Community Power's Procurement Manager at least five (5) business days before the deadline to submit proposals.
- b. Protest Regarding Award of Contract – a proposer may submit a protest in writing regarding the award of a contract to Community Power's Procurement Manager no later than five (5) business days after proposer receives notification of non-award.
- c. Protest Contents – For the protest to be valid, it must: clearly identify the procurement action being protested; specify, in detail, the factual and legal grounds for the protest, including identifying the specific provisions of the solicitation, rules, regulations or laws upon which the protest is based; include all relevant, supporting documentation with the protest at the time of filing; identify the specific relief requested; and include the name, mailing, address, telephone number and email address of the person representing the protester. Any matters not set forth in the protest shall be deemed waived.
- d. Community Power Review – upon receipt of a valid and timely protest, Community Power will investigate the protest and will provide a written response to the protester within a reasonable time. If necessary, the CEO at their sole discretion may extend the deadline to submit proposals to allow for a reasonable time to review the protest. The CEO at their sole discretion may elect to withhold contract execution until the protest is resolved or denied, or proceed with contract execution while the review is pending. If the protest is upheld, the CEO will consider all circumstances surrounding the procurement in their decision for a fair and reasonable remedy, including the degree of prejudice to the protester or to the integrity of the competitive procurement process, the urgency of the procurement, the extent of performance if the contract has already been executed, the cost to Community Power, and the impact of the proposed remedy. The remedy may include, but is not limited to, reissuance of the solicitation, revised evaluation of the proposals, or termination of the contract.
- e. Exclusive Remedy – The procedure set forth in this Policy is mandatory. Failure by a protester to comply with the procedure for protests will constitute a waiver of any right to pursue the protest, including the filing of a claim under the relevant Government Code section or initiating legal proceedings. In no event will a protest be considered if all proposals are rejected or no contract is awarded. If Community Power determines that the protest is frivolous, the protester may be deemed ineligible for future contract awards.

40.13. Nondiscrimination Contract Clause

Adopted April 23, 2020 | Amended July 28, 2022

Each ~~SDCP~~Community Power contract and subcontract shall contain a nondiscrimination clause that reads substantially as follows:

“Contractor shall not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in subcontracting opportunities.”

~~14.14.~~ Information on Supplier Diversity

Public Utilities Code Section 366.2(m) requires certain community choice aggregators, including ~~SDCP~~Community Power, to annually submit to the California Public Utilities Commission (CPUC): (1) a detailed and verifiable plan for increasing procurement from small, local, and diverse business enterprises; and (2) a report regarding its procurement from women, minority, disabled veteran, and LGBT business enterprises.

General Order 156 (GO 156), adopted by the ~~California Public Utilities Commission (CPUC)~~CPUC, requires certain California public utilities to engage in outreach activities and meet specific procurement goals from women, minority, disabled veteran, persons with disabilities, and LGBT business enterprises. Qualified businesses become GO 156 certified through the CPUC and are then added to the GO 156 Supplier Clearinghouse database (www.thesupplierclearinghouse.com).

To assist SDCPCommunity Power with its reporting obligations under Public Utilities Code Section 366.2(m) and with evaluating its supplier outreach and other activities, proposers that are awarded the contract will be asked to voluntarily disclose their certification status with the CPUC Clearinghouse, as well as their efforts to work with diverse business enterprises, including WBEs, MBEs, DVBes, and LGBTBEs.

Except as otherwise expressly provided under this Policy and/or required by applicable state or federal law or funding requirements (including, without limitation, any grant or loan conditions), SDCPCommunity Power shall not use any demographic information received from potential vendors in any way as part of its decision-making or selection process. Rather, SDCPCommunity Power will use such information solely for compliance with its reporting obligations to the CPUC and evaluation of SDCP'sCommunity Power's outreach and other activities consistent with applicable law. Pursuant to Article I, Section 31 of the California Constitution, SDCPCommunity Power shall not discriminate against or give preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin except as otherwise allowed therein.

15. Signing Authority

2. ~~Procurement of Power~~Community Power's CEO and ~~Energy Attributes~~

~~SDCP must secure sufficient power resourcesdesignated staff are authorized to execute contracts and energy attributes to serve its customers, complyrelated documents in accordance with State law, and meet SDCP's and its member agencies' goals. SDCP hasCommunity Power's Delegated Contract and Signature Authority Policy, as enacted, adopted an Energy Risk Management Policy authorizing certain SDCP staff or revised from time to enter into power purchase agreements and other agreements to secure power and energy attributes. This Procurement Policy shall not apply totime by the acquisition of power or energy attributesBoard.~~

12.16. Review and Approval as to Form by General Counsel

All SDCPCommunity Power agreements must be approved as to the form and content by the General Counsel or his/her designee prior to signature by any authorized individual.

SAN DIEGO COMMUNITY POWER

Staff Report - Item 16

To: Board of Directors

From: Dr. Eric Washington, Chief Financial Officer/Treasurer
Christopher Stephens, Procurement Manager

Via: Karin Burns, Chief Executive Officer

Subject: Adoption of Resolution No. 2025-17, Approving Revisions to the Delegated Contract Authority Policy and Rescinding Resolution No. 2022-10

Date: September 25, 2025

Recommendation

Adoption of Resolution No. 2025-17, approving revisions to the delegated contract authority policy and rescinding Resolution No. 2022-10.

Background

At the February 27, 2020, regular meeting of Community Power's Board of Directors, the Board adopted a Delegated Contract Authority Policy via Resolution No. 2020-01. The policy delegates the execution of contracts of up to \$125,000 for goods and services to the Chief Executive Officer (CEO) and to allow the CEO the authority to delegate signature authority for purchases up to the amount of \$50,000. The policy also includes certain conditions, such as ensuring the funding for the contract is appropriated, budgeted, and appropriately reviewed and approved by the General Counsel. Lastly, the delegation allows the CEO to exercise all rights and powers specified under the contract as belonging to Community Power, for all contracts, including those that are Board-approved. It is the responsibility of staff to periodically review Community Power's policies and ensure that they align with the agency's Mission and Vision, and scale with the Agency's growth, where feasible. Staff have reviewed the policy and is proposing certain revisions.

On September 22, 2022, the Board adopted Resolution No. 2022-10 to delegate signature authority from the CEO to the Chief Financial Officer or the Managing Director, Power Services, in the absence of the Chief Executive Officer. This resolution excludes the Chief Operating Officer and does not reflect the current title of another executive. This policy updates this resolution by instead delegating the signature authority, in the absence of the

CEO, to any member of the executive team, excluding the General Counsel who approves as to form and content.

Analysis and Discussion

Through the earlier part of last year, staff have been collaborating with Community Power's General Counsel to review existing policies and identify areas for further clarification and development. Through this effort, it was identified that the following updates would provide additional organization clarity:

- To delegate to the CEO, or their designee, the authority to execute non-dollar value agreements, excluding memoranda of understanding with federal, state, and local governments, which shall be retained by the Board.
- To allow Community Power staff to apply for grant funding but reserve the authority to accept and receive grants with the Board.
- To delegate the CEO's signature authority to any member of the executive team in the absence of the CEO, except the General Counsel who approves as to form and content.
- Consistent with the amendments proposed for the Non-Energy Procurement Policy, to increase the delegated contract authority to the CEO from \$125,000 to \$150,000.
- Renaming the policy from Delegated Contract Authority Policy to Delegated Contract and Signature Authority Policy.
- To include additional clarifying and administrative edits.

Staff are seeking approval to update the existing policy with these changes and to rename the policy to recognize the broader signature authority for non-dollar value agreements. Staff are also seeking to rescind Resolution No. 2022-10 because that resolution is outdated and the updated delegation from that Resolution is now in this policy for consistency and clarity. Those new sections are found as redlines in attachments to this staff report.

Fiscal Impact

N/A

Committee Review

This item was presented at the Finance and Risk Management Committee meeting on September 18. Committee members unanimously recommended Board approval of this policy.

Strategic Plan

This policy furthers the Strategic Planning goal of continuing to enhance financial controls and policies to meet or exceed best practices, including contracting, risk management, and procurement.

Attachments

A: Resolution 2025-17, Adopting Revisions Delegated Contract Authority Policy and Rescinding Resolution No. 2022-10

Exhibit A: Procurement Policy_9.11.25 Update (Clean with proposed Changes)

Exhibit B: Procurement Policy_9.11.25 (Redlined with Proposed Changes)

ITEM 16

ATTACHMENT A

RESOLUTION NO. 2025-17

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, ADOPTING A REVISED DELEGATED CONTRACT AND SIGNATURE AUTHORITY POLICY.

A. San Diego Community Power (“Community Power”) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, as amended (“JPA Agreement”).

B. On February 27, 2020, at the regular meeting of the Community Power Board of Directors (Board), the Board approved Resolution 2020-01, adopting a Delegated Contract Authority Policy related to the delegation and signature of contracts that may be approved by the Chief Executive Officer (CEO), and related authority.

C. On September 22, 2022, at the regular meeting of the Board, the Board approved Resolution 2022-10, authorizing the Chief Financial Officer or the Managing Director, Power Services, to exercise the signature authority delegated to the CEO in their absence.

D. The Board now desires to rename the Delegated Contract Authority Policy to the Delegated Contract and Signature Authority Policy, to extend the delegation to include non-dollar value agreements, excluding memoranda of understanding with federal, state, and local governments, which shall be retained by the Board; to allow staff the authority to apply for grant funding, but reserve the authority to accept and receive grants to the Board; to allow all members of the executive team, except the General Counsel, the authority execute contracts and agreements in the absence of the CEO; and other changes, as set forth in Exhibit A this Resolution.

E. The Board further desires to rescind Resolution No. 2022-10 because the content of that Resolution has been updated and included in this policy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

Section 1. The Board finds that the foregoing recitals are true and correct and are incorporated herein.

Section 2. The Board rescinds Resolution No. 2022-10, in its entirety.

Section 3. The Delegated Contract and Signature Authority Policy attached

hereto as Exhibit A is incorporated as though fully set forth herein.

Section 3. If any provision of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are severable. The Board of Directors hereby declares that it would have adopted this resolution irrespective of the invalidity of any particular portion thereof.

Section 4. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on September 25, 2025.

AYES:

NOES:

ABSTAIN:

ABSENT:

Terra Lawson-Remer, Chair
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez, MMC, CPMC
Secretary/Clerk of Board of Directors
San Diego Community Power

Veera Tyagi, General Counsel
San Diego Community Power

ITEM 16

EXHIBIT A

Policy	Delegated Contract and Signature Authority	Original Adoption Date	February 27, 2020
Approval Date	September 25, 2025	Resolution No.	2025-17

PURPOSE AND SCOPE:

It is in the interest of San Diego Community Power (“Community Power”) to delegate to the Chief Executive Officer (“CEO”), the authority to take certain actions, including the signing of contracts, agreements, memoranda of understanding, and other documents to facilitate efficient business operations for Community Power.

POLICY STATEMENT:

A. Community Power’s CEO is authorized as follows without prior Board approval:

- To execute contracts of up to \$150,000 for goods and/or services; provided, however, that all new contracts in excess of \$50,000 shall be reported at the next regular Board meeting. Community Power shall comply with all legal requirements applicable to the award of the contract, including the Community Power Non-Energy Procurement Policy. This authorization does not include power supply or wholesale energy services, to the extent those agreements are delegated in the Energy Risk Management Policy.
- To execute contract amendments to increase the aggregate contract price of Board-approved non-energy contracts by up to the greater of \$150,000 or 10% of the original contract price, over the life of the contract. Such contract amendment(s) shall be reported at the next regular Board meeting.
- To delegate signature authority for purchases of goods and/or services to Community Power’s Executives, or their designees, for contracts up to the amount of \$50,000. Such delegation and approval shall be in writing and maintained by Community Power.
- To execute non-dollar value agreements and to delegate signature authority for those agreements to Community Power’s Executives, or their designees. Such delegation shall be in writing and maintained by Community Power. For the purposes of this policy, non-dollar value agreements include, but are not limited to, Memoranda of Understanding/Agreement, Service Level Agreements, Data Sharing Agreements, Licensing Agreements, Letters of Support, and Non-Disclosure Agreements.
- To apply for grants from federal, state, or local public agencies, under the discretionary powers given to the Board in Section 3.2.9 of the Joint Powers

Agreement. The authority to accept and receive a grant remains with the Board.

- B. Notwithstanding the foregoing, Community Power's Board reserves for itself the authority to approve memoranda of understanding with federal, state and local public agencies.
- C. Prior to signing any contracts requiring the expenditure of money, the individual signing shall ensure that: (1) all contract expenses have been budgeted for in the current Community Power budget; (2) adequate funds have been appropriated by the Board; (3) such funds are unexpended, unencumbered, and sufficient to pay the expenses of the contract, and (4) the contract has been reviewed and approved as to form and content by the General Counsel or his/her designee.
- D. For any contracts, whether Board-approved or executed under delegated authority, the CEO is further authorized to exercise all rights and powers specified under the contract as belonging to Community Power, including but not limited to, changes in original scope that are no more than 25% of the original programmatic scope of work, authorization of subcontractors, amendments (provided that the amendment shall be consistent with the limits in this Policy), assignment, insurance, termination, and to perform other acts related to the delivery of non-energy goods and services under the contract.
- E. The signatory authority granted to the CEO pursuant to this Policy may be temporarily delegated to another member of the Community Power Executive Team, other than the General Counsel who approves as to form and content, to negotiate, finalize, and/or execute Community Power agreements and other documents where the CEO has been delegated authority by the Board of Directors, including, but not limited to, the Energy Risk Management Policy and Procurement Policy, and only in the absence of the CEO. The Executive Team member is hereby required to follow all of the requirements set forth in the applicable policy or Board action.

Prior Versions:

Date	Action	Resolution No.	Policy No.
February 27, 2020	Adoption	2020-01	N/A

ITEM 16

EXHIBIT B



San Diego Community Power

Delegated ~~Contract~~ Contract and Signature Authority Policy

Effective Date: _____

Adopted/Amended by Resolution 2025-_____

Prior Versions:

PURPOSE

It is in the interest of San Diego Community Power ("Community PowerSDCP") to delegate to the Chief Executive Officer ("CEO"), the authority to take certain actions, including the signing of contracts, agreements, memorandaums of understanding, and other documents to establish administrative contracting procedures that facilitate efficient business operations for Community PowerSDCP.

POLICY

1. Community Power's Chief Executive Officer~~The ("CEO ")~~ is authorized as follows without prior Board approval:
 - a. To execute contracts of up to \$1~~250~~,000 for goods and/or services; provided, however, that all new contracts in excess of \$50,000 shall be reported at the next regular Board meeting. ~~This authorization does not include power supply or wholesale energy services,...~~ Community PowerSDCP shall comply with all legal requirements applicable to the award of the contract, ~~if any including the Community Power Non-Energy Procurement Policy. This authorization does not include power supply or wholesale energy services, to the extent those agreements are delegated in the for which delegation is as authorized by the Energy Risk Management Policy.~~
 - b. To execute contract amendments to increase the aggregate contract price of Board-approved non-energy contracts by up to the greater of \$1250,000 or 10% of the original contract price, over the life of the contract. ~~by no more than 10% of the original contract price over the life of the contract. The~~Such contract amendment(s) Contracts increased this way shall be reported at the next regular Board meeting.
 - c. ~~To~~ delegate signature authority for purchases of goods and/or services to ~~other Community Power'sSDCP Executives, or their designees, for and Directorssenior staff members for contracts~~ up to the amount of \$50,000. Such delegation and approval shall be ~~memorialized in a written instrument signed in writing by the CEO~~ and maintained by Community PowerSDCP.
 - c.—
 - d. ~~To execute non-dollar value agreementscontractsagreements and t~~To delegate signature authority for non-dollar value contracts~~said contracts~~those agreements to other Community Power Executive LeadershipCommunity Power's Executives, or their designees. Such delegation and approval shall be memorialized in a written instrument by the CEO in writing and maintained by Community Power. For the purposes of this policy, non-dollar value contracts contractsagreements include, but are not limited to, Memorandaums of Understanding/Agreement, Service Level

Agreements, Data Sharing Agreements, Licensing Agreements, Letters of Support, and Non-Disclosure Agreements.

d.e. To apply for grants from federal, state, or local public agencies, under the discretionary powers given to the Board in Section 3.2.9 of the Joint Powers Agreement. The authority to accept and receive a grant remains with the Board.

2. Notwithstanding the foregoing, Community Power's Board reserves for ~~itself~~ itself the authority to approve memoranda of understanding with federal, state and local public agencies.

2.3. Prior to signing any contracts requiring the expenditure of money, the individual signing shall ensure that: (1) ~~that~~ all contract expenses have been budgeted for in the current Community PowerSDCP budget; (2) ~~that~~ adequate funds have been appropriated by the Board; (3) ~~that~~ such funds are unexpended, unencumbered, and sufficient to pay the expenses of the contract, and (4) ~~that~~ the contract has been reviewed and approved as to form and content by the General Counsel or his/her designee.

4. For any contracts, whether Board-approved or executed under delegated authority, the CEO is further authorized to exercise all rights and powers specified under the contract as belonging to Community PowerSDCP, including but not limited to, changes in original scope that are no more than 25% of the original programmatic scope of work, authorization of subcontractors, amendments (provided that the amendment shall be consistent with the limits in this Policy), assignment, insurance, termination, and to perform other acts related to the delivery of non-energy goods and services under the contract. ~~Exception: For scope changes to Board-approved contracts, any core programmatic changes of more than 25% of the original scope shall be approved by the Board.~~

5. The signatory authority granted to the CEO pursuant to this Policy may be temporarily delegated to another member of the Community Power Executive Team, other than the General Counsel who approves as to form and content, to negotiate, finalize, and/or execute Community Power agreements and other documents where the CEO has been delegated authority by the Board of Directors, including, but not limited to, the Energy Risk Management Policy and Procurement Policy, and only in the absence of the CEO. The Executive Team member is hereby required to follow all of the requirements set forth in the applicable policy or Board action.

SAN DIEGO COMMUNITY POWER

Staff Report – Item 17

To: Board of Directors

From: Dr. Eric Washington, Chief Financial Officer/Treasurer

Via: Karin Burns, Chief Executive Officer

Subject: Adoption of Resolution No. 2025-18, Authorizing the Investment of Monies in Local Agency Investment Fund (LAIF)

Date: September 25, 2025

Recommendation

Adoption of Resolution No. 2025-18 Authorizing investment of monies in the Local Agency Investment Fund (LAIF).

Background

On October 1, 2019, the Founding Members of San Diego Community Power (Community Power) adopted the Joint Powers Agreement (JPA) which was amended and restated on December 16, 2021.

Section 5.1 of the JPA Agreement provides that the Board shall appoint a Treasurer as provided in Government Code section 6505.5.

On May 25, 2023, the Community Power Board of Directors (Board) adopted the Community Power Investment Policy, which was subsequently revised on June 27, 2024. The objectives of the Investment Policy are to (1) safeguard the principal of investment funds, (2) meet the liquidity needs of Community Power, (3) achieve a return on funds invested, and (4) exercise a high standard of care on investment funds.

On August 28, 2025, the Community Power Board Approved Resolution 2025-08 Adopting the Second Revision to the Community Power Investment Policy following recommendations made by Chandler Asset Management.

Analysis and Discussion

The Local Agency Investment Fund (LAIF), established in 1977 under Section 16429.1 et seq. of the California Government Code, is a program created by the State of California to offer local agencies a safe and convenient way to invest reserve funds. LAIF is a permissible investment option under Community Power's Investment Policy. Participation in LAIF allows Community Power to invest monies in a secure and liquid investment vehicle. Authorizing Community Power's participation in the LAIF will allow further diversification of cash holdings. In addition, the LAIF will earn a yield of over 4% or higher on monies deposited, approximately 2% or 200 basis points above earning on funds held in traditional money market type accounts. The LAIF will serve as a short-term to intermediate-term deposit option. Assets under management with Chandler Asset Management serves as an intermediate to long investment option.

Funds deposited in LAIF are pooled with funds from other local agencies and managed by the State Treasurer's investment staff. Oversight is provided by the Pooled Money Investment Board (PMIB), which includes the State Treasurer, Director of Finance, and State Controller. The process to open the account includes submitting a resolution and authorized signatories to the State Treasurer's Office.

LAIF accounts are subject to a \$75 million cap and no more than 15 transactions are allowed per month.

As of the end of July 2025, LAIF serves over 2,300 participants with assets totaling \$22.3 billion. San Diego County participates in LAIF. San Diego County Water Authority often include LAIF as part of their investment strategy. The City of San Diego's investment policy includes LAIF as a permitted investment.

Fiscal Impact

There is no direct fiscal impact associated with opening the LAIF account. However, interest earnings on invested funds, net of any administrative fees, may positively affect Community Power's financial position.

Committee Review

This item was presented at the Finance and Risk Management Committee meeting on September 18. Committee members unanimously recommended Board approval of this item.

Strategic Plan

This action supports Community Power's strategic goal of financial sustainability by optimizing returns on available cash reserve resources through secure investment opportunities.

Attachments

A: Draft Resolution 2025-18 for LAIF Account Opening
B: LAIF New Regular Account Form

ITEM 17

ATTACHMENT A

RESOLUTION NO. 2025-18

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
SAN DIEGO COMMUNITY POWER, AUTHORIZING INVESTMENT OF
MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF).**

WHEREAS, San Diego Community Power (Community Power) is a joint powers authority formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended on December 16, 2021, (“JPA Agreement”); and

WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 *et. seq.* for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors of Community Power hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 *et. seq.* for the purpose of investment as provided therein is in the best interests of Community Power.

NOW THEREFORE, BE IT RESOLVED, that the Community Power Board of Directors hereby authorizes the deposit and withdrawal of Community Power monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 *et. seq.* for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED by the Board of Directors of Community Power as follows:

Section 1. The following San Diego Community Power officers holding the title(s) specified hereinbelow **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

KARIN BURNS
NAME

CEO
TITLE

SIGNATURE

ERIC W. WASHINGTON
NAME

CFO/TREASURER
TITLE

SIGNATURE

Section 2. This resolution shall take effect immediately upon its adoption and remain in full force and effect until rescinded by the Board of Directors of Community Power by resolution and a copy of the resolution rescinding this resolution filed with the State Treasurer's Office.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors of San Diego Community Power held on September 25, 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Terra Lawson-Remer, Chair
Board of Directors
San Diego Community Power

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez, MMC, CPMC
Secretary/Clerk of Board of Directors
San Diego Community Power

Veera Tyagi, General Counsel
San Diego Community Power

ITEM 17

ATTACHMENT B



PRINT

CLEAR

California State Treasurer's Office
Local Agency Investment Fund (LAIF)

New Regular Account

Date: _____

Agency Legal Name: _____

Attention (title only): _____

Mailing Address: _____

Phone Number: _____

Only the following individuals of this agency whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF.

Name	Title

Banking Information

Bank Name, Branch Number, Address & Phone Number	Account & ABA (Routing) Number*	LAIF Bank
	Account #: ABA #:	
	Account #: ABA #:	

***Subject to verification by the State Treasurer's Office. 1) Bank account must be in the agency's name. 2) Attach an original voided check or bank statement showing the name on the account and the full bank account number. 3) Attach a bank reference letter.**

Two authorized signatures required. Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Signature _____

Print Name and Title _____

Phone Number _____

Signature _____

Print Name and Title _____

Phone Number _____

Please provide email address to receive LAIF email notifications.

Name	Email

Please email the completed form for review to laif@treasurer.ca.gov and allow 2 days for a response.

DO NOT mail the original form until you receive approval.

Mail the approved form to: CA State Treasurer's Office
Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001

SAN DIEGO COMMUNITY POWER

Staff Report - Item No. 18 a.

To: Board of Directors

From: Gordon Samuel, Chief Commercial Officer; Andrea Torres, Director of Origination

Via: Karin Burns, Chief Executive Officer

Subject: Approve Solar Advantage Program's Power Purchase Agreement Portfolio with 1st Oak 2, LLC

Date: September 25, 2025

Recommendation

Approve three (3) Power Purchase Agreements, in substantially final form, with 1st Oak 2, LLC, for 2.91 MW total of rooftop (PV) generation for twenty years and authorize the Chief Executive Officer to execute the agreements.

Background

As Community Power strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (“PPAs”) of at least ten years in duration will become integral components of its energy supply portfolio. Long-term PPAs provide renewable generation facility developers with the certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA that Community Power signs with a developing facility will underpin a new, incremental renewable energy project. In addition, long-term PPAs lock in renewable energy supply around which Community Power can build its power supply portfolio while also providing power supply cost certainty around which Community Power can develop its pro forma financial model.

Supplemental to Community Power’s efforts to secure more long-term PPAs, Community Power additionally strives to procure an increasing amount of its power supply from renewable resources that are local to San Diego County and that are smaller, non-utility scale projects, typically interconnected to distribution circuits closer to where Community Power loads are located. One of the ways that Community Power works to meet these local distributed energy resource (“DER”) procurement goals is through open solicitations. Community Power released the first Solar Advantage Program solicitation as Program Administrators of the California

Public Utilities Commission's ("CPUC") Disadvantaged Communities Green Tariff ("DAC-GT") program in August 2023 for six (6) months.

The Solar Advantage Program is designed to increase 100% renewable energy generation access for residential customers in disadvantaged communities (DACs). The program enables California Alternate Rates for Energy ("CARE") and Family Electric Rate Assistance Program ("FERA") customers to power their homes with 100% renewable energy at a 20% discount from their current rate.

Community Power has an allocation of 20.16 MW for the Solar Advantage Program and is estimated to serve nearly nine thousand residential customers in DACs. Projects that are approved through this program will not only benefit low-income customers in Community Power's territory through bill discounts but will also be subsidized for above market procurement costs through CPUC program funding.

In August of 2024, the Energy Contract Working Group, approved the shortlisting of a Solar Advantage PPA offer submitted by 1st Light Sales Corp. The proposed PPAs with 1st Oak 2, LLC (subsidiary of 1st Light Sales Corp) is for energy and renewable attributes generated by three PV facilities at Public Storage rooftops - 0.55 MW from a site at 2317 Main St in Chula Vista, 0.71 MW from a site at 1925 54th St in San Diego, and 1.65 MW from a site at 1047 N Johnson Ave in El Cajon, for a total of 2.91 MW. In total, the projects will generate approximately 4,616 MWh of energy in their first year of operation and will provide Community Power renewable attributes over a 20-year term. Community Power has reached PPA terms mutually agreeable to both parties and consistent with the program requirements of the CPUC.

Analysis and Discussion:

Staff and outside procurement counsel at Keyes & Fox negotiated the attached PPAs for the purchase of renewable energy from solar projects to be developed located in the cities of Chula Vista, El Cajon, and San Diego, CA in San Diego County. One representative PPA is included for reference. The remaining two (2) are identical except for the project details as outlined in Exhibit A of the agreements.

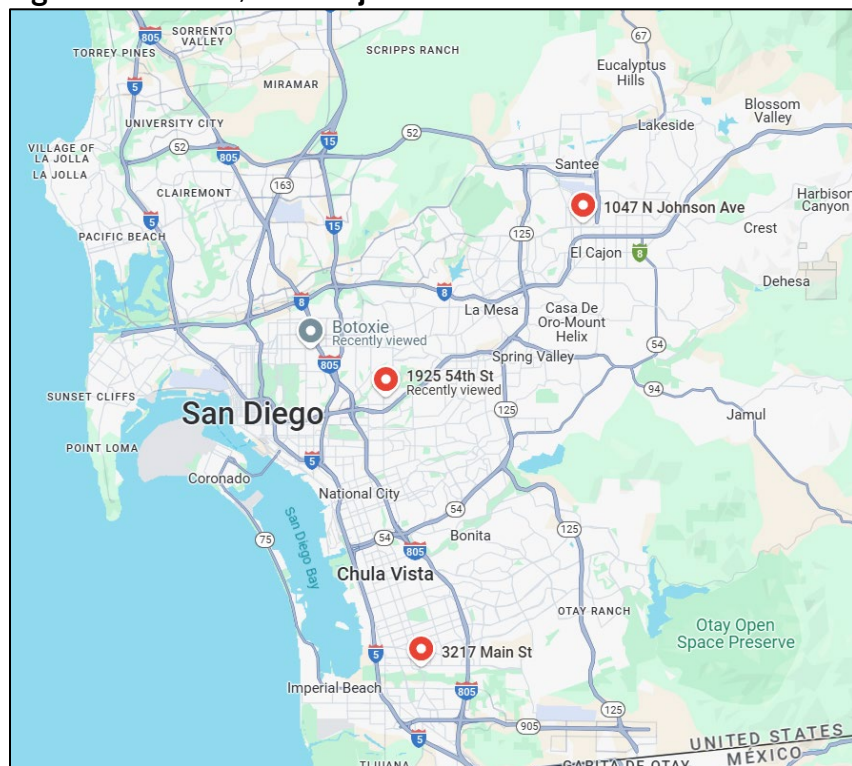
PPA Contract Overview

Table 1. 1st Oak 2, LLC PV Facilities

Project Name	Location	Expected Capacity (MW)	Annual Production (MWh)
PS 20292 GT FIT	3217 Main St, Chula Vista, CA 91911	0.555	825
PS 08017	1047 No. Johnson Ave, El Cajon, CA 92020	1.646	2,598

PS 27814	1925 54th Street, San Diego, CA 92105	0.710	1,193

Figure 1: 1st Oak 2, LLC Project Locations



- **Project:**
 - Total of 2.91 MW PV generation combined (rooftops)
- **Project Location:** Three (3) commercial rooftops in the cities of Chula Vista, El Cajon and San Diego
- **Contract term:** 20 years
- **Guaranteed Commercial Operation Date:** 4/1/2027
- **Energy price:** Fixed energy price applicable to the full term of the agreement
- No credit or collateral obligations for Community Power
- Community Power would receive financial compensation in the event of seller's failure to successfully achieve certain development milestones

Community Benefits

- Developer is committed to using commercially reasonable efforts to ensure that all contractors and subcontractors hired by Seller use 100% local union construction labor and at least 50% of all construction labor, whether self-performed or subcontracted will be local labor.
- The program enables California Alternate Rates for Energy ("CARE") and Family Electric Rate Assistance Program ("FERA") customers to power their homes with 100% renewable energy at a 20% discount from their current rate for 20 years.

- Approximately 1,200 eligible residential customers in the top 10% of DACs located in the neighborhoods of Barrio Logan, Logan Heights, Southcrest, Mount Hope, and Chollas View will be auto-enrolled and receive immediate bill reductions beginning in Q2 2027 when projects come online.

The project's value to Community Power's customers and further diversification of Community Power's power portfolio warrant consideration of the PPAs. Community Power staff recommends approving these PPAs due to the project's anticipated benefits to the community, particularly for low-income residents residing in disadvantaged communities who will see direct savings to their electricity bills, as well as the project's role in helping to meet California's need for significant development of reliable, renewable energy generation capacity.

The fixed energy pricing of the PPAs is confidential. It should be noted that as a project under CPUC's DAC-GT program, Community Power will be compensated by the CPUC for any procurement costs associated with these PPAs that are considered above market, mitigating any impact to Community Power ratepayers, as well as the associated bill discounts that are offered to the benefiting low-income residential customers in Community Power service territory.

This portfolio of projects would constitute the second, third, and fourth PPA secured under Community Power's Solar Advantage Program, making use of allocated CPUC funding as a Program Administrator of the statewide DAC-GT program. Finally, these PPAs would be among a growing pool of projects that demonstrate Community Power's commitment to local, distributed renewable resources as a vital part of Community Power's power portfolio. As such, staff recommend approving these PPAs to allow the project to move forward with development.

Fiscal Impact

The competitive energy pricing of the PPAs is confidential, but the long-term purchase of renewable energy will provide Community Power with significant value and cost certainty over the term of these PPAs. Additionally, the Solar Advantage Program is a CPUC program with total cost recovery.

Strategic Plan

This activity supports the strategic plan goals of: (1) Develop a clean energy portfolio with renewable content of 100% no later than 2035, with interim targets of 75% by 2027 and 85% by 2030; (2) Support development of 1 Gigawatt of local renewable and clean energy capacity by 2035, of which 300 MW will be distributed energy resources (DERs) enabled by Community Power programs, tariffs, and procurement; and (3) Create high quality local jobs in renewable energy that support healthy families and vibrant communities.

Committee Review

The Energy Contract Working Group (ECWG) recommended staff to move forward in negotiations of the PPAs on August 6, 2024.

Attachments

A: Renewable Power Purchase Agreement with 1st Oak 2, LLC (example contract)

RENEWABLE POWER PURCHASE AGREEMENT

COVER SHEET

Seller: 1st Oak 2, LLC (“**Seller**”)

Buyer: San Diego Community Power, a California joint powers authority (“**Buyer**”)

Description of Facility: A 0.71 MW solar photovoltaic electricity generating facility located in a Disadvantaged Communities in San Diego County, in the State of California, as further described in Exhibit A.

Milestones:

Milestone	Date for Completion
Evidence of Site Control	
CEC Pre-Certification Obtained	
Applications for all federal and state discretionary permits submitted and accepted as complete by the issuing agency (the “Permitting Submission Milestone”)	
Documentation of Conditional Use Permit if required: [] CEQA, [] Cat Ex, [] Neg Dec, [] Mitigated Neg Dec, [] EIR	
Seller’s receipt of Phase I and Phase II Interconnection study results for Seller’s Interconnection Facilities	
Executed Interconnection Agreement	
Financial Close	
Major Equipment procured	
Guaranteed Construction Start Date	
Initial Synchronization	
Network Upgrades completed	
Expected Commercial Operation Date	
Guaranteed Commercial Operation Date	04/01/2027

Delivery Term: 20 Contract Years.

Expected Energy:

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Contract Year	Expected Energy (MWh)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

Expected Capacity: 0.71 MW-AC

Guaranteed Capacity: 0.50 MW-AC

Dedicated Interconnection Capacity: 0.71 MW

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Contract Price

Contract Year	Contract Price
1-20	██████████ (flat) with no escalation

Product:

- ☒ Energy
- ☒ Green Attributes (Portfolio Content Category 1)
- ☒ Ancillary Services, as available
- ☒ Capacity Attributes, as available
 - ☒ Energy Only Status
 - ☐ Full Capacity Deliverability Status
- ☒ Any other existing products and products that may be developed or evolve from time to time during the Contract Term that the Facility is able to provide as the Facility is configured on the Commercial Operation Date

Metering Arrangement: SC Metered Entity

Scheduling Coordinator: Buyer/Buyer's agent

Security:

Development Security: [REDACTED]

Performance Security: [REDACTED]

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RENEWABLE POWER PURCHASE AGREEMENT

This Renewable Power Purchase Agreement (“**Agreement**”) is entered into as of _____ (the “**Effective Date**”), between Buyer and Seller. Buyer and Seller are sometimes referred to herein individually as a “**Party**” and jointly as the “**Parties**.” All capitalized terms used in this Agreement are used with the meanings ascribed to them in Article 1 to this Agreement.

RECITALS

WHEREAS, Seller intends to develop, design, permit, construct, own, and operate the Facility; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, on the terms and conditions set forth in this Agreement, the Product;

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

ARTICLE 1 DEFINITIONS

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

“**AC**” means alternating current.

“**Accepted Compliance Costs**” has the meaning set forth in Section 3.12(e).

“**Adjusted Energy Production**” has the meaning set forth in Exhibit G.

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

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

“**Ancillary Services**” means all ancillary services, products and other attributes, if any, associated with the Installed Capacity of the Facility, including spinning reserve, non-spinning reserve, regulation up, regulation down, as each is defined in the CAISO Tariff and any other ancillary services added to the Agreement in accordance with Section 3.10.

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“Approval Application” has the meaning set forth in Section 2.1(b).

“Approved Forecast Vendor” means any of (a) the CAISO or (b) any other vendor reasonably acceptable to both Buyer and Seller for the purposes of providing or verifying the forecasts under Section 4.3(d).

“Automated Dispatch System” or **“ADS”** has the meaning set forth in the CAISO Tariff.

“Automated Dispatches” has the meaning set forth in Section 6.1(b).

“Automatic Generation Control” or **“AGC”** has the meaning set forth in the CAISO Tariff.

“Availability Standards” has the meaning set forth in the CAISO Tariff or such other similar term as modified and approved by FERC hereafter to be incorporated in the CAISO Tariff.

“Available Capacity” means the capacity of the Facility, expressed in kW, that is mechanically available to generate Energy.

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

“Bid” has the meaning as set forth in the CAISO Tariff.

“Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday in California. A Business Day begins at 8:00 a.m. and ends at 5:00 p.m. Pacific Prevailing Time (PPT).

“Buyer” means San Diego Community Power, a California joint powers authority.

“Buyer Bid Curtailment” means the occurrence of both of the following:

(a) the CAISO provides notice to a Party or the Scheduling Coordinator for the Facility, requiring the Party to deliver less Energy than the full amount of Energy forecasted in accordance with Section 4.5 to be produced from the Facility for a period of time;

(b) for the same time period as referenced in (a), the notice referenced in (a) results from the manner in which Buyer or the SC schedules or bids the Facility or Energy, including where Buyer or the SC for the Facility:

(i) did not submit a Self-Schedule or an Energy Supply Bid for the kW subject

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to the reduction; or

(ii) submitted an Energy Supply Bid and the CAISO notice referenced in (a) is solely a result of CAISO implementing the Energy Supply Bid; or

(iii) submitted a Self-Schedule for less than the full amount of Energy forecasted to be generated by or delivered from the Facility.

If the Facility is subject to a Planned Outage, Forced Facility Outage, Force Majeure Event or a Curtailment Period during the same time period as referenced in (a), then the calculation of Deemed Delivered Energy during such period shall not include any Energy that was not generated due to such Planned Outage, Forced Facility Outage, Force Majeure Event or Curtailment Period.

“Buyer Curtailment Order” means the instruction from Buyer to Seller to reduce Delivered Energy by the amount, and for the period of time set forth in such instruction, for reasons unrelated to a Planned Outage, Forced Facility Outage, Force Majeure Event or Curtailment Order.

“Buyer Curtailment Period” means the period of time, as measured using current Settlement Intervals, during which Seller reduces Delivered Energy pursuant to or as a result of (a) Buyer Bid Curtailment or (b) a Buyer Curtailment Order; provided, that the duration of any Buyer Curtailment Period shall be inclusive of the time required for the Facility to ramp down and ramp up.

“Buyer Default” means a failure by Buyer to perform Buyer’s obligations hereunder and includes an Event of Default of Buyer.

“Buyer’s Indemnified Parties” has the meaning set forth in Section 16.1(a).

“Buyer’s WREGIS Account” has the meaning set forth in Section 4.14(a).

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

“CAISO Approved Meter” means a CAISO approved revenue quality meter or meters, CAISO approved data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, all Delivered Energy delivered to or from the Delivery Point.

“CAISO Charges Invoice” has the meaning set forth in Exhibit D.

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

“CAISO Operating Order” means the Operating Instruction or Dispatch Instruction as defined in the CAISO Tariff.

“CAISO Tariff” means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including

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the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.

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

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

“Capacity Damages” has the meaning set forth in Exhibit B.

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

“CEC Certification and Verification” means that the CEC has certified (or, with respect to periods before the date that is one hundred eighty (180) days following the Commercial Operation Date, that the CEC has pre-certified) that the Facility is an Eligible Renewable Energy Resource for purposes of the California Renewables Portfolio Standard and that all Delivered Energy delivered to the Delivery Point qualifies as generation from an Eligible Renewable Energy Resource.

“CEC Precertification” means that the CEC has issued a precertification for the Facility indicating that the planned operations of the Facility would comply with applicable CEC requirements for CEC Certification and Verification.

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

“Change in Tax Law” means (i) any change in or amendment to any Renewable Energy Incentives, (ii) issuance, promulgation or change in, or of, any temporary, proposed, or final United States Treasury Department regulations promulgated under the Internal Revenue Code of 1986 with respect to any Renewable Energy Incentives, or (iii) notice, announcement, court decision, revenue ruling, revenue procedure, or other official guidance published in the Internal Revenue Bulletin of the Internal Revenue Service that applies, advances, or articulates a new or different interpretation or analysis of any Renewable Energy Incentives.

“Change of Control” means, except in connection with public market transactions of equity interests or capital stock of Seller’s Ultimate Parent, any circumstance in which Ultimate Parent ceases to own, directly or indirectly through one or more intermediate entities, at least fifty percent (50%) of the outstanding equity interests in Seller; *provided*, in calculating ownership percentages for all purposes of the foregoing:

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(a) any ownership interest in Seller held by Ultimate Parent indirectly through one or more intermediate entities shall not be counted towards Ultimate Parent's ownership interest in Seller unless Ultimate Parent directly or indirectly owns more than fifty percent (50%) of the outstanding equity interests in each such intermediate entity; and

(b) ownership interests in Seller owned directly or indirectly by any Lender (including any tax equity provider) shall be excluded from the total outstanding equity interests in Seller.

"COD Certificate" has the meaning set forth in Exhibit B.

"Collateral Assignment Agreement" has the meaning set forth in Section 14.2 and substantially in the form attached as Exhibit T.

"Commercial Operation" has the meaning set forth in Exhibit B.

"Commercial Operation Date" or **"COD"** has the meaning set forth in Exhibit B.

"Commercial Operation Delay Damages" means [REDACTED]

"Communications Protocols" means the protocols developed by the Parties pursuant to Section 4.5(d) that involve procedures, software, equipment, and protocols regarding communication with respect to the operation of the Storage Facility pursuant to this Agreement.

"Compliance Actions" has the meaning set forth in Section 3.12(c).

"Compliance Expenditure Cap" has the meaning set forth in Section 3.12(b).

"Confidential Information" has the meaning set forth in Section 18.1.

"Construction Delay Damages" means [REDACTED]

"Construction Start" has the meaning set forth in Exhibit B.

"Construction Start Date" has the meaning set forth in Exhibit B.

"Contract Price" has the meaning set forth on the Cover Sheet.

"Contract Term" has the meaning set forth in Section 2.1.

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

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

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new arrangements which replace this Agreement; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with terminating this Agreement.

"Cover Sheet" means the cover sheet to this Agreement, which is incorporated into this Agreement.

"CPUC" means the California Public Utilities Commission or any successor agency performing similar statutory functions.

"CPUC Approval" means a final and non-appealable order, decision, or disposition of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which approves this Agreement in its entirety, including payments to be made by Buyer, subject to CPUC review of Buyer's administration of this Agreement. CPUC Approval will be deemed to have occurred on the date that a CPUC order, decision, or disposition containing such findings becomes final and non-appealable.

"CPUC Master Resource Database" means the CPUC database of generation, energy storage and other resources qualified to provide Resource Adequacy capacity to load serving entities.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P or Moody's. If ratings by S&P and Moody's are not equivalent, the lower rating shall apply.

"CRS" has the meaning set forth in Section 4.9.

"Cure Plan" has the meaning set forth in Section 11.1(b)(vi).

"Curtailment Order" means any of the following:

(a) CAISO orders, directs, alerts, or provides notice to a Party, including a CAISO Operating Order, to curtail deliveries of Delivered Energy for the following reasons: (i) any System Emergency, or (ii) any warning of an anticipated System Emergency, or warning of an imminent condition or situation, which jeopardizes CAISO's electric system integrity or the integrity of other systems to which CAISO is connected;

(b) a curtailment ordered by the Distribution Provider for reasons including, but not limited to, (i) any situation that affects normal function of the electric system including, but not limited to, any abnormal condition that requires action to prevent circumstances such as equipment damage, loss of load, or abnormal voltage conditions, or (ii) any warning, forecast or anticipation of conditions or situations that jeopardize the Distribution Provider's electric system integrity or the integrity of other systems to which the Distribution Provider is connected;

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(c) a curtailment ordered by CAISO or the Distribution Provider due to scheduled or unscheduled maintenance on the Distribution Provider's distribution facilities that prevents (i) Buyer from receiving or (ii) Seller from delivering Delivered Energy to the Delivery Point; or

(d) a curtailment in accordance with Seller's obligations under its Interconnection Agreement with the Distribution Provider.

"Curtailment Period" means the period of time, as measured using current Settlement Intervals, during which Energy from the Facility is reduced pursuant to a Curtailment Order; *provided*, the Curtailment Period shall be inclusive of the time required for the Facility to ramp down and ramp up.

"Damage Payment" means the amount to be paid by Seller to Buyer for a Seller default prior to the Commercial Operation Date in a dollar amount set forth in Section 11.3(a).

"Day-Ahead Forecast" has the meaning set forth in Section 4.4(c).

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

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

"Dedicated Interconnection Capacity" means the maximum instantaneous amount of Energy that is permitted to be delivered by the Facility to the Delivery Point under Seller's Interconnection Agreement, in the amount of MWs as set forth on the Cover Sheet.

"Deemed Delivered Energy" means (a) the amount of Energy, expressed in MWh, [REDACTED] that the Facility would have produced and delivered to the Delivery Point, but that is not produced by the Facility during a Buyer Curtailment Period, which amount shall be calculated using the CAISO VER forecast or an industry-standard methodology agreed to by Buyer and Seller that utilizes meteorological conditions on Site as input for the period of time during such Buyer Curtailment Period, less (b) the amount of Delivered Energy delivered to the Delivery Point during the Buyer Curtailment Period (or other relevant period); *provided* that, if the applicable difference is negative, the Deemed Delivered Energy shall be zero (0).

"Defaulting Party" has the meaning set forth in Section 11.1(a).

"Deficient Month" has the meaning set forth in Section 4.8(e).

"Delivered Energy" means for each hour, the electric Energy generated by the Facility, net of Electrical Losses and Station Use, and delivered to the Delivery Point.

"Delivery Point" has the meaning set forth in Exhibit A.

"Delivery Term" shall mean the period of Contract Years set forth on the Cover Sheet beginning on the Commercial Operation Date, unless terminated earlier in accordance with the terms and conditions of this Agreement.

"Development Cure Period" has the meaning set forth in Exhibit B.

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

“Disadvantaged Communities” or **“DAC”** has the meaning set forth in CPUC Decision 18-06-027 as communities that are defined in the CalEnviroScreen 4.0 (or any successor version) as among the top twenty-five percent (25%) of census tracts statewide, plus the census tracts in the highest five percent (5%) of CalEnviroScreen’s Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data.

“DAC-GT” means the Disadvantaged Communities Green Tariff program set forth in Assembly Bill 327 and established by the CPUC in Decision 18-06-027.

“Disclosing Party” has the meaning set forth in Section 18.2.

“Distribution Provider” means any entity or entities transmitting or transporting the Delivered Energy on behalf of Seller or Buyer to or from the Delivery Point but excluding Seller or any Seller’s Affiliate responsible for operating any gen-tie line to any point of interconnection to a Distribution Provider’s transmission system or distribution system. For purposes of this Agreement, the Distribution Provider is set forth in Exhibit A.

“Dispute Notice” has the meaning set forth in Section 15.2.

“Early Termination Date” has the meaning set forth in Section 11.2(a).

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

“Electrical Losses” means, subject to meeting any applicable CAISO requirements and in accordance with Section 7.1, all transmission or transformation losses (a) between the Facility Metering Point and the Delivery Point associated with delivery of Delivered Energy.

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

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

“Energy” means alternating current electrical energy measured in MWh.

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

“Energy Supply Bid” has the meaning set forth in the CAISO Tariff.

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“Environmental Cost” means (i) costs incurred in connection with acquiring and maintaining all environmental permits and licenses for the Facility, (ii) costs incurred in connection with the Facility’s compliance with all applicable environmental laws, rules and regulations, including capital costs for pollution mitigation or installation of emissions control equipment required to permit or license the Facility, (iii) all operating and maintenance costs for operation of pollution mitigation or control equipment, costs of permit maintenance fees and emission fees as applicable, (vi) the costs of all Emission Reduction Credits or Marketable Emission Trading Credits required by any applicable environmental laws, rules, regulations, and permits to operate the Facility, (v) the costs associated with the use, disposal and clean-up of Hazardous Substances at the Site, and (vi) the decontamination or remediation, on or off the Site, necessitated by the use, storage or release of such Hazardous Substances on the Site.

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

“Excess MWh” has the meaning set forth in Exhibit C.

“Exercise Period” has the meaning set forth in Section 14.6(c).

“Expansion Project” has the meaning set forth in Section 14.6(a).

“Expected Capacity” has the meaning set forth on the Cover Sheet.

“Expected Commercial Operation Date” is the date set forth on the Cover Sheet by which Seller reasonably expects to achieve Commercial Operation

“Expected Energy” means the quantity of Delivered Energy that Seller expects to be able to deliver to Buyer during each Contract Year or other time period in the quantity specified on the Cover Sheet, which amount shall be adjusted proportionately to the reduction from Guaranteed Capacity to Installed Capacity pursuant to Section 5(a) of Exhibit B, if applicable.

“Facility” means the generating facility described on the Cover Sheet and in Exhibit A, located at the Site, and including mechanical equipment and associated facilities and equipment required to deliver Energy to the Delivery Point, but excluding any Shared Facilities.

“Facility Meter” means the CAISO Approved Meter, along with a CAISO-approved data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, the amount of Delivered Energy delivered to the Facility Metering Point for the purpose of invoicing in accordance with Section 8.1. The Facility may contain multiple measurement devices that will make up the Facility Meter, and, unless otherwise indicated, references to the Facility Meter shall mean all such measurement devices and the aggregated data of all such measurement devices, taken together.

“Facility Metering Point” means the location or locations of the Facility Meter shown on Exhibit R.

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

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“Financial Close” means Seller or one of its Affiliates has obtained debt or equity financing commitments from one or more Lenders sufficient to construct the Facility, including such financing commitments from Seller's owner(s).

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

“Forced Facility Outage” means an unexpected failure of one or more components of the Facility that prevents Seller from generating Energy or making Delivered Energy available at the Delivery Point and that is not the result of a Force Majeure Event.

“Forecasting Penalty” means for each hour in which Seller does not provide the forecast required in Section 4.3(d) and Buyer incurs a loss or penalty resulting from its scheduling activities in such hour with respect to Delivered Energy, the product of (a) the absolute difference (if any) between (i) the Expected Energy for such hour set forth in the Monthly Delivery Forecast, and (ii) the actual Energy produced by the Facility, multiplied by (b) the absolute value of the Real-Time Price in such hour.

“Future Environmental Attributes” shall mean any and all generation attributes other than Green Attributes or Renewable Energy Incentives under the RPS regulations or under any and all other international, federal, regional, state or other law, rule, regulation, bylaw, treaty or other intergovernmental compact, decision, administrative decision, program (including any voluntary compliance or membership program), competitive market or business method (including all credits, certificates, benefits, and emission measurements, reductions, offsets and allowances related thereto) that are attributable, now, or in the future, to the generation of electrical energy by the Facility. Future Environmental Attributes do not include investment tax credits or production tax credits associated with the construction or operation of the Facility, or other financial incentives in the form of credits, reductions, or allowances associated with the Facility that are applicable to a state or federal income taxation obligation.

“Gains” means, with respect to any Non-Defaulting Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner, , which economic benefit (if any) shall be deemed the gain (if any) to such Non-Defaulting Party represented by, (a) if Buyer is the Non-Defaulting Party, the positive difference between the present value of the payments required to be made by Buyer during the remaining Contract Term of this Agreement and the present value of the payments that would be required to be made by Buyer under any transaction(s) replacing this Agreement, and (b) if Seller is the Non-Defaulting Party, the positive difference between the present value of the payments that would be required to be made to, or that would otherwise be received by, Seller under any transaction(s) replacing this Agreement and the present value of the payments required to be made to Seller during the remaining Contract Term of this Agreement. Factors used in determining the economic benefit to a Non-Defaulting Party may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for

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comparable transactions at liquid trading hubs (e.g., SP-15), all of which should be calculated for the remaining Contract Term, and include the value of Green Attributes.

“GEP Damages” has the meaning set forth in Section 4.7.

“Governmental Authority” means any federal, state, provincial, local or municipal government, any political subdivision thereof or any other governmental, congressional or parliamentary, regulatory, or judicial instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law, including CAISO; *provided, however*, that “Governmental Authority” shall not in any event include any Party.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Facility and its displacement of conventional energy generation. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (a) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants; (b) 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; (c) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Delivered Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Facility, (ii) production tax credits associated with the construction or operation of the Facility and other financial incentives in the form of credits, reductions, or allowances associated with the Facility 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 Facility for compliance with local, state, or federal operating or air quality permits. If the Facility is a biomass or landfill gas 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 Facility.

“Green Tag Reporting Rights” means the right of a purchaser of renewable energy to report ownership of accumulated “green tags” in compliance with and to the extent permitted by applicable Law and include, without limitation, rights under Section 1605(b) of the Energy Policy Act of 1992, and any present or future federal, state or local certification program or emissions trading program, including pursuant to the WREGIS Operating Rules.

“Guaranteed Capacity” means the generating capacity of the Facility, as measured in MW AC at the Delivery Point, (i.e., measured at the Facility Meter and adjusted for Electrical Losses to the Delivery Point), that Seller commits to install pursuant to this Agreement, as set forth on the Cover Sheet.

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

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

“Guaranteed Energy Production” means an amount of Adjusted Energy Production, as measured in MWh, equal to [REDACTED] of the total Expected Energy (as set forth on the Cover Sheet) for the applicable Performance Measurement Period.

“Hazardous Substance” means, collectively, (a) any chemical, material or substance that is listed or regulated under applicable Laws as a “hazardous” or “toxic” substance or waste, or as a “contaminant” or “pollutant” or words of similar import, (b) any petroleum or petroleum products, flammable materials, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, and transformers or other equipment that contain polychlorinated biphenyls, and (c) any other chemical or other material or substance, exposure to which is prohibited, limited or regulated by any Laws.

“Imbalance Energy” means the amount of Energy in MWh, in any given Settlement Period or Settlement Interval, by which the amount of Delivered Energy deviates from the amount of Scheduled Energy.

“Indemnifiable Loss(es)” has the meaning set forth in Section 16.1(a).

“Indemnified Party” has the meaning set forth in Section 16.1(a).

“Indemnifying Party” has the meaning set forth in Section 16.1(a).

“Initial Synchronization” means the commencement of Trial Operations (as defined in the CAISO Tariff).

“Installed Capacity” means the actual generating capacity of the Facility, as measured in kW AC at the Delivery Point (i.e., measured at the Facility Meter and adjusted for Electrical Losses to the Delivery Point), that achieves Commercial Operation (up to but not in excess of the Guaranteed Capacity), adjusted for ambient conditions on the date of the performance test, and as evidenced by a certificate substantially in the form attached as Exhibit I hereto, as such capacity may be adjusted pursuant to Section 5 of Exhibit B.

“Inter-SC Trade” or **“IST”** has the meaning set forth in the CAISO Tariff.

“Interconnection Agreement” means the interconnection agreement(s) entered into by Seller or Seller’s Affiliate pursuant to which the Facility will be interconnected with the Distribution System, providing for interconnection capacity available or allocable to the Facility at the Interconnection Point that is no less than the Dedicated Interconnection Capacity, and pursuant to which Seller’s Interconnection Facilities and any other Interconnection Facilities will be constructed, operated and maintained during the Contract Term.

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

“Interconnection Point” means the Facility Meter.

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

“Investment Grade Credit Rating” means a Credit Rating of [REDACTED]

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

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

“Joint Powers Agreement” means that certain Joint Powers Agreement dated October 1, 2019, as amended from time to time, under which Buyer is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

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

“Lender” means, collectively, any Person (a) providing senior or subordinated construction, interim, back leverage or long-term debt, equity or tax equity financing or refinancing for or in connection with the development, construction, purchase, installation or operation of the Facility, whether that financing or refinancing takes the form of private debt (including back-leverage debt), equity (including tax equity), public debt or any other form (including financing or refinancing provided to a member or other direct or indirect owner of Seller), including any equity or tax equity investor directly or indirectly providing financing or refinancing for the Facility or purchasing equity ownership interests of Seller and/or its Affiliates, and any trustee or agent or similar representative acting on their behalf, (b) providing Interest Rate or commodity protection under an agreement hedging or otherwise mitigating the cost of any of the foregoing obligations and/or (c) participating in a lease financing (including a sale leaseback or leveraged leasing structure) with respect to the Facility.

“Letter(s) of Credit” means one or more irrevocable, standby letters of credit issued by a U.S. commercial bank with such bank having a Credit Rating of at least A- with an outlook designation of “stable” from S&P or A3 with an outlook designation of “stable” from Moody’s, in a form substantially similar to the letter of credit set forth in Exhibit K.

“Licensed Professional Engineer” means an independent, professional engineer selected by Seller and reasonably acceptable to Buyer, licensed in the State of California.

“Limited Assignee” has the meaning set forth in Section 14.4.

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“Locational Marginal Price” or **“LMP”** has the meaning set forth in the CAISO Tariff.

“Losses” means, with respect to the Non-Defaulting Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner, which economic loss (if any) shall be deemed to be the loss (if any) to such Party represented by (a) if Buyer is the Non-Defaulting Party, the positive difference between the present value of the payments that would be required to be made by Buyer under any transaction(s) replacing this Agreement and the present value of the payments required to be made by Buyer during the remaining Contract Term of this Agreement and (b) if Seller is the Non-Defaulting Party, the positive difference between the present value of the payments required to be made to Seller during the remaining Contract Term of this Agreement and the present value of the payments that would be required to be made to, or that would otherwise be received by, Seller under any transaction(s) replacing this Agreement. Factors used in determining economic loss to a Party may include reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., SP-15), all of which should be calculated for the remaining Contract Term and must include the value of Green Attributes, and Renewable Energy Incentives.

“Lost Output” means the amount of Energy, expressed in MWh, that the Facility would have produced and delivered to the Delivery Point, but that is not produced by the Facility due to Force Majeure Events, Curtailment Periods, System Emergencies, or Buyer Default. The Lost Output shall be calculated in the same manner as Deemed Delivered Energy is calculated in accordance with the definition thereof.

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

“Master File” has the meaning set forth in the CAISO Tariff.

“Material Terms” has the meaning set forth in Section 14.5(b).

“Meter Service Agreement” means “Meter Service Agreement for CAISO Metered Entities” or “Meter Service Agreement for Scheduling Coordinators”, as applicable, as each are defined in the CAISO Tariff.

“Milestones” means the development activities for significant permitting, interconnection, financing and construction milestones set forth on the Cover Sheet.

“Monthly Delivery Forecast” has the meaning set forth in Section 4.4(b).

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“**Monthly Product Payment**” means the payment required to be made by Buyer to Seller each month of the Delivery Term as compensation for delivered Product, as calculated in accordance with Exhibit C.

“**Moody’s**” means Moody’s Investors Service, Inc.

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

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

“**Negative LMP**” means, in any Settlement Period or Settlement Interval, whether in the Day-Ahead Market or Real-Time Market, the LMP at the Facility’s PNode is less than Zero dollars (\$0).

“**Negative LMP Costs**” has the meaning set forth in Exhibit C.

“**NERC**” means the North American Electric Reliability Corporation or any successor entity performing similar functions.

“**Network Upgrade**” means collectively Delivery Network Upgrades and Reliability Network Upgrades.

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

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

“**Outage Schedule**” has the meaning set forth in Section 4.6(a)(i).

“**Participating Generator Agreement**” has the meaning set forth in the CAISO Tariff.

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

“**Performance Measurement Period**” means each two (2) consecutive Contract Year period during the Delivery Term so that the first Performance Measurement Period shall include Contract Years 1 and 2. Performance Measurement Periods shall overlap, so that if the first Performance Measurement Period is comprised of Contract Years 1 and 2, the second Performance Measurement Period shall be comprised of Contract Years 2 and 3, the third Performance Measurement Period shall be comprised of Contract Years 3 and 4, and so on.

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

“**Permitted Transferee**” means (a) any Affiliate of Seller or (b) any entity that has, or is controlled by another Person that satisfies the following requirements:

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(i) A Tangible Net Worth of not less than [REDACTED] and [REDACTED]

(ii) At least five (5) years of experience in the ownership and operations of facilities similar to the Facility or has retained a third-party with such experience to operate the Facility.

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

“Planned Outage” means a period during which the Facility is either in whole or in part not capable of providing service due to planned maintenance that has been scheduled in advance in accordance with Section 4.6(a).

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

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

“Portfolio” means the portfolio of electrical energy generating, electrical energy storage, or other assets and entities, including the Facility (or the interests of Seller or Seller’s Affiliates or the interests of their respective direct or indirect parent companies), that is pledged as collateral security in connection with a Portfolio Financing.

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

“Portfolio Financing” means any debt incurred by an Affiliate of Seller that is secured only by a Portfolio.

“Portfolio Financing Entity” means any Affiliate of Seller that incurs debt in connection with any Portfolio Financing.

“Prevailing Wage Requirement” has the meaning set forth in Section 13.4(a).

“Product” has the meaning set forth on the Cover Sheet.

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

“Project PPA” has the meaning set forth in Section 14.6(b).

“Prudent Operating Practice” means (a) the applicable practices, methods and acts required by or consistent with applicable Laws and reliability criteria, and otherwise engaged in or approved by a significant portion of the electric industry during the relevant time period with respect to grid-interconnected, utility-scale generating facilities in the Western United States, or

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(b) any of the practices, methods and acts which, in the exercise of reasonable judgement in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Operating Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to acceptable practices, methods or acts generally accepted in the industry with respect to grid-interconnected, utility-scale generating facilities with integrated storage in the Western United States. Prudent Operating Practice includes compliance with applicable Laws, applicable safety and reliability criteria, and the applicable criteria, rules and standards promulgated in the National Electric Safety Code and the National Electrical Code, as they may be amended or superseded from time to time, including the criteria, rules and standards of any successor organizations.

“**PTC**” means the production tax credit established pursuant to Section 45 of the United States Internal Revenue Code of 1986.

“**PTC Amount**” means the amount, on a dollar per MWh basis, equal to the PTC that Seller would have earned in respect of Delivered Energy at the time, grossed up on an after tax basis at the then-highest marginal combined federal and state corporate tax rate, but failed to earn as a result of Buyer Bid Curtailment or Buyer Curtailment Order, which amount will be calculated by reference to the amount of Deemed Delivered Energy in excess of the Curtailment Cap up to one-hundred percent (100%) of the Expected Energy for the applicable Contract Year and the portion of the Facility eligible to receive Production Tax Credits at the time of determination.

“**Real-Time Forecast**” means any Notice of any change to the Available Capacity or hourly expected Energy delivered by or on behalf of Seller pursuant to Section 4.4(d).

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

“**Real-Time Price**” means the Resource-Specific Settlement Interval LMP as defined in the CAISO Tariff. If there is more than one applicable Real-Time Price for the same period of time, Real-Time Price shall mean the price associated with the smallest time interval.

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

“**Recurring Certificate Transfers**” has the meaning set forth in Section 4.8(a).

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

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

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

“**Renewable Energy Incentives**” means: (a) all federal, state, or local Tax Credits or other Tax benefits associated with the construction, ownership, or production of Product from the Facility (including credits under Sections 38, 45, 46 and 48 of the Internal Revenue Code of 1986, as amended); (b) any federal, state, or local grants, subsidies or other like benefits relating in any

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way to ownership or operation of the Facility; and (c) any other form of incentive relating in any way to the Facility that is not a Green Attribute or a Future Environmental Attribute.

“Replacement Green Attributes” means Renewable Energy Credits of the same Portfolio Content Category (i.e., PCC1) as the Green Attributes portion of the Product and of the same year of production as the Renewable Energy Credits that would have been generated by the Facility.

“Requested Confidential Information” has the meaning set forth in Section 18.2.

“Right of First Refusal” or **“ROFR”** has the meaning set forth in Section 14.6(a).

“ROFR Offer” has the meaning set forth in Section 14.6(b).

“S&P” means the Standard & Poor’s Financial Services, LLC (a subsidiary of S&P Global, Inc.) or its successor.

“SC Metered Entity” has the meaning of a “Scheduling Coordinator Metered Entity” as defined in the CAISO Tariff.

“SCADA Systems” means the standard supervisory control and data acquisition systems to be installed by Seller as part of the Facility, including those system components that enable Seller to receive ADS and AGC instructions from the CAISO or similar instructions from Buyer’s SC.

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

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

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

“Security Interest” has the meaning set forth in Section 8.9.

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

“Seller” has the meaning set forth on the Cover Sheet.

“Seller’s WREGIS Account” has the meaning set forth in Section 4.8(a).

“Settlement Amount” means the Non-Defaulting Party’s Costs and Losses, on the one hand, netted against its Gains, on the other. If the Non-Defaulting Party’s Costs and Losses exceed its Gains, then the Settlement Amount shall be an amount owing to the Non-Defaulting Party. If

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the Non-Defaulting Party's Gains exceed its Costs and Losses, then the Settlement Amount shall be zero dollars (\$0). The Settlement Amount shall not include consequential, incidental, punitive, exemplary, or indirect or business interruption damages unless such damages are part of a Party's Gains, Losses or Costs as those terms are explicitly defined herein.

"Settlement Interval" has the meaning set forth in the CAISO Tariff.

"Settlement Period" has the meaning set forth in the CAISO Tariff.

"Shared Facilities" means the gen-tie lines, transformers, substations, or other equipment, permits, contract rights, and other assets and property (real or personal), in each case, as necessary to enable delivery of Energy to the Delivery Point from the Facility (which is excluded from Shared Facilities), including the Interconnection Agreement itself, that are used in common with third parties or by Seller.

"Site" means the real property on which the Facility is or will be located, as further described in Exhibit A, and as shall be updated by Seller at the time Seller provides an executed Construction Start Date certificate in the form of Exhibit J to Buyer; *provided*, that any such update to the Site that includes real property that was not originally contained within the Site boundaries described in Exhibit A shall be subject to Buyer's approval of such updates in its sole discretion..

"Site Control" means that, for the Contract Term, Seller (or, prior to the Delivery Term, its Affiliate): (a) owns or has the option to purchase the Site; (b) is the lessee or has the option to lease the Site; or (c) is the holder of an easement or an option for an easement, right-of-way grant, or similar instrument with respect to the Site.

"SP-15" means the Existing Zone Generation Trading Hub for Existing Zone region SP15 as set forth in the CAISO Tariff.

"SQMD Plan" has the meaning set forth in the CAISO Tariff.

"Station Use" means the Energy that is used within the Facility to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Facility (or as otherwise defined by the retail energy provider and CAISO Tariff).

"Subsequent Purchaser" means the purchaser or recipient of Product from Buyer in any conveyance, re-sale or remarketing of Product by Buyer.

"Supply Plan" has the meaning set forth in the CAISO Tariff.

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

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“Tangible Net Worth” means the tangible assets (for example, not including intangibles such as goodwill and rights to patents or royalties) that remain after deducting liabilities as determined in accordance with generally accepted accounting principles.

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

“Tax Benefits” means any state, local and/or federal tax benefit or incentive, including energy credits determined under Section 45 or 48 of the Internal Revenue Code of 1986, as amended, investment tax credits, production tax credits, depreciation, amortization, deduction, expense, exemption, preferential rate, and/or other tax benefit or incentive associated with the production of renewable energy and/or the operation of, construction, investments in or ownership of the Facility (including any cash payment or grant).

“Tax Credits” means (a) the PTC, ITC and any other state, local or federal production tax credit, depreciation benefit, tax deduction or investment tax credit specific to the production of renewable energy or investments in renewable energy facilities and/or energy storage facilities and (b) any refundable credit, grant, or other cash payment in lieu of an incentive described in clause (a).

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

“Termination Payment” has the meaning set forth in Section 11.3(b).

“Test Energy” means Delivered Energy delivered (a) commencing on the later of (i) the first date that the CAISO informs Seller in writing that Seller may deliver Energy to the CAISO and (ii) the first date that the Distribution Provider informs Seller in writing that Seller has conditional or temporary permission to parallel and (b) ending upon the occurrence of the Commercial Operation Date.

“Test Energy Rate” has the meaning set forth in Section 3.6.

“Third-Party Transaction” has the meaning set forth in Section 14.6(c).

“Transmission System” means the transmission facilities operated by the CAISO, now or hereafter in existence.

“Ultimate Parent” means 1st Light Sales Corp., a Nevada corporation .

“Unplanned Outage” means a period during which the Facility is not capable of providing service due to the need to maintain or repair a component thereof, which period is not a Planned Outage.

“Variable Energy Resource” or **“VER”** has the meaning set forth in the CAISO Tariff.

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

“**WREGIS Certificate Deficit**” has the meaning set forth in Section 4.8(d).

“**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.

“**WREGIS Operating Rules**” means those operating rules and requirements adopted by WREGIS as of October 2022, as subsequently amended, supplemented or replaced (in whole or in part) from time to time.

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

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

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

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

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

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

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

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

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

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

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

(k) words, phrases or expressions not otherwise defined herein that (i) have a generally accepted the expression “and/or” when used as a conjunction shall connote “any or all of”;

(l) meaning in Prudent Operating Practice shall have such meaning in this Agreement or (ii) do not have well known and generally accepted meaning in Prudent Operating Practice but that have well known and generally accepted technical or trade meanings, shall have such recognized meanings; and

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

ARTICLE 2 TERM; CONDITIONS PRECEDENT

2.1 Contract Term.

(a) The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until the conclusion of the Delivery Term, subject to any early termination provisions set forth herein (“**Contract Term**”); *provided, however*, that subject to Buyer’s obligations in Section 3.6, Buyer’s obligations to pay for or accept any Product are subject to Seller’s completion of the conditions precedent pursuant to Section 2.2.

(b) Within thirty (30) days of the Effective Date or as directed by the CPUC, Buyer will submit this Agreement to the CPUC via a Tier 2 advice letter seeking an order that, after issuance and the passage of time, would constitute a CPUC Approval (“**Approval Application**”). Seller agrees to cooperate with Buyer in preparing and filing the Approval Application and to actively support that application, as reasonably requested by Buyer. If CPUC Approval of this Agreement is not obtained within one hundred eighty (180) days following the Effective Date, then either Party may terminate this Agreement upon written Notice to the other Party. Upon such termination, neither Party shall have any liability to the other Party, save and except for those obligations specified in Section 2.1(c), and Buyer shall promptly return to Seller any Development Security then held by Buyer, less any amounts drawn in accordance with this Agreement.

(c) Applicable provisions of this Agreement shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination. The

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confidentiality obligations of the Parties under Article 18 shall remain in full force and effect for two (2) years following the termination of this Agreement, and all indemnity and audit rights shall remain in full force and effect for three (3) years following the termination of this Agreement.

2.2 Commercial Operation; Conditions Precedent. Seller shall provide Notice to Buyer of the expected Commercial Operation Date at least sixty (60) days in advance of such date. Seller shall provide Notice to Buyer when Seller believes it has provided the required documentation to Buyer and met all the conditions precedent set forth below for achieving Commercial Operation. Following Buyer's receipt of such Notice, Buyer shall have five (5) Business Days to approve or reject Seller's request for confirmation of Commercial Operation, which, if confirmed, shall be deemed to have occurred as of the date of such Notice. If Buyer fails to respond to Seller's Notice within such five (5) Business Day period, Buyer will be deemed to have approved Seller's request for confirmation of Commercial Operation. Upon Buyer's approval (or deemed approval) of Seller's achievement of Commercial Operation, Buyer shall provide Seller with written acknowledgement of the Commercial Operation Date.

(a) Seller has delivered to Buyer (i) a completion certificate from a Licensed Professional Engineer substantially in the form of Exhibit H and (ii) a certificate from a Licensed Professional Engineer substantially in the form of Exhibit I setting forth the Installed Capacity on the Commercial Operation Date;

(b) A Participating Generator Agreement and a Meter Service Agreement between Seller and CAISO have been executed and delivered and are in full force and effect, and a copy of each such agreement has been delivered to Buyer;

(c) Seller has executed an Interconnection Agreement with the Distribution Provider, which shall be in full force and effect, and a copy of the Interconnection Agreement has been delivered to Buyer;

(d) All applicable regulatory authorizations, approvals and permits for operation of the Facility have been obtained (or if not obtained, applied for and reasonably expected to be received within ninety (90) days) and shall be in full force and effect and all conditions thereof that are capable of being satisfied on the Commercial Operation Date have been satisfied and shall be in full force and effect;

(e) Seller has Site Control;

(f) Seller has received CEC Precertification of the Facility (and reasonably expects to receive final CEC Certification and Verification for the Facility in no more than one hundred eighty (180) days from the Commercial Operation Date);

(g) Seller (with the reasonable participation of Buyer) shall have completed all applicable WREGIS registration requirements, including the completion and submittal of all applicable registration forms and supporting documentation, which may include applicable interconnection agreements, informational surveys related to the Facility, qualified reporting entity service agreements, and other appropriate documentation required to effect Facility registration

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with WREGIS and to enable Renewable Energy Credit transfers related to the Facility within the WREGIS system;

(h) The Facility has successfully completed all testing required by Prudent Operating Practice or any requirement of Law to operate the Facility;

(i) Insurance requirements for the Facility have been met, with evidence provided in writing to Buyer, in accordance with Section 17.1;

(j) Seller has made available to Buyer's Scheduling Coordinator all real-time telemetry data reasonably necessary for Buyer's Scheduling Coordinator to perform its duties as Buyer's Scheduling Coordinator for the Facility, including the operational data specified in Exhibit L;

(k) Seller has taken all actions and executed all documents and instruments required to authorize Buyer (or its designated agent) to act as Scheduling Coordinator under this Agreement, and Buyer (or its designated agent) is authorized to act as Scheduling Coordinator and has full capability to Schedule and dispatch the Facility; and

(l) Seller has delivered the Performance Security to Buyer in accordance with Section 8.8; and

(m) Seller has paid Buyer for all amounts owing under this Agreement, if any, including Construction Delay Damages and Commercial Operation Delay Damages.

2.3 Development; Construction; Progress Reports. Within fifteen (15) days after the close of (i) each calendar quarter from the first calendar quarter following the Effective Date until the Construction Start Date, and (ii) each calendar month from the first calendar month following the Construction Start Date until the Commercial Operation Date, Seller shall provide to Buyer a Progress Report and agrees to regularly scheduled meetings between representatives of Buyer and Seller to review such reports and discuss Seller's construction progress. The form of the Progress Report is set forth in Exhibit E. Seller shall also provide Buyer with any reasonably requested documentation (subject to confidentiality restrictions) directly related to the achievement of Milestones within ten (10) Business Days of receipt of such request from Buyer. For the avoidance of doubt, Seller is solely responsible for the design and construction of the Facility, including the location of the Site, obtaining all permits and approvals to build the Facility, the Facility layout, and the selection and procurement of the equipment comprising the Facility.

2.4 Remedial Action Plan. If Seller misses a Milestone by more than thirty (30) days, except as the result of Force Majeure Event or Buyer Default, Seller shall submit to Buyer, within ten (10) Business Days of the end of such thirty (30)-day period following the missed Milestone completion date, a remedial action plan ("**Remedial Action Plan**"), which will describe in detail any delays (actual or anticipated) beyond the scheduled Milestone dates, including the cause of the delay (e.g., governmental approvals, financing, property acquisition, design activities, equipment procurement, project construction, interconnection, or any other factor), Seller's detailed description of its proposed course of action to achieve the missed Milestones and all

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subsequent Milestones by the Guaranteed Commercial Operation Date; *provided*, delivery of any Remedial Action Plan shall not relieve Seller of its obligation to provide Remedial Action Plans with respect to any subsequent Milestones and to achieve the Guaranteed Commercial Operation Date in accordance with the terms of this Agreement. Subject to the provisions of Exhibit B, so long as Seller complies with its obligations under this Section 2.4, Seller shall not be considered in default of its obligations under this Agreement solely as a result of missing any Milestone.

2.5 Pre-Commercial Operation Actions. The Parties agree that, in order for Buyer to dispatch the Facility for its Commercial Operation Date, the Parties will have to perform certain of their Delivery Term obligations in advance of the Commercial Operation Date. The Parties shall cooperate with each other in order for Buyer to be able to dispatch the Facility for the Commercial Operation Date.

ARTICLE 3 PURCHASE AND SALE

3.1 Purchase and Sale of Product. Subject to the terms and conditions of this Agreement, during the Delivery Term, (a) Buyer will purchase and receive all the Product produced by or associated with the Facility at the Contract Price and in accordance with Exhibit C, and Seller shall supply and deliver to Buyer all the Product produced by or associated with the Facility (net of applicable losses), and (b) Buyer shall have the exclusive right to the Installed Capacity and Effective Capacity, as applicable, and all Product associated therewith. Buyer has no obligation to purchase from Seller any Product for which the associated Energy is not or cannot be delivered to the Delivery Point as a result of an outage of the Facility, a Force Majeure Event, or a Curtailment Order. Seller represents and warrants that it will deliver the Product to Buyer free and clear of all liens, security interests, claims and encumbrances. Seller shall not substitute or purchase any Energy from any other resource or the market for delivery hereunder except as otherwise provided herein, nor shall Seller sell, assign or otherwise transfer any Product, or any portion thereof, to any third party other than to Buyer or the CAISO pursuant to this Agreement or as otherwise required by Law.

3.2 Sale of Green Attributes. Seller shall sell and deliver to Buyer, and Buyer shall purchase from Seller, all Green Attributes attributable to the Delivered Energy and Test Energy, if any, generated by the Facility.

3.3 Imbalance Energy. Buyer and Seller recognize that in any given Settlement Period the amount of Delivered Energy may deviate from the amount of Energy scheduled with the CAISO. To the extent there are such deviations, except as otherwise set forth in this Agreement, any costs or revenues from such imbalances shall be allocated to the Party that is acting as Scheduling Coordinator for the Facility.

3.4 Ownership of Renewable Energy Incentives. Seller shall have all right, title and interest in and to all Renewable Energy Incentives. Buyer acknowledges that any Renewable Energy Incentives belong to Seller. If any Renewable Energy Incentives, or values representing the same, are initially credited or paid to Buyer, Buyer shall cause such Renewable Energy Incentives or values relating to same to be assigned or transferred to Seller without delay. Buyer shall reasonably cooperate with Seller, at Seller's sole expense, in Seller's efforts to meet the

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requirements for any certification, registration, or reporting program relating to Renewable Energy Incentives.

3.5 Future Environmental Attributes.

(a) The Parties acknowledge and agree that as of the Effective Date, environmental attributes sold under this Agreement are restricted to Green Attributes; however, Future Environmental Attributes may be created by a Governmental Authority through Laws enacted after the Effective Date. Subject to the final sentence of this Section 3.5(a) and Section 3.5(b), in such event, Buyer shall bear all costs associated with the transfer, qualification, verification, registration and ongoing compliance for such Future Environmental Attributes, but there shall be no increase in the Contract Price. Upon Seller's receipt of Notice from Buyer of Buyer's intent to claim such Future Environmental Attributes, the Parties shall determine the necessary actions and additional costs associated with such Future Environmental Attributes. Seller shall have no obligation to alter the Facility unless the Parties have agreed on all necessary terms and conditions relating to such alteration and Buyer has agreed to reimburse Seller for all costs, losses, and liabilities associated with such alteration.

(b) If Buyer elects to receive Future Environmental Attributes pursuant to Section 3.5(a), the Parties agree to negotiate in good faith with respect to the development of further agreements and documentation necessary to effectuate the transfer of such Future Environmental Attributes, including agreement with respect to (i) appropriate transfer, delivery and risk of loss mechanisms, and (ii) appropriate allocation of any additional costs to Buyer, as set forth above; *provided*, that the Parties acknowledge and agree that such terms are not intended to alter the other material terms of this Agreement.

3.6 Test Energy. No less than fourteen (14) days prior to the first day on which Test Energy is expected to be available from the Facility, Seller shall notify Buyer of the availability of the Test Energy. If and to the extent the Facility generates Test Energy, Seller shall sell and Buyer shall purchase from Seller all Test Energy and any associated Products, including Green Attributes on an as-available basis. As compensation for such Test Energy and associated Product, Buyer shall pay Seller an amount equal to [REDACTED] (the "**Test Energy Rate**"). For the avoidance of doubt, the conditions precedent in Section 2.2 are not applicable to the Parties' obligations under this Section 3.6.

3.7 Reserved.

3.8 Reserved.

3.9 CEC Certification and Verification. Seller shall take all necessary steps including, but not limited to, making or supporting timely filings with the CEC to obtain and maintain CEC Certification and Verification for the Facility throughout the Delivery Term, including compliance with all applicable requirements for certified facilities set forth in the current version of the *RPS Eligibility Guidebook* (or its successor). Seller shall obtain CEC

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Precertification by the Commercial Operation Date. Within thirty (30) days after the Commercial Operation Date, Seller shall apply with the CEC for final CEC Certification and Verification. Within one hundred eighty (180) days after the Commercial Operation Date, Seller shall obtain and maintain throughout the remainder of the Delivery Term the final CEC Certification and Verification. Seller must promptly notify Buyer and the CEC of any changes to the information included in Seller's application for CEC Certification and Verification for the Facility.

3.10 Reserved.

3.11 California Renewables Portfolio Standard.

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“**ERR**”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC 6].

(b) The term “commercially reasonable efforts” as used in this Section 3.11 means efforts consistent with and subject to Section 3.12. The term “Project” as used in Section 3.11(a) means the Facility.

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

(d) Tracking of REC's in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. [STC REC-2].

(e) The term “the contract” as used in Section 3.11(d) means this Agreement.

3.12 Compliance Expenditure Cap.

(a) The Parties acknowledge that an essential purpose of this Agreement is to provide renewable generation to Buyer that meets the requirements of the California Renewables Portfolio Standard. The Parties further acknowledge that Governmental Authorities, including the

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CEC, CPUC, CAISO and WREGIS, may undertake actions to implement changes in Law. Seller agrees to use commercially reasonable efforts to cooperate with respect to any future changes to this Agreement needed to satisfy requirements of Governmental Authorities associated with changes in Law to maximize benefits to Buyer, including: (i) the modification of the description of Green Attributes as may be required, including updating the Agreement to reflect any mandatory contractual language required by Governmental Authorities; (ii) submission of any reports, data, or other information required by Governmental Authorities; or (iii) all other actions that may be required to ensure that this Agreement or the Facility is eligible as an ERR and for other benefits under the California Renewables Portfolio Standard; *provided*, Seller shall have no obligation to modify this Agreement, or take other actions not required under this Agreement, if such modifications or actions would materially adversely affect, or could reasonably be expected to have or result in a material adverse effect on, any of Seller's rights, benefits, risks and/or obligations under this Agreement.

(b) If a change in Law occurring after the Effective Date has increased Seller's known or reasonably expected costs to (A) cause the Facility, the Energy generated by the Facility, or the associated Green Attributes to comply with the California Renewables Portfolio Standard, (B) obtain, maintain, convey or effectuate Buyer's use of any Green Attributes, or (C) a change in WREGIS Operating Rules after the Effective Date increases Seller's costs to comply with its obligations under Section 4.8, then the Parties agree that the maximum aggregate amount of the increase in out-of-pocket costs and expenses that Seller shall be required to bear during the Contract Term to comply with all of such obligations shall be capped at [REDACTED] per MW of Guaranteed Capacity in aggregate over the Contract Term (the "**Compliance Expenditure Cap**").

(c) Any actions required for Seller to comply with its obligations set forth in Section 3.12(b), the cost of which will be included in the Compliance Expenditure Cap, shall be referred to collectively as the "**Compliance Actions**."

(d) If Seller reasonably anticipates the need to incur out-of-pocket expenses in excess of the Compliance Expenditure Cap in order to take any Compliance Action, Seller shall provide Notice to Buyer of such anticipated out-of-pocket expenses.

(e) Buyer will have sixty (60) days to evaluate such Notice (during which time period Seller is not obligated to take any Compliance Actions described in the Notice) and shall, within such time, either (i) agree to reimburse Seller for all of the costs that exceed the Compliance Expenditure Cap (such Buyer-agreed upon costs (including lost production, if any), the "**Accepted Compliance Costs**"), or (ii) waive Seller's obligation to take such Compliance Actions, or any part thereof for which Buyer has not agreed to reimburse Seller. If Buyer does not respond to a Notice given by Seller under this Section 3.12 within sixty (60) days after Buyer's receipt of same, Buyer shall be deemed to have waived its rights to require Seller to take the Compliance Actions that are the subject of the Notice, and Seller shall have no further obligation to take, and no liability for any failure to take, these Compliance Actions for the remainder of the Contract Term.

(f) If Buyer agrees to reimburse Seller for the Accepted Compliance Costs, then Seller shall take such Compliance Actions covered by the Accepted Compliance Costs as agreed upon by the Parties and Buyer shall reimburse Seller for Seller's actual costs to effect the

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Compliance Actions, not to exceed the Accepted Compliance Costs, within sixty (60) days from the time that Buyer receives an invoice and documentation of such costs from Seller.

3.13 Project Configuration. In order to optimize the benefits of the Facility, Buyer and Seller each agree that if requested by the other Party, then Buyer and Seller will discuss in good faith potential reconfiguration of the Facility or Interconnection Facilities; *provided*, neither Party shall be obligated to agree to any changes under this Agreement, or to incur any expense in connection with such changes, except under terms mutually acceptable to both Parties (and Seller's Lenders) in their sole discretion as set forth in a written agreement executed by the Parties.

3.14 Buyer's Re-Sale of Product. Buyer shall have the exclusive right in its sole discretion to convey, use, market, or sell the Product, or any part of the Product, to any Subsequent Purchaser; and Buyer shall have the right to all revenues generated from the conveyance, use, re-sale or remarketing of the Product, or any part of the Product. Seller shall take all commercially reasonable actions and execute all documents or instruments reasonably necessary to allow Subsequent Purchasers to use such resold Product, but without increasing Seller's obligations or liabilities under this Agreement. If Buyer incurs any liability to a Subsequent Purchaser due to the failure of Seller to comply with this Section 3.14, Seller shall be liable to Buyer for the amounts Seller would have owed Buyer under this Agreement if Buyer had not resold the Product.

ARTICLE 4 OBLIGATIONS AND DELIVERIES

4.1 Delivery.

(a) Energy. Subject to the provisions of this Agreement, commencing on the Commercial Operation Date and continuing through the end of the Contract Term, Seller shall supply and deliver the Product to Buyer at the Delivery Point, and Buyer shall take delivery of the Product at the Delivery Point in accordance with the terms of this Agreement. Seller shall be responsible for paying or satisfying when due any costs or charges imposed in connection with the delivery of Energy to the Delivery Point, including without limitation, Station Use, Electrical Losses, and any operation and maintenance charges imposed by the Distribution Provider directly relating to the Facility's operations. Buyer shall be responsible for all costs, charges and penalties, if any, imposed in connection with the delivery of Delivered Energy at and after the Delivery Point, including without limitation transmission and distribution costs and transmission and distribution line losses and imbalance charges, except as otherwise set forth in this Agreement. The Delivered Energy will be scheduled to the CAISO by Buyer (or Buyer's designated Scheduling Coordinator) in accordance with Exhibit D.

(b) Green Attributes. All Green Attributes associated with Test Energy and the Delivered Energy are exclusively dedicated to and vested in Buyer. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Facility, Seller has not sold such Green Attributes to any other person or entity, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Facility.

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4.2 Title and Risk of Loss.

(a) Energy. Title to and risk of loss related to the Delivered Energy, shall pass and transfer from Seller to Buyer at the Delivery Point. Seller warrants that all Product delivered to Buyer is free and clear of all liens, security interests, claims and encumbrances of any kind.

(b) Green Attributes. Title to and risk of loss related to the Green Attributes shall pass and transfer from Seller to Buyer upon the transfer of such Green Attributes in accordance with WREGIS.

4.3 Interconnection. Seller shall be responsible for all costs and charges associated with Interconnection Facilities and Network Upgrades necessitated by the interconnection of the Facility. Seller shall ensure that throughout the Delivery Term (a) the Facility will have an Interconnection Agreement providing for interconnection capacity available or allocable to the Facility that is no less than the Dedicated Interconnection Capacity and (b) Seller shall have sufficient interconnection capacity and rights under such Interconnection Agreement to interconnect the Facility with the CAISO-controlled grid, to fulfill Seller's obligations under the Agreement and to allow Buyer's dispatch rights for the Facility to be fully reflected in the CAISO's market optimization and not result in CAISO market awards that are not physically feasible. Seller shall hold Buyer harmless from any penalties, imbalance energy charges, or other costs from CAISO or under the Agreement resulting from Seller's inability to provide the foregoing interconnection capacity.

4.4 Forecasting. Seller shall provide the forecasts described below at its sole expense and in a format acceptable to Buyer (or Buyer's designee). Seller shall use reasonable efforts to provide forecasts that are accurate and, to the extent not inconsistent with the requirements of this Agreement, shall prepare such forecasts, or cause such forecasts to be prepared, in accordance with Prudent Operating Practices.

(a) Annual Forecast of Energy. No less than forty-five (45) days before (i) the first day of the first Contract Year of the Delivery Term and (ii) the beginning of each calendar year for every subsequent Contract Year during the Delivery Term, Seller shall provide to Buyer and the SC (if applicable) a non-binding forecast of each month's average-day Expected Energy, by hour, for the following calendar year in a form substantially similar to the table found in Exhibit F-1, or in such other form as reasonably requested by Buyer.

(b) Monthly Forecast of Energy and Available Capacity. No less than thirty (30) days before the beginning of Commercial Operation, and thereafter ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide to Buyer and Buyer's SC (if applicable) a non-binding forecast of the hourly expected Energy and Available Capacity for each day of the following month in a form substantially similar to the table found in Exhibit F-2, or in such other form as reasonably requested by Buyer. ("**Monthly Delivery Forecast**").

(c) Day-Ahead Forecast. By 5:30 AM Pacific Prevailing Time on the Business Day immediately preceding the date of delivery, or as otherwise specified by Buyer consistent with Prudent Operating Practice, Seller shall provide Buyer with a non-binding forecast of

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(i) Available Capacity, and (ii) hourly Expected Energy, in each case, for each hour of the immediately succeeding day (“**Day-Ahead Forecast**”). A Day-Ahead Forecast provided in a day prior to any non-Business Day(s) shall include non-binding forecasts for the immediate day, each succeeding non-Business Day and the next Business Day. Each Day-Ahead Forecast shall clearly identify, for each hour, Seller’s best estimate of (i) the Available Capacity, and (ii) the hourly Expected Energy. These Day-Ahead Forecasts shall be sent to Buyer’s SC. If Seller fails to provide Buyer with a Day-Ahead Forecast as required herein for any period, then for such unscheduled delivery period only Buyer shall rely on any Real-Time Forecast provided in accordance with Section 4.4(d) or the Monthly Delivery Forecast or Buyer’s best estimate based on information reasonably available to Buyer.

(d) Real-Time Forecasts. During the Delivery Term, Seller shall notify Buyer and the SC (if applicable) of any changes from the Day-Ahead Forecast of one (1) MW or more in (i) Available Capacity, and (ii) hourly Expected Energy, in each case, whether due to Forced Facility Outage, Force Majeure or other cause, as soon as reasonably possible, but no later than one (1) hour prior to the deadline for submitting Schedules to the CAISO in accordance with the rules for participation in the Real-Time Market. If the Available Capacity or hourly Expected Energy changes by at least one (1) MW as of a time that is less than one (1) hour prior to the Real-Time Market deadline, but before such deadline, then Seller must notify Buyer and the SC (if applicable) as soon as reasonably possible. Such Real-Time Forecasts of Energy shall be provided by an Approved Forecast Vendor and shall contain information regarding the beginning date and time of the event resulting in the change in Available Capacity or hourly Expected Energy, as applicable, the expected end date and time of such event, and any other information required by the CAISO or reasonably requested by Buyer. With respect to any Forced Facility Outage, Seller shall use best efforts to notify Buyer and the SC (if applicable) of such outage within ten (10) minutes of the commencement of the Forced Facility Outage. Seller shall inform Buyer and the SC (if applicable) of any developments that will affect either the duration of such outage or the availability of the Facility during or after the end of such outage. These Real-Time Forecasts shall be communicated in a method acceptable to Buyer; provided that Buyer specifies the method no later than five (5) Business Days prior to the effective date of such requirement. In the event Buyer fails to provide Notice of an acceptable method for communications under this Section 4.4(d), then Seller shall send such communications by telephone and e-mail to Buyer.

(e) Forced Facility Outages. Notwithstanding anything to the contrary herein, Seller shall promptly notify Buyer’s SC of Forced Facility Outages and Seller shall keep Buyer informed of any developments that will affect either the duration of the outage or the availability of the Facility during or after the end of the outage.

(f) Forecasting Penalties. Subject to a Force Majeure Event, in the event Seller does not in a given hour provide the forecast required in Section 4.4(d) and Buyer incurs a loss or penalty resulting from its scheduling activities with respect to Delivered Energy during such hour, Seller shall be responsible for a Forecasting Penalty for each such hour. Settlement of Forecasting Penalties shall occur as set forth in Article 8 of this Agreement.

(g) CAISO Tariff Requirements. To the extent such obligations are applicable to the Facility, Seller will comply with all applicable obligations for Variable Energy Resources under the CAISO Tariff and the Eligible Intermittent Resource Protocol (as such terms are defined

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in the CAISO Tariff), including providing appropriate operational data and meteorological data, and will fully cooperate with Buyer, Buyer's SC, and CAISO, in providing all data, information, and authorizations required thereunder.

4.5 Dispatch Down/Curtailment.

(a) General. Seller agrees to reduce the amount of Delivered Energy produced by the Facility, by the amount and for the period set forth in any Curtailment Order, Buyer Curtailment Order, or notice received from CAISO in respect of a Buyer Bid Curtailment; *provided*, Seller is not required to reduce such amount to the extent it is inconsistent with the limitations of the Facility.

(b) Buyer Curtailment. Buyer shall have the right to order Seller to curtail deliveries of Energy through Buyer Curtailment Orders, provided that Buyer shall pay Seller for all Deemed Delivered Energy associated with a Buyer Curtailment Period in excess of the Curtailment Cap at the Renewable Rate and, if applicable, the PTC Amount, in accordance with Exhibit C.

(c) Failure to Comply. If Seller fails to comply with a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order, then, for each MWh of Delivered Energy that is delivered by the Facility to the Delivery Point in contradiction to the Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order, Seller shall pay Buyer for each such MWh at an amount equal to the sum of (A) + (B) + (C), where: (A) is the amount, if any, paid to Seller by Buyer for delivery of such excess MWh and, (B) is the sum, for all Settlement Intervals with a Negative LMP during the Buyer Curtailment Period or Curtailment Period, of the absolute value of the product of such excess MWh in each Settlement Interval and the Negative LMP for such Settlement Interval, and (C) is any penalties assessed by the CAISO or other charges assessed by the CAISO resulting from Seller's failure to comply with the Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order.

(d) Seller Equipment Required for Operating Instruction Communications. Seller shall acquire, install, and maintain such facilities, communications links and other equipment, and implement such protocols and practices, as necessary to respond and follow instructions, including an electronic signal conveying real time and intra-day instructions, to operate the Facility as directed by the Buyer in accordance with this Agreement or a Governmental Authority, including to implement a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order in accordance with the then-current methodology used to transmit such instructions as it may change from time to time. If at any time during the Delivery Term Seller's facilities, communications links or other equipment, protocols or practices are not in compliance with then-current methodologies, Seller shall take the steps necessary to become compliant as soon as reasonably possible. Seller shall be liable pursuant to Section 4.5(c) for failure to comply with a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order, during the time that Seller's facilities, communications links or other equipment, protocols or practices are not in compliance with then-current methodologies. For the avoidance of doubt, a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order communication via such systems and facilities shall have the same force and effect on Seller as any other form of communication. The Parties shall cooperate in good faith to agree upon a Communications Protocol for the Facility at least

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thirty (30) days prior to the earlier of the Guaranteed Commercial Operation Date or the Expected Commercial Operation Date. Upon request of a Party during the Delivery Term, the Parties shall cooperate in good faith to agree on reasonable changes to the Communications Protocol.

4.6 Outages.

(a) Planned Outages.

(i) Seller shall provide one hundred twenty (120) days' prior Notice of any Planned Outage to Buyer. Within twenty (20) days after its receipt of an Outage Schedule, Buyer shall give Notice to Seller of any reasonable request for changes to the Outage Schedule, and Seller shall, consistent with Prudent Operating Practices, accommodate Buyer's requests regarding the timing of any Planned Outage. Seller shall deliver to Buyer the final Outage Schedule no later than ten (10) days after receiving Buyer's comments.

(ii) If reasonably required in accordance with Prudent Operating Practices, Seller shall have the right, on no less than ninety (90) days advance Notice to Buyer, to propose changes to the Outage Schedule developed pursuant to Section 4.12(a)(i); *provided*, Seller shall schedule all Planned Outages within the time period determined by the CAISO to qualify for an "Approved Maintenance Outage" under the CAISO Tariff and Seller shall reimburse Buyer for any cost Buyer incurs in connection therewith. Buyer may provide comments no later than ten (10) days after receiving Seller's Notice of proposed changes to the Outage Schedule and shall permit any changes if doing so would not have a material adverse impact on Buyer and Seller agrees to reimburse Buyer for any costs or charges associated with such changes.

(b) No Planned Outages During Summer Months. Notwithstanding anything in this Agreement to the contrary, during the five-month period from June 1 to October 31 during the Delivery Term, Seller shall not schedule any non-emergency maintenance that reduces the energy generation capability of the Facility, unless

the Parties agree otherwise in writing.

(c) Planned Outage Timing. To the extent commercially reasonable, Seller shall schedule maintenance outages (i) within a single month, rather than across multiple months, (ii) during periods in which CAISO does not require resource substitution or replacement, and (iii) otherwise in a manner to avoid reductions in the Resource Adequacy Benefits available from the Facility to Buyer.

(d) Notice of Unplanned Outages. Seller shall notify Buyer by telephoning Buyer's Scheduling Coordinator no later than ten (10) minutes following the occurrence of an Unplanned Outage, or if Seller has knowledge that an Unplanned Outage will occur, within twenty (20) minutes of determining that such Unplanned Outage will occur. Seller shall relay outage information to Buyer as required by the CAISO Tariff within twenty (20) minutes of the

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Unplanned Outage. Seller shall communicate to Buyer the estimated time of return of the Facility as soon as practical after Seller has knowledge thereof.

(e) Inspection. In the event of an Unplanned Outage, Buyer shall have the option to inspect the Facility and all records relating thereto on any Business Day and at a reasonable time and Seller shall reasonably cooperate with Buyer during any such inspection. Buyer shall comply with Seller's safety and security rules and instructions during any inspection and shall not interfere with work on or operation of the Facility.

(f) Reports of Outages. Seller shall promptly prepare and provide to Buyer, all reports of Unplanned Outages or Planned Outages that Buyer may reasonably require for the purpose of enabling Buyer to comply with CAISO requirements or any applicable Laws. Seller shall also report all Unplanned Outages or Planned Outages in the Daily Operating Report.

4.7 Guaranteed Energy Production. During each Performance Measurement Period, Seller shall deliver to Buyer an amount of Adjusted Energy Production, not including any Excess MWh, equal to no less than the Guaranteed Energy Production. If Seller fails to achieve the Guaranteed Energy Production amount in any Performance Measurement Period, Seller shall pay Buyer damages calculated in accordance with Exhibit G ("GEP Damages").

4.8 WREGIS. Seller shall, at its sole expense, take all actions and execute all documents or instruments necessary to ensure that all WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Delivered Energy, as applicable, are issued and tracked for purposes of satisfying the requirements of the California Renewables Portfolio Standard and transferred in a timely manner to Buyer for Buyer's sole benefit. Seller shall transfer the Renewable Energy Credits to Buyer. Seller shall comply with all Laws, including the WREGIS Operating Rules, regarding the certification and transfer of such WREGIS Certificates to Buyer and Buyer shall be given sole title to all such WREGIS Certificates.

(a) Prior to the Commercial Operation Date, Seller shall register the Facility with WREGIS and establish an account with WREGIS ("**Seller's WREGIS Account**"), which Seller shall maintain until the end of the Delivery Term. Seller shall transfer the WREGIS Certificates using "**Recurring Certificate Transfers**" (as described in the WREGIS Operating Rules) from Seller's WREGIS Account to the WREGIS account(s) of Buyer or the account(s) of a designee that Buyer identifies by Notice to Seller ("**Buyer's WREGIS Account**"). Seller shall be responsible for all expenses associated with registering the Facility with WREGIS, establishing and maintaining Seller's WREGIS Account, paying WREGIS Certificate issuance and transfer fees, and transferring WREGIS Certificates from Seller's WREGIS Account to Buyer's WREGIS Account.

(b) Seller shall cause Recurring Certificate Transfers to occur on a monthly basis in accordance with the certification procedure established by the WREGIS Operating Rules. Since WREGIS Certificates will only be created for whole MWh amounts of Delivered Energy generated, any fractional MWh amounts (i.e., kWh) will be carried forward until sufficient generation is accumulated for the creation of a WREGIS Certificate.

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(c) Seller shall, at its sole expense, ensure that the WREGIS Certificates for a given calendar month correspond with the Delivered Energy, for such calendar month as evidenced by the Facility's metered data.

(d) Due to the ninety (90) day delay in the creation of WREGIS Certificates relative to the timing of invoice payment under Section 8.2, Buyer shall make an invoice payment for a given month in accordance with Section 8.2 before the WREGIS Certificates for such month are formally transferred to Buyer in accordance with the WREGIS Operating Rules and this Section 4.14. Notwithstanding this delay, Buyer shall have all right and title to all such WREGIS Certificates upon payment to Seller in accordance with Section 8.2.

(e) A **"WREGIS Certificate Deficit"** means any deficit or shortfall in WREGIS Certificates delivered to Buyer for a calendar month as compared to the Delivered Energy for the same calendar month (**"Deficient Month"**) caused by an error or omission of Seller. If any WREGIS Certificate Deficit is caused, or the result of any action or inaction by Seller, then the amount of Delivered Energy in the Deficient Month shall be reduced by the amount of the WREGIS Certificate Deficit for purposes of calculating Buyer's payment to Seller under Article 8 and damages, if any, under Exhibit G for the applicable Contract Year; *provided, however*, that such adjustment shall not apply to the extent that Seller (x) resolves the WREGIS Certificate Deficit within ninety (90) days after the Deficient Month or (y) provides Replacement Green Attributes within ninety (90) days after the Deficient Month (i) upon a schedule reasonably acceptable to Buyer and (ii) provided that such deliveries do not impose additional costs upon Buyer for which Seller refuses to provide reimbursement. Without limiting Seller's obligations under this Section 4.10, if a WREGIS Certificate Deficit is caused solely by an error or omission of WREGIS, the Parties shall cooperate in good faith to cause WREGIS to correct its error or omission

(f) If (i) WREGIS changes the WREGIS Operating Rules after the Effective Date or applies the WREGIS Operating Rules in a manner inconsistent with this Section 4.8 after the Effective Date, or (ii) the CEC modifies its *RPS Eligibility Guidebook* to enable the full amount of Delivered Energy to generate WREGIS Certificates, the Parties promptly shall modify this Section 4.8 as reasonably required to cause and enable Seller to transfer to Buyer's WREGIS Account a quantity of WREGIS Certificates for each given calendar month that corresponds to the maximum quantity of WREGIS Certificates that can be transferred to Buyer from the Facility in the same calendar month.

ARTICLE 5 TAXES

5.1 Allocation of Taxes and Charges. Seller shall pay or cause to be paid all Taxes on or with respect to the Facility or on or with respect to the sale and making available of Product to Buyer, that are imposed on Product prior to its delivery to Buyer at the time and place contemplated under this Agreement. Buyer shall pay or cause to be paid all Taxes on or with respect to the delivery to and purchase by Buyer of Product that are imposed on Product at and after its delivery to Buyer at the time and place contemplated under this Agreement (other than

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withholding or other Taxes imposed on Seller's income, revenue, receipts or employees), if any. If a Party is required to remit or pay Taxes that are the other Party's responsibility hereunder, such Party shall promptly pay the Taxes due and then seek and receive reimbursement from the other for such Taxes.

5.2 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and administer this Agreement in accordance with the intent of the Parties to minimize all Taxes, so long as no Party is materially adversely affected by such efforts. The Parties shall cooperate to minimize Tax exposure; *provided, however*, that neither Party shall be obligated to incur any financial or operational burden to reduce Taxes for which the other Party is responsible hereunder without receiving due compensation therefor from the other Party. All Product delivered by Seller to Buyer hereunder shall be a sale made at wholesale, with Buyer reselling such Product.

ARTICLE 6 OPERATION AND MAINTENANCE OF THE FACILITY

6.1 Operation and Maintenance of the Facility.

(a) Seller shall comply with Law and Prudent Operating Practice and be solely responsible for the operation, inspection, maintenance and repair of the Facility, and any portion thereof, the generation and sale of Product, all Environmental Costs and the disposal and recycling of any equipment associated with the Facility, including solar panels in accordance with applicable Law and Prudent Operating Practices. Seller shall maintain and deliver maintenance and repair records of the Facility to Buyer's scheduling representative upon request.

(b) The Parties shall develop written operating procedures for the Facility before the Commercial Operation Date which shall set forth the protocols under which the Parties shall perform their respective obligations under the PPA.

(c) Seller shall promptly make all necessary repairs to the Facility and the Facility, and any portion thereof, and take all actions necessary in order to provide the Product to Buyer in accordance with the terms of this Agreement.

(d) During the Delivery Term, Seller shall install and maintain communications systems and links, and other equipment required under all applicable CAISO and Interconnection Agreement requirements and as necessary to meet Seller's obligations under this Agreement, including receipt of automated CAISO dispatch instructions consistent with CAISO protocols and practice ("**Automated Dispatches**"). In the event of the failure or inability of the Facility to receive Automated Dispatches, Seller shall use all commercially reasonable efforts to repair or replace the applicable components as soon as reasonably possible, and if there is any material delay in such repair or replacement, Seller shall provide Buyer with a written plan of all actions Seller plans to take to repair or replace such components for Buyer's review and comment.

(e) Seller shall maintain a daily operations log for the Facility which shall include but not be limited to information on Energy electricity consumption and efficiency (if

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applicable), availability, outages, changes in operating status, inspections and any other significant events related to the operation of the Facility. Information maintained pursuant to this Section 6.1(c) shall be provided to Buyer within fifteen (15) days of Buyer's request.

(f) Seller shall maintain and make available to Buyer records, including logbooks, demonstrating that the Facility is operated in accordance with Prudent Operating Practices. Seller shall comply with all reporting requirements and permit on-site audits, investigations, tests and inspections permitted or required under any Prudent Operating Practices.

6.2 Maintenance of Health and Safety. Seller shall take reasonable safety precautions with respect to the operation, maintenance, repair and replacement of the Facility. If Seller becomes aware of any circumstances relating to the Facility that create an imminent risk of damage or injury to any Person or any Person's property, Seller shall take prompt action to prevent such damage or injury and shall give Notice to Buyer's emergency contact identified on Exhibit N of such condition. Such action may include, to the extent reasonably necessary, disconnecting and removing all or a portion of the Facility, or suspending the supply of Energy to the Delivery Point.

6.3 Shared Facilities. The Parties acknowledge and agree that certain of the Shared Facilities and Interconnection Facilities, and Seller's rights and obligations under the Interconnection Agreement, may be subject to certain shared facilities and/or co-tenancy agreements to be entered into among Seller, the Distribution Provider, Seller's Affiliates, and/or third parties. Seller agrees that any agreements regarding Shared Facilities (a) shall permit Seller to perform or satisfy, and shall not purport to limit, Seller's obligations hereunder, including providing interconnection capacity for the Facility's sole use in an amount not less than the Dedicated Interconnection Capacity, (b) shall provide for separate metering and a separate CAISO Resource ID for the Facility, (c) shall provide that any other generating or energy storage facilities not included in the Facility but using Shared Facilities shall not be included within the Facility's CAISO Resource IDs; and (d) shall provide that any curtailment of the full capacity of Shared Facilities that is ordered by Distribution Provider that Seller and its Affiliates have discretion to allocate across generating or energy storage facilities using the Shared Facilities shall not be allocated to the Facility more than its pro rata portion of the total capacity of all generating or energy storage facilities using the Shared Facilities. Seller shall not, and shall not permit any Affiliate to, allocate to other parties a share of the total interconnection capacity under the Interconnection Agreement in excess of an amount equal to the total interconnection capacity under the Interconnection Agreement minus the Dedicated Interconnection Capacity.

ARTICLE 7 METERING

7.1 Metering. Seller shall measure the amount of Delivered Energy using the Facility Meter. All meters will be operated pursuant to applicable CAISO-approved calculation methodologies and maintained at Seller's cost. All Facility Meters will be programmed, operated and maintained pursuant to the applicable CAISO-approved SQMD Plan for the Facility at Seller's cost (including, for avoidance of doubt, reimbursement to Buyer of reasonable and

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customary costs owed by Buyer to its Scheduling Coordinator for submitting SQMD Plan meter data to the CAISO), throughout the period to which the SQMD Plan applies. Seller shall provide to Buyer a copy of any CAISO-approved SQMD Plan and any modifications thereto and notice of any termination or withdrawal thereof. Subject to meeting any applicable CAISO requirements, the Facility Meter shall be programmed to adjust for Electrical Losses and Station Use, as applicable, from such meters to the Delivery Point in a manner subject to Buyer's prior written approval, not to be unreasonably withheld. Seller shall separately meter all Station Use. Metering shall be consistent with the Metering Diagram set forth as Exhibit R, a final version of which shall be provided to Buyer at least thirty (30) days before the Commercial Operation Date. Each Facility Meter shall be kept under seal, such seals to be broken only when the meters are to be tested, adjusted, modified or relocated. In the event Seller breaks a seal, Seller shall notify Buyer as soon as practicable. In addition, Seller hereby agrees to provide all meter data to Buyer in a form reasonably acceptable to Buyer, and consents to Buyer obtaining from CAISO the CAISO meter data directly relating to the Facility and all inspection, testing and calibration data and reports, to the extent such meter data and related meters are not the subject of a CAISO-approved SQMD Plan for the Facility. Seller and Buyer, or Buyer's Scheduling Coordinator, shall cooperate to allow both Parties to retrieve the meter reads from the CAISO Market Results Interface – Settlements (MRI-S) website (or its successor) or directly from the CAISO meter(s) at the Facility, to the extent such meter data and related meters are not the subject of a CAISO-approved SQMD Plan for the Facility.

7.2 Meter Verification. Seller shall test the Facility Meter at least annually and more frequently than annually if Buyer or Seller reasonably believe there may be a meter malfunction. The tests shall be conducted by independent third parties qualified to conduct such tests. Buyer shall be notified seven (7) days in advance of such tests and have a right to be present during such tests. If a meter is inaccurate, it shall be promptly repaired or replaced. If a meter is inaccurate by more than one percent (1%) and it is not known when the meter inaccuracy commenced (if such evidence exists such date will be used to adjust prior invoices), then the invoices covering the period of time since the last meter test shall be adjusted for the amount of the inaccuracy on the assumption that the inaccuracy persisted during one-half of such period so long as such adjustments are accepted by CAISO and WREGIS; *provided*, such period may not exceed twelve (12) months.

ARTICLE 8 INVOICING AND PAYMENT; CREDIT

8.1 Invoicing. Seller shall use commercially reasonable efforts to deliver an invoice to Buyer within ten (10) days after the end of the prior monthly delivery period. Each invoice shall (a) include records of metered data, including (i) CAISO metering and transaction data sufficient to document and verify the amount of Product delivered by the Facility for any Settlement Period during the preceding month, including the amount of Delivered Energy and Replacement RA delivered to Buyer (if any); (ii) Seller's calculation of Deemed Delivered Energy, Lost Output, and Adjusted Energy Production; (iii) the LMP prices at the Delivery Point for each Settlement Period; and (iv) the Contract Price applicable to such Product and Seller's calculation of the Monthly Product Payment due from Buyer, calculated in accordance with Exhibit C; (b) include any records, including invoices or settlement data from the CAISO, necessary to verify the accuracy of any amount; and (c) be in a format reasonably specified by Buyer, covering the

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services provided in the preceding month determined in accordance with the applicable provisions of this Agreement. Buyer shall, and shall cause its Scheduling Coordinator to, provide Seller with all reasonable access (including, in real time, to the maximum extent reasonably possible) to any records, including invoices or settlement data from the CAISO, forecast data and other information, all as may be necessary from time to time for Seller to prepare and verify the accuracy of all invoices. The invoice shall be delivered by electronic mail in accordance with Exhibit N.

8.2 Payment. Buyer shall make payment to Seller for Monthly Product Payments by wire transfer or ACH payment to the bank account provided on each monthly invoice. Buyer shall pay undisputed invoice amounts within [REDACTED] of Buyer's receipt of Seller's invoices; *provided*, if such due date falls on a weekend or legal holiday, such due date shall be the next Business Day. Payments made after the due date will be considered late and will bear interest on the unpaid balance. If the amount due is not paid on or before the due date or if any other payment that is due and owing from one Party to another is not paid on or before its applicable due date, a late payment charge shall be applied to the unpaid balance and shall be added to the next billing statement. Such late payment charge shall be calculated based on the 3-month prime rate (or any equivalent successor rate accepted by a majority of major financial institutions) published on the date of the invoice in The Wall Street Journal (or, if The Wall Street Journal is not published on that day, the next succeeding date of publication), plus two percent (2%) (the "**Interest Rate**"). If the due date occurs on a day that is not a Business Day, the late payment charge shall begin to accrue on the next succeeding Business Day.

8.3 Books and Records. To facilitate payment and verification, each Party shall maintain all books and records necessary for billing and payments, including copies of all invoices under this Agreement, for a period of at least five (5) years or as otherwise required by Law. Upon ten (10) Business Days' Notice to the other Party, either Party shall be granted access to the accounting books and records within the possession or control of the other Party pertaining to all invoices generated pursuant to this Agreement. Seller acknowledges that in accordance with California Government Code Section 8546.7, Seller may be subject to audit by the California State Auditor with regard to Seller's performance of this Agreement because the compensation under this Agreement exceeds Ten Thousand Dollars (\$10,000).

8.4 Invoice Adjustments. Invoice adjustments shall be made if (a) there have been good faith inaccuracies in invoicing or payment that are not otherwise disputed under Section 8.5, (b) an adjustment to an amount previously invoiced or paid is required due to a correction of data by the CAISO, or (c) there have been meter inaccuracies; *provided*, however, that there shall be no adjustments to prior invoices based upon meter inaccuracies except to the extent that such meter adjustments are accepted by CAISO for revenue purposes. If the required adjustment is in favor of Buyer, Buyer's next monthly payment shall be credited in an amount equal to the adjustment. If the required adjustment is in favor of Seller, Seller shall add the adjustment amount to Buyer's next monthly invoice. Adjustments in favor of either Buyer or Seller shall bear interest, until settled in full, in accordance with Section 8.2, accruing from the date on which the adjusted amount should have been due.

8.5 Billing Disputes. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment

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to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within five (5) Business Days of such resolution along with interest accrued at the Interest Rate from and including the original due date to but excluding the date paid. Inadvertent overpayments shall be returned via adjustments in accordance with Section 8.4. Any dispute with respect to an invoice is waived if the other Party is not notified in accordance with this Section 8.5 within twelve (12) months after the invoice is rendered or subsequently adjusted, except to the extent any misinformation was from a third party not affiliated with any Party and such third party corrects its information after the twelve-month period. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

8.6 Netting of Payments. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Product during the monthly billing period under this Agreement or otherwise arising out of this Agreement, including any related damages calculated pursuant to Exhibits B and G, interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

8.7 Seller's Development Security. To secure its obligations under this Agreement, Seller shall deliver Development Security to Buyer within thirty (30) days of the Effective Date. Seller shall maintain the Development Security in full force and effect and Seller shall within [REDACTED] after any draw thereon replenish the Development Security in the event Buyer collects or draws down any portion of the Development Security for any reason permitted under this Agreement other than to satisfy a Damage Payment or a Termination Payment. Upon the earlier of (a) Seller's delivery of the Performance Security, or (b) sixty (60) days after termination of this Agreement, Buyer shall return the Development Security to Seller, less the amounts drawn in accordance with this Agreement. If the Development Security is a Letter of Credit and the issuer of such Letter of Credit (i) fails to maintain the minimum Credit Rating specified in the definition of Letter of Credit, (ii) indicates its intent not to renew such Letter of Credit and such Letter of Credit expires prior to the Commercial Operation Date, or (iii) fails to honor Buyer's properly documented request to draw on such Letter of Credit by such issuer, Seller shall have ten (10) Business Days to either post cash or deliver a substitute Letter of Credit that meets the requirements set forth in the definition of Development Security; *provided, however*, if Seller has failed to provide Beneficiary with a substitute Letter of Credit or other acceptable instrument within thirty (30) days prior to such expiration date, Buyer shall have the right to draw on the full amount of the Letter of Credit.

8.8 Seller's Performance Security. To secure its obligations under this Agreement, Seller shall deliver Performance Security to Buyer on or before the Commercial Operation Date. Seller shall maintain the Performance Security in full force and effect, and Seller shall within [REDACTED] after any draw thereon replenish the Performance Security in the event Buyer collects or draws down any portion of the Performance Security for any reason permitted under

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this Agreement other than to satisfy a Termination Payment, until the following have occurred: (a) the Delivery Term has expired or terminated early; and (b) all payment obligations of Seller then due and payable under this Agreement, including compensation for penalties, Termination Payment, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting). Following the occurrence of both events, Buyer shall promptly return to Seller the unused portion of the Performance Security. If the Performance Security is a Letter of Credit and the issuer of such Letter of Credit (i) fails to maintain the minimum Credit Rating set forth in the definition of Letter of Credit, (ii) indicates its intent not to renew such Letter of Credit and such Letter of Credit expires prior to the Commercial Operation Date, or (iii) fails to honor Buyer's properly documented request to draw on such Letter of Credit by such issuer, Seller shall have ten (10) Business Days to either post cash or deliver a substitute Letter of Credit that meets the requirements set forth in the definition of Performance Security; *provided, however*, if Seller has failed to provide Beneficiary with a substitute Letter of Credit or other acceptable instrument within thirty (30) days prior to such expiration date, Buyer shall have the right to draw on the full amount of the Letter of Credit.

8.9 First Priority Security Interest in Cash or Cash Equivalent Collateral. To secure its obligations under this Agreement, and until released as provided herein, Seller hereby grants to Buyer a present and continuing first-priority security interest ("**Security Interest**") in, and lien on (and right to net against), and assignment of the Development Security, Performance Security, any other cash collateral and cash equivalent collateral posted pursuant to Sections 8.7 and 8.8 and any and all interest thereon or proceeds resulting therefrom or from the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of Buyer, and Seller agrees to take all action as Buyer reasonably requires in order to perfect Buyer's Security Interest in, and lien on (and right to net against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

Upon or any time after the occurrence of an Event of Default caused by Seller, an Early Termination Date resulting from an Event of Default caused by Seller, or an occasion provided for in this Agreement where Buyer is authorized to retain all or a portion of the Development Security or Performance Security, Buyer may do any one or more of the following (in each case subject to the final sentence of this Section 8.9):

(a) Exercise any of its rights and remedies with respect to the Development Security and Performance Security, including any such rights and remedies under Law then in effect;

(b) Draw on any outstanding Letter of Credit issued for its benefit and retain any cash held by Buyer as Development Security or Performance Security; and

(c) Liquidate all Development Security or Performance Security (as applicable) then held by or for the benefit of Buyer free from any claim or right of any nature whatsoever of Seller, including any equity or right of purchase or redemption by Seller.

Buyer shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce Seller's obligations under this Agreement (Seller remains liable for any amounts owing to Buyer after such application), subject to Buyer's obligation to return any surplus proceeds

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remaining after these obligations are satisfied in full.

**ARTICLE 9
NOTICES**

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

9.2 Acceptable Means of Delivering Notice. Each Notice required, permitted, or contemplated hereunder shall be deemed to have been validly served, given or delivered as follows:

(a) if sent by United States mail with proper first-class postage prepaid, three (3) Business Days following the date of the postmark on the envelope in which such Notice was deposited in the United States mail;

(b) if sent by a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement with such carrier made for the payment of such fees, the next Business Day after the same is delivered by the sending Party to such carrier;

(c) if sent by electronic communication (including electronic mail or other electronic means) and if concurrently with the transmittal of such electronic communication the sending Party provides a copy of such electronic Notice by hand delivery or express courier, at the time indicated by the time stamp upon delivery; or

(d) if delivered in person, upon receipt by the receiving Party. Notwithstanding the foregoing, invoices sent pursuant to Section 8.1 and Notices of outages or other scheduling or dispatch information or requests may be sent by electronic communication and shall be considered delivered upon successful completion of such transmission.

**ARTICLE 10
FORCE MAJEURE**

10.1 Definition.

(a) “**Force Majeure Event**” means any act or event that delays or prevents a Party from timely performing all or a portion of its obligations under this Agreement or from complying with all or a portion of the conditions under this Agreement if such act or event, despite the exercise of commercially reasonable efforts, cannot be avoided by and is beyond the reasonable control (whether direct or indirect) of and without the fault or negligence of the Party relying thereon as justification for such delay, nonperformance, or noncompliance.

(b) Without limiting the generality of the foregoing, so long as the following events, despite the exercise of reasonable efforts, cannot be avoided by, and are beyond the reasonable control (whether direct or indirect) of and without the fault or negligence of the Party relying thereon as justification for such delay, nonperformance or noncompliance, a Force

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Majeure Event may include an act of God or the elements, such as flooding, lightning, hurricanes, tornadoes, or ice storms; explosion; fire (except to the extent that such fire is caused by or related to the Facility); volcanic eruption; flood; epidemic; landslide; mudslide; sabotage; terrorism; earthquake; or other cataclysmic events; an act of public enemy; war; blockade; civil insurrection; riot; civil disturbance; or strikes or other labor difficulties caused or suffered by a Party or any third party except as set forth below.

(c) Notwithstanding the foregoing, the term “**Force Majeure Event**” does not include (i) economic conditions or changes in Law that render a Party’s performance of this Agreement at the Contract Price unprofitable or otherwise uneconomic (including an increase in component or compliance costs for any reason, including foreign or domestic tariffs, Buyer’s ability to buy Product at a lower price, or Seller’s ability to sell the Product, or any component thereof, at a higher price, than under this Agreement); (ii) Seller’s inability to obtain permits or approvals of any type for the construction, operation, or maintenance of the Facility, except to the extent such inability is caused by a Force Majeure Event; (iii) the inability of a Party to make payments when due under this Agreement, unless the cause of such inability is an event that would otherwise constitute a Force Majeure Event as described above; (iv) a Curtailment Order; (v) Seller’s inability to obtain sufficient labor, equipment, materials, or other resources to build or operate the Facility, including the lack of wind, sun or other fuel source of an inherently intermittent nature, except to the extent such inability is caused by a Force Majeure Event; (vi) any equipment failure except if such equipment failure is caused by a Force Majeure Event; (vii) a strike, work stoppage or labor dispute limited only to any one or more of Seller, Seller’s Affiliates, Seller’s contractors, their subcontractors thereof or any other third party employed by Seller to work on the Facility; (viii) events otherwise constituting a Force Majeure Event that prevents Seller from achieving Construction Start or Commercial Operation of the Facility, except to the extent expressly permitted as a Development Cure Period under this Agreement; or (ix) any action or inaction by any third party, including Distribution Provider, that delays or prevents the approval, construction or placement in service of any Interconnection Facilities or Reliability Network Upgrades, except to the extent expressly permitted as a Development Cure Period under this Agreement.

10.2 No Liability If a Force Majeure Event Occurs. Except as provided in Section 4 of Exhibit B, neither Seller nor Buyer shall be liable to the other Party in the event it is prevented from performing its obligations hereunder in whole or in part due to a Force Majeure Event. The Party rendered unable to fulfill any obligation by reason of a Force Majeure Event shall take reasonable actions necessary to remove such inability with due speed and diligence. Nothing herein shall be construed as permitting that Party to continue to fail to perform after said cause has been removed. The obligation to use due speed and diligence shall not be interpreted to require resolution of labor disputes by acceding to demands of the opposition when such course is inadvisable in the discretion of the Party having such difficulty. Neither Party shall be considered in breach or default of this Agreement if and to the extent that any failure or delay in the Party’s performance of one or more of its obligations hereunder is caused by a Force Majeure Event. Notwithstanding the foregoing, the occurrence and continuation of a Force Majeure Event shall not (a) suspend or excuse the obligation of Seller to achieve the Guaranteed Construction Start Date or the Guaranteed Commercial Operation Date beyond the extensions provided in Section 4 of Exhibit B, or (b) limit Buyer’s right to declare an Event of Default pursuant to Section

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11.1(b)(ii) and/or Section 11.2(b)(iv) after all applicable extensions of the Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date and receive a Damage Payment upon exercise of Buyer's remedies pursuant to Section 11.2.

10.3 Notice of Force Majeure Event. Within two (2) Business Days of the commencement of Force Majeure Event, the claiming Party shall provide the other Party with oral notice of the event of Force Majeure, and within two (2) weeks of the commencement of a Force Majeure Event the claiming Party shall provide the other Party with notice in the form of a letter describing in detail the occurrence giving rise to the Force Majeure Event, including the nature, cause, estimated date of commencement thereof, and the anticipated extent of any delay or interruption in performance. Failure to provide timely notice constitutes a waiver of the Force Majeure Event. Upon written request from Buyer, Seller shall provide documentation demonstrating to Buyer's reasonable satisfaction that each day of the claimed delay was the result of a Force Majeure Event and did not result from Seller's actions or failure to exercise due diligence or take reasonable actions. The claiming party shall promptly notify the other Party in writing of the cessation or termination of such Force Majeure Event, all as known or estimated in good faith by the affected Party. The suspension of performance due to a claim of Force Majeure must be of no greater scope and of no longer duration than is required by the Force Majeure Event.

10.4 Termination Following Force Majeure Event. If a Force Majeure Event has occurred after the Commercial Operation Date that has caused either Party to be wholly or partially unable to perform its obligations hereunder, and the impacted Party has claimed and received relief from performance of its obligations, the non-impacted Party may not terminate this agreement unless Force Majeure Event continues unabated for a [REDACTED] period. Upon any such termination, neither Party shall have any further liability to the other Party, save and except for those obligations specified in Section 2.1(b), and Buyer shall promptly return to Seller any Performance Security then held by Buyer, less any amounts drawn in accordance with this Agreement.

ARTICLE 11 DEFAULTS; REMEDIES; TERMINATION

11.1 Events of Default. An "Event of Default" shall mean,

(a) with respect to a Party (the "Defaulting Party") that is subject to the Event of Default, the occurrence of any of the following:

(i) the failure by such Party to make, when due, any payment required pursuant to this Agreement and such failure is not remedied within ten (10) Business Days after Notice thereof;

(ii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof (or such longer additional period, not to exceed an additional sixty (60) days, if the Defaulting Party is unable to remedy such default within such initial thirty (30)-day period despite exercising commercially reasonable efforts);

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(iii) the failure by such Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default set forth in this Section 11.1; and except for (A) failures related to the Adjusted Energy Production that do not trigger the provisions of Section 11.1(b)(vi), (vii), and (viii), the exclusive remedies for which are set forth in Section 4.9 and Exhibit G and such failure is not remedied within thirty (30) days after Notice thereof (or such longer additional period, not to exceed an additional ninety (90) days, if the Defaulting Party is unable to remedy such default within such initial thirty (30) day period despite exercising best efforts);

(iv) such Party becomes Bankrupt;

(v) such Party assigns this Agreement or any of its rights hereunder other than in compliance with Article 14, if applicable; or

(vi) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of Law or pursuant to an agreement reasonably satisfactory to the other Party.

(b) with respect to Seller as the Defaulting Party, the occurrence of any of the following:

(i) if at any time, Seller delivers or attempts to deliver Energy to the Delivery Point for sale under this Agreement that was not generated or discharged by the Facility;

(ii) the failure by Seller to achieve Commercial Operation on or before the Guaranteed Commercial Operation Date, as such date may be extended by Seller's payment of Commercial Operation Delay Damages pursuant to Section 2(c) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B;

(iii) if not remedied within ten (10) days after Notice thereof, the failure by Seller to deliver a Remedial Action Plan within the timeframe set forth in Section 2.4 that demonstrates a reasonable plan for completing the Facility by the Guaranteed Commercial Operation Date;

(iv) the failure by Seller to achieve Construction Start on or before the Guaranteed Construction Start Date, as such date may be extended by Seller's payment of Construction Delay Damages pursuant to Section 1(b) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B;

(v) Seller sells, assigns, or otherwise transfers, or commits to sell, assign, or otherwise transfer, the Product, or any portion thereof, during the Delivery Term to any party other than Buyer except as expressly permitted under this Agreement;

(vi) if, in any consecutive [REDACTED] after the Commercial Operation Date, the Adjusted Energy Production amount (calculated in accordance with Exhibit G) for such period is not at least [REDACTED] of the Expected Energy amount for such period,

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and Seller fails to (A) deliver to Buyer within ten (10) Business Days after Notice from Buyer a plan or report developed by Seller that describes the cause of the failure to meet the [REDACTED] and the actions that Seller has taken, is taking, or proposes to take in an effort to cure such condition along with the written confirmation of a Licensed Professional Engineer that such plan or report is in accordance with Prudent Operating Practices and capable of cure within a reasonable period of time, not to exceed one-hundred eighty (180) days (“**Cure Plan**”) and (B) complete such Cure Plan in all material respects as set forth therein, including within the timeframe set forth therein;

(vii) beginning [REDACTED] if, in any Contract Year, the Adjusted Energy Production amount (calculated in accordance with Exhibit G) in such Contract Year is not at least [REDACTED] of the Expected Energy amount for such Contract Year;

(viii) if, in any [REDACTED] during the Delivery Term, the Adjusted Energy Production amount (calculated in accordance with Exhibit G) is not at least [REDACTED] of the Expected Energy amount for such [REDACTED] Contract Year period;

(ix) failure by Seller to satisfy the collateral requirements pursuant to Sections 8.7 or 8.8 within five (5) Business Days after Notice from Buyer, including the failure to replenish the Development Security or Performance Security amount in accordance with this Agreement in the event Buyer draws against either for any reason other than to satisfy a Damage Payment or a Termination Payment;

(x) with respect to any outstanding Letter of Credit provided for the benefit of Buyer that is not then required under this Agreement to be canceled or returned, the failure by Seller to provide for the benefit of Buyer either (1) cash or (2) a substitute Letter of Credit from a different issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within ten (10) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) the issuer of the outstanding Letter of Credit shall fail to maintain a Credit Rating of at least A- by S&P or A3 by Moody’s;

(B) the issuer of such Letter of Credit becomes Bankrupt;

(C) the issuer of the outstanding Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit and such failure shall be continuing after the lapse of any applicable grace period permitted under such Letter of Credit;

(D) the issuer of the outstanding Letter of Credit shall fail to honor a properly documented request to draw on such Letter of Credit;

(E) the issuer of the outstanding Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit;

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(F) such Letter of Credit fails or ceases to be in full force and effect at any time; or

(G) Seller shall fail to renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and as provided in accordance with this Agreement, and in no event less than sixty (60) days prior to the expiration of the outstanding Letter of Credit.

11.2 Remedies; Declaration of Early Termination Date. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party ("**Non-Defaulting Party**") shall have the following rights:

(a) to send Notice, designating a day, no earlier than the day such Notice is deemed to be received and no later than twenty (20) days after such Notice is deemed to be received, as an early termination date of this Agreement ("**Early Termination Date**") that terminates this Agreement (the "**Terminated Transaction**") and ends the Delivery Term effective as of the Early Termination Date;

(b) to accelerate all amounts owing between the Parties, and to collect as liquidated damages (i) the Damage Payment, or (ii) the Termination Payment, as applicable, calculated in accordance with Section 11.3 below;

(c) to withhold any payments due to the Defaulting Party under this Agreement;

(d) to suspend performance; and

(e) to exercise any other right or remedy available at law or in equity, including specific performance, injunctive relief, except to the extent such remedies are expressly limited under this Agreement; *provided*, payment by the Defaulting Party of the Damage Payment or Termination Payment, as applicable, shall constitute liquidated damages and the Non-Defaulting Party's sole and exclusive monetary remedy for any Terminated Transaction and the Event of Default related thereto.

11.3 Damage Payment; Termination Payment. If an Early Termination Date has been declared, the Non-Defaulting Party shall calculate, in a commercially reasonable manner, the Damage Payment or Termination Payment, as applicable, in accordance with this Section 11.3.

(a) **Damage Payment Prior to Commercial Operation Date.** If the Early Termination Date occurs before the Commercial Operation Date, then the Damage Payment shall be calculated in accordance with this Section 11.3(a).

(i) If Seller is the Defaulting Party, then the Damage Payment shall be owed to Buyer and shall be a dollar amount that equals the entire amount of the Development Security plus, if the Development Security is posted as cash, any interest accrued thereon. Buyer shall be entitled to immediately retain for its own benefit those funds held as Development Security and any interest accrued thereon if the Development Security is posted as cash, and any amount of

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Development Security that Seller has not yet posted with Buyer shall be immediately due and payable by Seller to Buyer. There will be no amounts owed to Seller. The Parties agree that Buyer's damages in the event of an Early Termination Date prior to the Commercial Operation Date caused by Seller's Event of Default would be difficult or impossible to determine and that the damages set forth in this Section 11.3(a)(i) are a reasonable approximation of Buyer's harm or loss.

(ii) If Buyer is the Defaulting Party, then a Damage Payment shall be owed to Seller and shall equal the aggregate of all Settlement Amounts plus any and all other amounts due to or from Seller (as of the Early Termination Date) netted into a single amount. There will be no amount owed to Buyer. Seller shall calculate, in a commercially reasonable manner, a Settlement Amount for the Terminated Transaction as of the Early Termination Date. Third parties supplying information for purposes of the calculation of Gains or Losses may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages. Without prejudice to Seller's duty to mitigate, Seller shall not have to enter into replacement transactions to establish a Settlement Amount. The Parties agree that Seller's damages in the event of an Early Termination Date prior to the Commercial Operation Date caused by Buyer's default would be difficult or impossible to determine and that the damages set forth in this Section 11.3(a)(ii) are a reasonable approximation of Seller's harm or loss.

(b) Termination Payment. On or After the Commercial Operation Date. The payment owed by the Defaulting Party to the Non-Defaulting Party for a Terminated Transaction occurring after the Commercial Operation Date ("**Termination Payment**") shall be the aggregate of all Settlement Amounts plus any and all other amounts due to or from the Non-Defaulting Party (as of the Early Termination Date) netted into a single amount. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for the Terminated Transaction as of the Early Termination Date. Third parties supplying information for purposes of the calculation of Gains or Losses may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages. Without prejudice to the Non-Defaulting Party's duty to mitigate, the Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount. Each Party agrees and acknowledges that (i) the actual damages that the Non-Defaulting Party would incur in connection with a Terminated Transaction would be difficult or impossible to predict with certainty, (ii) the Termination Payment described in this Section 11.3(b) is a reasonable and appropriate approximation of such damages, and (iii) the Termination Payment described in this Section 11.3(b) is the exclusive remedy of the Non-Defaulting Party in connection with a Terminated Transaction but shall not otherwise act to limit any of the Non-Defaulting Party's rights or remedies if the Non-Defaulting Party does not elect a Terminated Transaction as its remedy for an Event of Default by the Defaulting Party.

11.4 Notice of Payment of Termination Payment or Damage Payment. As soon as practicable after a Terminated Transaction, but in no event later than sixty (60) days after the Early Termination Date (or such longer additional period, not to exceed an additional sixty (60) days, if the Non-Defaulting Party is unable, despite using commercially reasonable efforts, to calculate the Termination Payment or Damage Payment, as applicable, within such initial sixty

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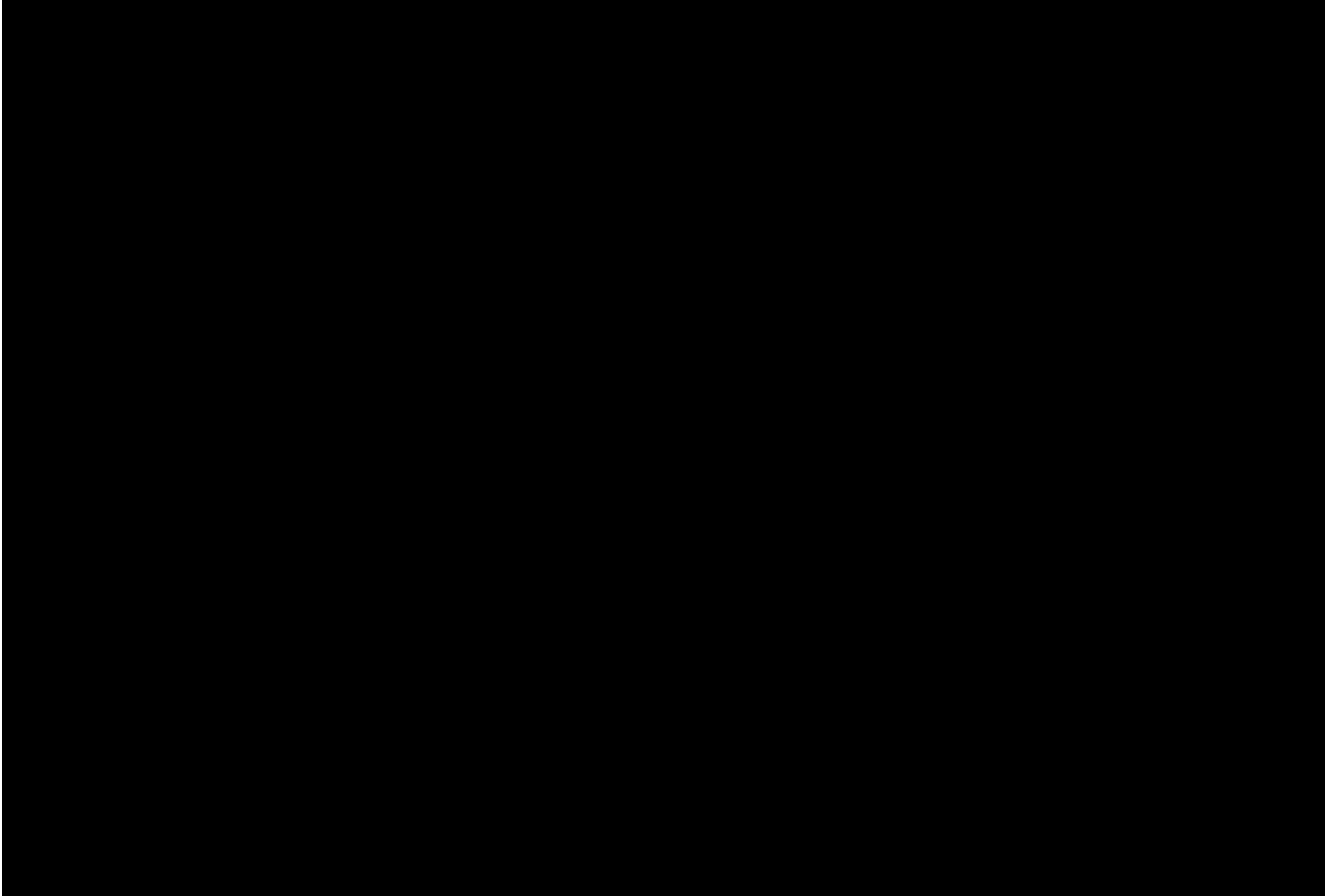
(60)-day period despite exercising commercially reasonable efforts), Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Damage Payment or Termination Payment, as applicable, and whether the Termination Payment or Damage Payment, as applicable, is due to or from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount and the sources for such calculation. The Termination Payment or Damage Payment, as applicable, shall be made to or from the Non-Defaulting Party, as applicable, within ten (10) Business Days after such Notice is effective.

11.5 Disputes With Respect to Termination Payment or Damage Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment or Damage Payment, as applicable, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment or Damage Payment, as applicable, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute. Disputes regarding the Termination Payment or Damage Payment, as applicable shall be determined in accordance with Article 15.

11.6 Limitation on Seller's Ability to Make or Agree to Third-Party Sales from the Facility after Early Termination Date. If this Agreement is terminated by either Party prior to the Commercial Operation Date for any reason except due to Buyer's Event of Default, neither Seller nor Seller's Affiliates may sell, market or deliver any Product associated with or attributable to the Facility to a party other than Buyer for a period of two (2) years following the Early Termination Date, unless prior to selling, marketing or delivering such Product, or entering into the agreement to sell, market or deliver such Product to a party other than Buyer, Seller or Seller's Affiliates provide Buyer with a written offer to sell the Product on terms and conditions materially similar to the terms and conditions contained in this Agreement (including price) and Buyer fails to accept such offer within forty-five (45) days of Buyer's receipt thereof. Neither Seller nor Seller's Affiliates may sell or transfer the Facility, or any part thereof, or land rights or interests in the Site (including the interconnection queue position of the Facility) so long as the limitations contained in this Section 11.6 apply, unless the transferee agrees to be bound by the terms set forth in this Section 11.6 pursuant to a written agreement approved by Buyer. Seller shall indemnify and hold Buyer harmless from all benefits lost and other damages sustained by Buyer as a result of any breach by Seller of its covenants contained within this Section 11.6.

11.7 Rights And Remedies Are Cumulative. Except where an express and exclusive remedy or measure of damages is provided, the rights and remedies of a Party pursuant to this Article 11 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

11.8 Mitigation. Any Non-Defaulting Party shall be obligated to use commercially reasonable efforts to mitigate its Costs, Losses and damages resulting from any Event of Default of the other Party under this Agreement.



ARTICLE 12

LIMITATION OF LIABILITY AND EXCLUSION OF WARRANTIES.

12.1 No Consequential Damages. EXCEPT TO THE EXTENT (A) PART OF AN EXPRESS REMEDY OR MEASURE OF DAMAGES HEREIN, (B) PART OF A THIRD-PARTY INDEMNITY CLAIM UNDER ARTICLE 16, (C) INCLUDED IN A LIQUIDATED DAMAGES CALCULATION, OR (D) RESULTING FROM A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR ITS INDEMNIFIED PERSONS FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT, OR CONSEQUENTIAL DAMAGES, OR LOSSES OR DAMAGES FOR LOST REVENUE OR LOST PROFITS, WHETHER FORESEEABLE OR NOT, ARISING OUT OF, OR IN CONNECTION WITH THIS AGREEMENT, BY STATUTE, IN TORT OR CONTRACT.

12.2 Waiver and Exclusion of Other Damages. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. ALL LIMITATIONS OF LIABILITY CONTAINED IN THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE PERTAINING TO SELLER'S LIMITATION OF LIABILITY AND THE PARTIES' WAIVER OF

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CONSEQUENTIAL DAMAGES, SHALL APPLY EVEN IF THE REMEDIES FOR BREACH OF WARRANTY PROVIDED IN THIS AGREEMENT ARE DEEMED TO “FAIL OF THEIR ESSENTIAL PURPOSE” OR ARE OTHERWISE HELD TO BE INVALID OR UNENFORCEABLE.

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS AND EXCLUSIVE REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR’S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED.

IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR’S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES ONLY. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, INCLUDING UNDER SECTIONS 4.7, 11.2, 11.3, 11.9 AND AS PROVIDED IN EXHIBIT B AND EXHIBIT G, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THAT THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE ANTICIPATED HARM OR LOSS. 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. THE PARTIES HEREBY WAIVE ANY RIGHT TO CONTEST SUCH PAYMENTS AS AN UNREASONABLE PENALTY.

THE PARTIES ACKNOWLEDGE AND AGREE THAT MONEY DAMAGES AND THE EXPRESS REMEDIES PROVIDED FOR HEREIN ARE AN ADEQUATE REMEDY FOR THE BREACH BY THE OTHER OF THE TERMS OF THIS AGREEMENT, AND EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO SPECIFIC PERFORMANCE WITH RESPECT TO ANY OBLIGATION OF THE OTHER PARTY UNDER THIS AGREEMENT.

ARTICLE 13
REPRESENTATIONS AND WARRANTIES; AUTHORITY

13.1 Seller’s Representations and Warranties. As of the Effective Date, Seller represents and warrants as follows:

(a) Seller is a limited liability company, duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and is qualified to conduct business in the state of California and each jurisdiction where the failure to so qualify would have a material adverse effect on the business or financial condition of Seller.

(b) Seller has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement. The execution, delivery and performance of this Agreement by Seller has been duly

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authorized by all necessary [*limited liability company*] [*corporate*] action on the part of Seller and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Seller or any other party to any other agreement with Seller.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Seller with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Seller, subject to any permits that have not yet been obtained by Seller, the documents of formation of Seller or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Seller is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by Seller. This Agreement is a legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) The Facility (i) qualifies as a DAC-GT project pursuant to CPUC Decision 18-06-27, (ii) will be located in and connected electrically to a circuit, load, or substation within San Diego Gas and Electric Company's service territory, and (iii) is located within an eligible DAC.

(f) Seller shall maintain Site Control throughout the Delivery Term.

(g) Seller will be responsible for obtaining all permits necessary to construct and operate the Facility and Seller will be the applicant on any CEQA documents, if applicable.

13.2 Buyer's Representations and Warranties. As of the Effective Date, Buyer represents and warrants as follows:

(a) Buyer is a joint powers authority and a validly existing community choice aggregator, duly organized, validly existing and in good standing under the laws of the State of California and the rules, regulations and orders of the California Public Utilities Commission, and is qualified to conduct business in each jurisdiction of the Joint Powers Agreement members. All Persons making up the governing body of Buyer are the elected or appointed incumbents in their positions and hold their positions in good standing in accordance with the Joint Powers Agreement and other Law.

(b) Buyer has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement, except where such failure does not have a material adverse effect on Buyer's performance under this Agreement. The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary action on the part of Buyer and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Buyer or any other party to any other agreement with Buyer.

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(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Buyer with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Buyer, the documents of formation of Buyer or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Buyer is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by Buyer. This Agreement is a legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) Buyer warrants and covenants that with respect to its contractual obligations under this Agreement, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (1) suit, (2) jurisdiction of court (provided that such court is located within a venue permitted in Law and under the Agreement), (3) relief by way of injunction, order for specific performance or recovery of property, (4) attachment of assets, or (5) execution or enforcement of any judgment; *provided, however*, that nothing in this Agreement shall waive the obligations or rights set forth in the California Tort Claims Act (California Government Code Section 810 et seq.).

13.3 General Covenants. Each Party covenants that commencing on the Effective Date and continuing throughout the Contract Term:

(a) It shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and to be qualified to conduct business in California and each jurisdiction where the failure to so qualify would have a material adverse effect on its business or financial condition;

(b) It shall maintain (or obtain from time to time as required) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

(c) It shall perform its obligations under this Agreement in compliance with all terms and conditions in its governing documents and in material compliance with any Law.

13.4 Prevailing Wage.

(a) Seller shall use commercially reasonable efforts to ensure that all employees hired by Seller, and its contractors and subcontractors, who perform work related to the installation of the AC electrical systems and grid interconnection tie-in at the Site are paid wages at rates not less than those prevailing for workers performing similar work in the locality, as provided by applicable Laws, if any ("**Prevailing Wage Requirement**"). Unless otherwise required under applicable Laws, Seller shall have no obligation under the Prevailing Wage Requirement with respect to other scopes of work not related to the AC electrical or grid tie-in portions of the Facility. Nothing herein shall require Seller, its contractors or subcontractors to comply with, or assume liability created by, inapplicable provisions of any labor Laws. Buyer agrees that Seller's

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obligations under this Section 13.4(a) shall be deemed satisfied upon the execution of a project labor agreement specifically covering the AC electrical and grid interconnection work related to construction of the Facility.

(b) Seller shall use commercially reasonable efforts to ensure that all contractors and subcontractors hired by Seller use local union labor for any construction of the Facility and at least fifty percent (50%) of all construction labor, whether self-performed or subcontracted will be local labor. For the purposes of this Section 13.4(b), local labor is defined as within the County of San Diego.

13.5 Workforce Development and Supplier Diversity. Seller acknowledges that Buyer will, from time to time, request voluntary disclosure of Seller's certification status with the CPUC Supplier Clearinghouse, and voluntary disclosure regarding Seller's efforts to work with diverse business enterprises, including women, minority, disabled veteran, and lesbian, gay, bisexual, transgender and/or persons with disabilities business enterprises in a form similar to Exhibit S.

ARTICLE 14 ASSIGNMENT

14.1 General Prohibition on Assignments. Except as provided below in this Article 14, neither Party may assign this Agreement or its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Any Change of Control of Seller (whether voluntary or by operation of law) will be deemed an assignment and will require the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed; *provided*, a Change of Control of Seller shall not require Buyer's consent and will not be subject to Section 14.2 or Section 14.3 if the assignee or transferee is a Permitted Transferee. Any assignment made without the required written consent, or in violation of the conditions to assignment set out below, shall be null and void. Buyer will have no obligation to provide any consent, or enter into any agreement, that materially and adversely affects any of Buyer's rights, benefits, risks or obligations under this Agreement, or to modify the Agreement, except as set forth below. The assigning Party shall pay the other Party's reasonable expenses associated with the preparation, review, execution and delivery of documents in connection with any assignment of this Agreement by the assigning Party, including without limitation reasonable attorneys' fees.

14.2 Collateral Assignment. Subject to the provisions of this Section 14.2, Seller has the right to assign this Agreement as collateral for any financing or refinancing of the Facility. In connection with any financing or refinancing of the Facility by Seller, upon request of Seller, Buyer shall in good faith work with Seller and Lender to agree upon a consent to collateral assignment of this Agreement.

14.3 Permitted Assignment by Seller. Except as may be precluded by, or would cause Buyer to be in violation of the Political Reform Act (California Government Code Section 81000 et seq.) or the regulations thereto, California Section 1090, or any other conflict of interest Law, Seller may, without the prior written consent of Buyer, transfer or assign this Agreement directly or indirectly to an Affiliate of Seller if, and only if:

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(i) Seller has given Buyer Notice at least fifteen (15) Business Days before the date of such proposed assignment; and

(ii) Seller has provided Buyer a written agreement signed by the Affiliate to which Seller wishes to assign its interests that provides that such Affiliate will assume all of Seller's obligations and liabilities under this Agreement upon such transfer or assignment.

(b) Seller may, without the prior written consent of Buyer, transfer or assign this Agreement to any Person succeeding to all, or substantially all, of the assets of Seller (whether voluntary or by operation of law), if, and only if:

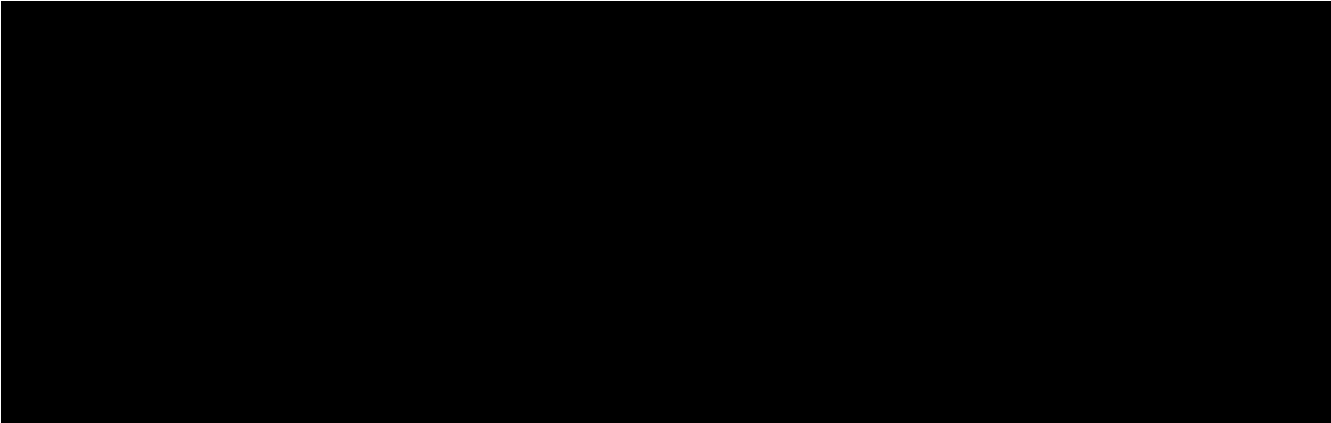
(i) The assignee is a Permitted Transferee;

(ii) Seller has given Buyer Notice at least fifteen (15) Business Days before the date of such proposed assignment; and

(iii) Seller has provided Buyer a written agreement signed by the Person to which Seller wishes to assign its interests that (x) provides that such Person will assume all of Seller's obligations and liabilities under this Agreement upon such transfer or assignment and (y) certifies that such Person meets the definition of a Permitted Transferee.

(c) Notwithstanding the foregoing, any assignment by Seller, its successors or assigns under this Section 14.3 shall be of no force and effect unless and until such Notice and agreement by the assignee have been received and confirmed by Buyer.

14.4 Portfolio Financing. Buyer agrees and acknowledges that Seller may elect to finance all or any portion of the Facility or the Interconnection Facilities or the Shared Facilities (a) utilizing tax equity investment, and/or (b) through a Portfolio Financing, which may include cross-collateralization or similar arrangements. In connection with any financing or refinancing of the Facility, the Interconnection Facilities or the Shared Facilities by Seller or any Portfolio Financing, Buyer, Seller, Portfolio Financing Entity (if any), and Lender shall execute and deliver such further consents, approvals and acknowledgments as may be reasonable and necessary to facilitate such transactions; *provided*, Buyer shall not be required to agree to any terms or conditions which are reasonably expected to have a material adverse effect on Buyer and all reasonable attorney's fees incurred by Buyer in connection therewith shall be borne by Seller.



14.6 Right of First Refusal as to Future Phases, Additional Projects, Addition of Storage Capacity. Seller hereby grants Buyer with the exclusive right (such right, the “**Right of First Refusal**” or “**ROFR**”) to the purchase of (i) all of the output of any additional phases of the Facility and (ii) any separate renewable energy or energy storage projects that are currently under development by, or will be developed by, Seller or Affiliates of Seller, and that will use or share infrastructure, land, equipment (including the ability to jointly procure equipment), or other facilities with Seller or the Facility (each such future phase or separate renewable energy or energy storage project, an “**Expansion Project**”). The requirements of this Section 14.6 shall apply to each Expansion Project.

(b) Prior to offering the output of the Expansion Project for sale to any third party, Seller shall present a binding commercial offer for the output of the Expansion Project (the “**ROFR Offer**”), for Buyer to accept, subject only to finalization and execution of a power purchase agreement for the Expansion Project (the “**Project PPA**”) incorporating the Material Terms of such Offer, and any additional terms the Parties agree to include, including credit requirements, and to the extent not inconsistent with the foregoing, the terms and conditions of this Agreement, as applicable. The ROFR Offer provided by Seller shall specifically identify the material financial and other terms and conditions of such ROFR Offer (the “**Material Terms**”).

(c) At any time prior to the expiration of the forty-five (45) day period following Buyer’s receipt of the ROFR Offer (the “**Exercise Period**”), Buyer may accept the ROFR Offer by delivery to Seller of a letter of intent executed by Buyer. If, by the expiration of the Exercise Period, Buyer has not accepted the ROFR Offer, and provided that Seller has complied with all of the provisions of this Section 14.6, at any time following the expiration of the Exercise Period, Seller may enter into a Project PPA for the Expansion Project with a third party (the “**Third-Party Transaction**”); provided, that if such Third-Party Transaction is not consummated within twelve (12) months of the date of the Offer Notice, or if Seller offers the Expansion Project on terms more favorable than the Material Terms, the terms and conditions of this Section 14.6 will again apply, Seller shall not enter into any Third-Party Transaction for the Expansion Project without affording Buyer the right of first refusal on the terms and conditions of this Section 14.6.

(d) Notwithstanding any of the above, if the sum of (i) the Delivered Energy and (ii) the generating energy and/or storage energy from the Expansion Project for any Settlement Interval would exceed the Dedicated Interconnection Capacity for such Settlement Interval, then the generating energy and/or storage energy from the Expansion Project shall be curtailed first prior to curtailing the Delivered Energy.

ARTICLE 15 GOVERNING LAW; DISPUTE RESOLUTION

15.1 Governing Law; Venue.

(a) This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of Law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement. [STC 17].

(b) For avoidance of doubt, although “agreement” is not capitalized in Section 15.1(a), the parties intend for “agreement” to mean this Agreement, and for “party” and “parties” to refer to the Party and Parties as set forth in the preamble to this Agreement.

(c) The Parties agree that any suit, action or other legal proceeding by or against any Party with respect to or arising out of this Agreement shall be brought in the federal or state courts of the State of California sitting in the County of San Diego.

15.2 Dispute Resolution. In the event of any dispute between the Parties arising out of or relating to or in connection with this Agreement, any Party may deliver to the other Parties Notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a “**Dispute Notice**”). The senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the thirty (30) day period following receipt of the Dispute Notice in good faith negotiations to resolve the Dispute to the satisfaction of each Party. In the event a Dispute is not resolved by the expiration of the thirty (30) day period, then a Party may pursue any legal remedy available to it in accordance with the PPA.

15.3 Attorneys’ Fees. In any proceeding brought to enforce this Agreement or because of the breach by any Party of any covenant or condition herein contained, the prevailing Party shall be entitled to reasonable attorneys’ fees (including reasonably allocated fees of in-house counsel) in addition to court costs and any and all other costs recoverable in said action.

ARTICLE 16 INDEMNIFICATION

16.1 Indemnification.

(a) Each Party (the “**Indemnifying Party**”) agrees to indemnify, defend and hold harmless the other Party and its Affiliates, directors, officers, employees and agents (collectively, the “**Indemnified Party**”) from and against all claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys’ fees) (i) for personal injury or death to Persons and damage to the property of any third party to the extent arising out of, resulting from, or caused by the negligent or willful misconduct of the Indemnifying Party, its Affiliates, its directors, officers, employees, or agents, or (ii) for third-party claims resulting from the Indemnifying Party’s breach (including inaccuracy of any representation of warranty made

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hereunder), performance or non-performance of its obligations under this Agreement (“**Indemnifiable Losses**”).

(b) Seller shall indemnify, defend, and hold harmless Buyer’s Indemnified Parties, from any claim, liability, loss, injury or damage arising out of, or in connection with Environmental Costs and any environmental matters associated with the Facility, including the storage, disposal and transportation of Hazardous Substances, or the contamination of land, including but not limited to the Site, with any Hazardous Substances by or on behalf of the Seller or at the Seller’s direction or agreement.

(c) Nothing in this Section 16.1 shall enlarge or relieve Seller or Buyer of any liability to the other for any breach of this Agreement. Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts, or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligations to pay claims consistent with the provisions of a valid insurance policy.

16.2 Claims. Promptly after receipt by a Party of any claim or Notice of the commencement of any action, administrative, or legal proceeding, or investigation as to which the indemnity provided for in this Article 16 may apply, the Indemnified Party shall notify the Indemnifying Party in writing of such fact. The Indemnifying Party shall assume the defense thereof with counsel designated by the Indemnifying Party and satisfactory to the Indemnified Party, *provided*, if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the Indemnifying Party, the Indemnified Party shall have the right to select and be represented by separate counsel, at the Indemnifying Party’s expense, unless a liability insurer is willing to pay such costs. If the Indemnifying Party fails to assume the defense of a claim meriting indemnification, the Indemnified Party may at the expense of the Indemnifying Party contest, settle, or pay such claim, *provided* that settlement or full payment of any such claim may be made only following consent of the Indemnifying Party or, absent such consent, written opinion of the Indemnified Party’s counsel that such claim is meritorious or warrants settlement. Except as otherwise provided in this Article 16, in the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under this Article 16, the amount owing to the Indemnified Party will be the amount of the Indemnified Party’s damages net of any insurance proceeds received by the Indemnified Party following a reasonable effort by the Indemnified Party to obtain such insurance proceeds.

**ARTICLE 17
INSURANCE**

17.1 Insurance.

(a) **General Liability.** Seller shall maintain, or cause to be maintained at its sole expense, (i) commercial general liability insurance, including products and completed operations and personal injury insurance, in a minimum amount of [REDACTED] per occurrence, and an annual aggregate of not less than [REDACTED], endorsed to provide contractual liability in said amount, specifically covering

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Seller's obligations under this Agreement and including Buyer as an additional insured; and (ii) an umbrella insurance policy in a minimum limit of liability of [REDACTED]. Defense costs shall be provided as an additional benefit and not included within the limits of liability. Such insurance shall contain standard cross-liability and severability of interest provisions.

(b) Employer's Liability Insurance. Seller, if it has employees, shall maintain Employers' Liability insurance with limits of not less than [REDACTED] for injury or death occurring as a result of each accident. With regard to bodily injury by disease, the [REDACTED] policy limit will apply to each employee.

(c) Workers Compensation Insurance. Seller, if it has employees, shall also maintain at all times during the Contract Term workers' compensation and employers' liability insurance coverage in accordance with applicable requirements of California Law.

(d) Business Auto Insurance. Seller shall maintain at all times during the Contract Term business auto insurance for bodily injury and property damage with limits of [REDACTED] per occurrence. Such insurance shall cover liability arising out of Seller's use of all owned (if any), non-owned and hired vehicles, including trailers or semi-trailers in the performance of the Agreement and shall name Buyer as additional insured and contain standard cross-liability and severability of interest provisions.

(e) Pollution Liability. Seller shall maintain or cause to be maintained during the construction of the Facility prior to the Commercial Operation Date, Pollution Legal Liability Insurance in the amount of [REDACTED] per occurrence and in the aggregate, naming Seller (and Lender if any) as additional named insured.

(f) Construction All-Risk Insurance. Seller shall maintain or cause to be maintained during the construction of the Facility prior to the Commercial Operation Date, construction all-risk form property insurance covering the Facility during such construction periods, and naming Seller (and Lender if any) as the loss payee.

(g) Subcontractor Insurance. Seller shall require all of its subcontractors to carry: (i) comprehensive general liability insurance with a combined single limit of coverage not less than [REDACTED]; (ii) workers' compensation insurance and employers' liability coverage in accordance with applicable requirements of Law; and (iii) business auto insurance for bodily injury and property damage with limits of [REDACTED] per occurrence. All subcontractors shall name Seller as an additional insured to insurance carried pursuant to clauses (g)(i) and (g)(iii). All subcontractors shall provide a primary endorsement and a waiver of subrogation to Seller for the required coverage pursuant to this Section 17.1(g).

(h) Property Insurance. On and after the Commercial Operation Date, Seller shall maintain or cause to be maintained insurance against loss or damage from all causes under standard "all risk" property insurance coverage in amounts that are not less than the actual replacement value of the Facility; *provided*, however, with respect to property insurance for natural catastrophes, Seller shall maintain limits equivalent to a probable maximum loss amount determined by a firm with experience providing such determinations. Such insurance shall include

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business interruption coverage in an amount equal to twelve (12) months of expected revenue from this Agreement.

(i) Evidence of Insurance. Within ten (10) days after execution of the Agreement and upon annual renewal thereafter, Seller shall deliver to Buyer certificates of insurance evidencing such coverage. Such certificates shall specify that Buyer shall be given at least thirty (30) days' prior Notice by Seller in the event of any material modification, cancellation or termination of coverage. Such insurance shall be primary coverage without right of contribution from any insurance of Buyer. Any other insurance maintained by Seller is for the exclusive benefit of Seller and shall not in any manner inure to the benefit of Buyer. The general liability, auto liability and workers' compensation policies shall be endorsed with a waiver of subrogation in favor of Buyer for all work performed by Seller, its employees, agents and sub-contractors.

ARTICLE 18 CONFIDENTIAL INFORMATION

18.1 Definition of Confidential Information. The following constitutes "**Confidential Information**," whether oral or written which is delivered by Seller to Buyer or by Buyer to Seller including: (a) the terms and conditions of, and proposals and negotiations related to, this Agreement, and (b) information that either Seller or Buyer stamps or otherwise identifies as "confidential" or "proprietary" before disclosing it to the other. Confidential Information does not include (i) information that was publicly available at the time of the disclosure, other than as a result of a disclosure in breach of this Agreement; (ii) information that becomes publicly available through no fault of the recipient after the time of the delivery; (iii) information that was rightfully in the possession of the recipient (without confidential or proprietary restriction) at the time of delivery or that becomes available to the recipient from a source not subject to any restriction against disclosing such information to the recipient; (iv) information that the recipient independently developed without a violation of this Agreement; and (v) information that is determined by Buyer to be subject to the California Public Records Act.

18.2 Duty to Maintain Confidentiality.

(a) The Party receiving Confidential Information (the "**Receiving Party**") from the disclosing Party (the "**Disclosing Party**") shall not disclose Confidential Information to a third party (other than the Receiving Party's members, employees, lenders or investors, counsel, accountants, directors or advisors, or any such representatives of a Party's Affiliates, who have a need to know such information and have agreed to keep such terms confidential) except in order to (a) comply with any applicable Law, regulation, any exchange, control area or independent system operator rule, an order of a court; or regulatory requirement applicable to the Receiving Party, or (b) in order to enforce this Agreement; *provided*, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. The Parties agree and acknowledge that nothing in this Section 18.2 prohibits a Party from disclosing any one or more of the commercial terms of a transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index.

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(b) The Parties acknowledge and agree that the Agreement and any transactions entered into in connection herewith are subject to the requirements of the California Public Records Act (California Government Code Section 7920 *et seq.*). In order to designate information as confidential, the Disclosing Party must clearly stamp and identify the specific portion of the material designated with the word “Confidential.” The Parties agree not to over-designate material as Confidential Information. Over-designation includes stamping whole agreements, entire pages or series of pages as “Confidential” that clearly contain information that is not Confidential Information.

18.3 Requested Confidential information. Upon request or demand of any third person or entity not a Party hereto to Buyer pursuant to the California Public Records Act for production, inspection and/or copying of Confidential Information (“**Requested Confidential Information**”), Buyer shall as soon as practical notify Seller in writing via email that such request has been made. Seller shall be solely responsible for taking at its sole expense whatever legal steps are necessary to prevent release of the Requested Confidential Information to the third party by Buyer. If Seller takes no such action after receiving the foregoing notice from Buyer, Buyer shall, at its discretion, be permitted to comply with the third party’s request or demand and is not required to defend against it. If Seller does take or attempt to take such action, Buyer shall provide timely and reasonable cooperation to Seller, if requested by Seller, and Seller agrees to indemnify and hold harmless Buyer and Buyer’s Indemnified Parties from any claims, liability, award of attorneys’ fees, or damages, and to defend any action, claim or lawsuit brought against any of Buyer or Buyer’s Indemnified Parties for Buyer’s refusal to disclose any Requested Confidential Information

18.4 Irreparable Injury; Remedies. Receiving Party acknowledges that its obligations hereunder are necessary and reasonable in order to protect Disclosing Party and the business of Disclosing Party, and expressly acknowledges that monetary damages would be inadequate to compensate Disclosing Party for any breach or threatened breach by Receiving Party of any covenants and agreements set forth herein. Accordingly, Receiving Party acknowledges that any such breach or threatened breach will cause irreparable injury to Disclosing Party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, Disclosing Party will be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach, without the necessity of proving actual damages.

18.5 Further Permitted Disclosure. Notwithstanding anything to the contrary in this Article 18, Confidential Information may be disclosed by the Receiving Party to any of its agents, consultants, contractors, trustees, or actual or potential financing parties (including, in the case of Seller, its Lender(s)), so long as such Person to whom Confidential Information is disclosed agrees in writing to be bound by confidentiality provisions that are no less stringent than those in this Article 18 to the same extent as if it were a Party. Seller shall provide written notice to Buyer of any disclosure of Confidential Information pursuant to this Section 18.4, including the identity of the party receiving such Confidential Information.

18.6 Press Releases. Neither Party shall issue (or cause its Affiliates to issue) a press release regarding the transactions contemplated by this Agreement unless both Parties have agreed upon the contents of any such press release. A Party’s consent shall not be unreasonably withheld, conditioned or delayed.

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**ARTICLE 19
MISCELLANEOUS**

19.1 Entire Agreement; Integration; Exhibits. This Agreement, together with the Cover Sheet and Exhibits attached hereto constitutes the entire agreement and understanding between Seller and Buyer with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits attached hereto are integral parts hereof and are made a part of this Agreement by reference. The headings used herein are for convenience and reference purposes only. In the event of a conflict between the provisions of this Agreement and those of the Cover Sheet or any Exhibit, the provisions of first the Cover Sheet, and then this Agreement shall prevail, and such Exhibit shall be corrected accordingly. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

19.2 Amendments. This Agreement may only be amended, modified or supplemented by an instrument in writing executed by duly authorized representatives of Seller and Buyer; *provided*, that, for the avoidance of doubt, this Agreement may not be amended by electronic mail communications.

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

19.4 No Agency, Partnership, Joint Venture or Lease. Seller and the agents and employees of Seller shall, in the performance of this Agreement, act in an independent capacity and not as officers or employees or agents of Buyer. Under this Agreement, Seller and Buyer intend to act as energy seller and energy purchaser, respectively, and do not intend to be treated as, and shall not act as, partners in, co-venturers in or lessor/lessee with respect to the Facility or any business related to the Facility. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement) or, to the extent set forth herein, any Lender and/or Indemnified Party.

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

19.6 Mobile-Sierra. Notwithstanding any other provision of this Agreement, neither Party shall seek, nor shall they support any third party seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior written agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party shall be the

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“public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956). Changes proposed by a non-Party or FERC acting *sua sponte* shall be subject to the most stringent standard permissible under Law.

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

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

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

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

19.11 Forward Contract. The Parties acknowledge and agree that this Agreement constitutes a “forward contract” within the meaning of the U.S. Bankruptcy Code, and Buyer and Seller are “forward contract merchants” within the meaning of the U.S. Bankruptcy Code. Each Party further agrees that, for all purposes of this Agreement, each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. § 366 in any Bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort to the extent such term relates to 11 U.S.C. § 366 or another provision of 11 U.S.C. § 101-1532.

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

19.13 Change in Electric Market Design. If a change in the CAISO Tariff renders this Agreement or any provisions hereof incapable of being performed or administered, then any Party

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may request that Buyer and Seller enter into negotiations to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered, while attempting to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date. Upon delivery of such a request, Buyer and Seller shall engage in such negotiations in good faith. If Buyer and Seller are unable, within sixty (60) days after delivery of such request, to agree upon changes to this Agreement or to resolve issues relating to changes to this Agreement, then any Party may submit issues pertaining to changes to this Agreement to the dispute resolution process set forth in Article 15. Notwithstanding the foregoing, (i) a change in cost shall not in and of itself be deemed to render this Agreement or any of the provisions hereof incapable of being performed or administered, and (ii) all of the unaffected provisions of this Agreement shall remain in full force and effect during any period of such negotiation or dispute resolution.

[Signatures on following page]

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

1st OAK 2, LLC, a Delaware limited liability company

SAN DIEGO COMMUNITY POWER, a California joint powers authority

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A
FACILITY DESCRIPTION

Project Name: PS 27814

Site includes all or some of the following APNs: 5423204700

County: San Diego

CEQA Lead Agency: N/A

Zip Code: 92105

Latitude and Longitude: 32.72497666368179, -117.08342972406125

Facility Description: Commercial property with Self Storage business on site

Delivery Point: PNode

Facility Meter and Metering Points: See Exhibit R.

PNode: [If not available at the Effective Date, the PNode shall be updated by mutual agreement of Buyer and Seller prior to the initial delivery of Test Energy hereunder to reflect the PNode corresponding to the Facility's Interconnection Point with the CAISO Grid.]

Interconnection Point: Facility Meter

Distribution Provider: San Diego Gas & Electric

Local Capacity Area and Sub-Local Capacity Area: SD-IV

Additional Information: Site plan provided below.

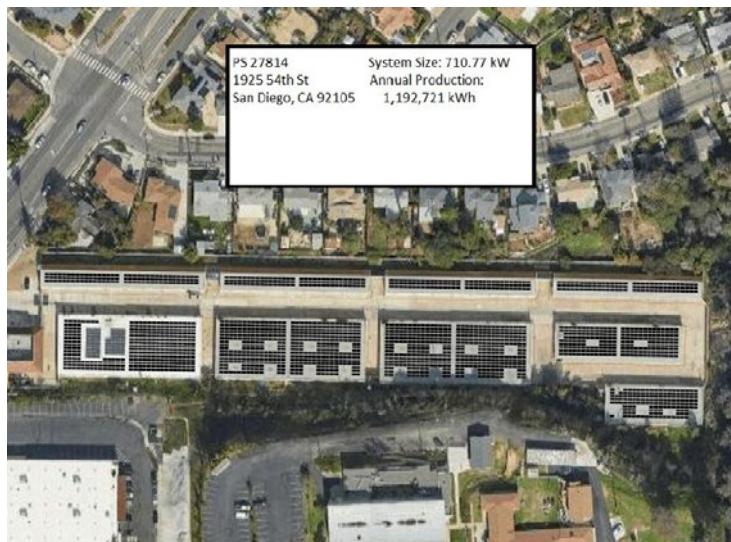


EXHIBIT B

FACILITY CONSTRUCTION AND COMMERCIAL OPERATION

1. Construction Start.

- a. **“Construction Start”** will occur upon Seller’s acquisition of all applicable regulatory authorizations, approvals and permits for the construction of the Facility, and once Seller has engaged all contractors and ordered all essential equipment and supplies as, in each case, can reasonably be considered necessary so that physical construction of the Facility may begin and proceed to completion without foreseeable interruption of material duration, and has executed an engineering, procurement, and construction contract and issued thereunder a notice to proceed that authorizes the contractor to mobilize to Site and begin physical construction (including, at a minimum, excavation for foundations or the installation or erection of improvements) at the Site. The date of Construction Start will be evidenced by and subject to Seller’s delivery to Buyer of a certificate substantially in the form attached as Exhibit J hereto, and the date certified therein shall be the **“Construction Start Date.”** Seller shall cause Construction Start to occur no later than the Guaranteed Construction Start Date, as may be extended by Seller’s payment of Construction Delay Damages pursuant to Section 1(b) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B.
- b. In addition to extensions pursuant to a Development Cure Period, Seller may extend the Guaranteed Construction Start Date by paying Construction Delay Damages in advance to Buyer for each day Seller desires to extend the Guaranteed Construction Start Date, not to exceed a total of one hundred twenty (120) days of extensions by such payment of Construction Delay Damages. If Seller elects to extend the Guaranteed Construction Start Date, on or before the date that is ten (10) days prior to the then-current Guaranteed Construction Start Date, Seller shall provide notice and payment to Buyer of the Construction Delay Damages for the number of days of extension to the Guaranteed Construction Start Date. If Seller achieves Construction Start prior to the Guaranteed Construction Start Date, as extended by the payment of Construction Delay Damages, Buyer shall refund to Seller the Construction Delay Damages for each day Seller achieves Construction Start prior to the Guaranteed Construction Start Date times the Construction Delay Damages, not to exceed the total amount of Construction Delay Damages paid by Seller pursuant to this Section 1(b) of Exhibit B. Construction Delay Damages shall be refundable to Seller pursuant to Section 2(b) of Exhibit B.

2. **Commercial Operation of the Facility.** **“Commercial Operation”** means the condition existing when (i) Seller has fulfilled all of the conditions precedent in Section 2.2 of the Agreement and provided Notice to Buyer substantially in the form of Exhibit H (the **“COD Certificate”**) (ii) Seller has notified Buyer in writing that it has provided the required documentation to Buyer and met the conditions for achieving Commercial Operation, and (iii) Buyer has acknowledged to Seller in writing that Buyer agrees that Commercial Operation has been achieved. The **“Commercial Operation Date”** shall be the later of (x)

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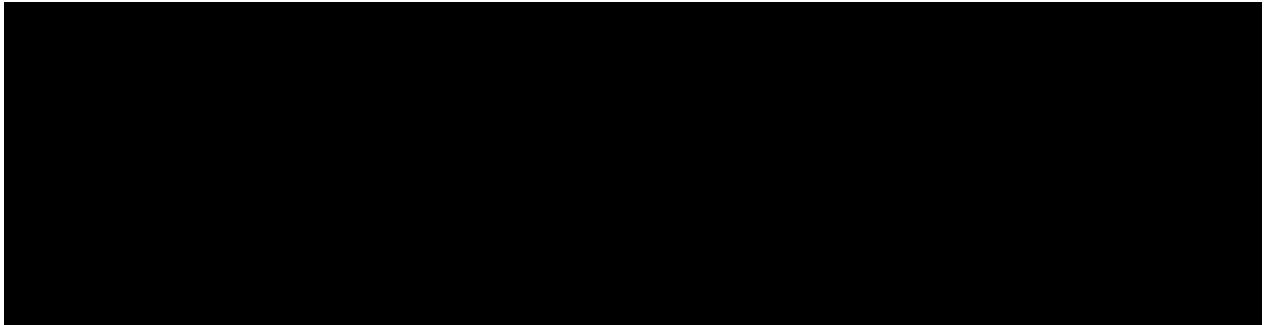
the Expected Commercial Operation Date, or (y) the date on which Commercial Operation is achieved.

- a. Seller shall cause Commercial Operation to occur no later than the Guaranteed Commercial Operation Date, as such date may be extended by Seller's payment of Commercial Operation Delay Damages pursuant to Section 2(c) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B. Seller shall notify Buyer at least sixty (60) days before the anticipated Commercial Operation Date.
 - b. If Seller achieves Commercial Operation for the Facility by the Guaranteed Commercial Operation Date, as may be extended by a Development Cure Period but not by the payment of Commercial Operation Delay Damages, all Construction Delay Damages paid by Seller shall be refunded to Seller. Seller shall include a request for refund of the Construction Delay Damages with the first invoice to Buyer after Commercial Operation.
 - c. In addition to extensions pursuant to a Development Cure Period, Seller may extend the Guaranteed Commercial Operation Date by paying Commercial Operation Delay Damages in advance to Buyer for each day Seller desires to extend the Guaranteed Commercial Operation Date, not to exceed a total of [REDACTED] of extensions by such payment of Commercial Operation Delay Damages. If Seller elects to extend the Guaranteed Commercial Operation Date, on or before the date that is [REDACTED] prior to the then-current Guaranteed Commercial Operation Date, Seller shall provide Notice and payment to Buyer of the Commercial Operation Delay Damages for the number of days of extension to the Guaranteed Commercial Operation Date. If Seller achieves Commercial Operation prior to the Guaranteed Commercial Operation Date, as extended by the payment of Commercial Operation Delay Damages, Buyer shall refund to Seller the Commercial Operation Delay Damages for each day Seller achieves Commercial Operation prior to the Guaranteed Commercial Operation Date times the Commercial Operation Delay Damages, not to exceed the total amount of Commercial Operation Delay Damages paid by Seller pursuant to this this Section 2(c) of Exhibit B.
3. **Termination for Failure to Timely Achieve Construction Start and/or Commercial Operation.** If the Facility has not achieved Construction Start on or before the Guaranteed Construction Start Date (as may be extended hereunder), Buyer may elect to terminate this Agreement in accordance with Sections 11.1(b)(iv) and 11.2. If the Facility has not achieved Commercial Operation on or before the Guaranteed Commercial Operation Date (as may be extended hereunder), Buyer may elect to terminate this Agreement in accordance with Sections 11.1(b)(ii) and 11.2.
 4. **Extension of the Guaranteed Dates.** The Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date shall, subject to notice and documentation requirements set forth below, be extended on a day-for-day basis (the "**Development Cure Period**") for the duration of any and all delays arising out of the following circumstances

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to the extent the following circumstances are not the result of Seller's failure to take all commercially reasonable actions to meet its requirements and deadlines:



An extension of the Guaranteed Construction Start Date for a Development Cure Period shall automatically extend the Guaranteed Commercial Operation Date on a day-for-day basis. Notwithstanding anything in this Agreement to the contrary, the cumulative extensions granted under the Development Cure Period (other than the extensions granted pursuant to clause 4(c) above) shall not exceed [REDACTED], for any reason, including a Force Majeure Event, and the cumulative extensions granted to the Guaranteed Commercial Operation Date by the payment of Commercial Operation Delay Damages and any Development Cure Period(s) (other than the extensions granted pursuant to clause 4(c) above) shall not exceed [REDACTED]. Notwithstanding anything to the contrary, no Development Cure Period extension shall be given if (i) the delay was the result of Seller's failure to take all commercially reasonable actions to meet its requirements and deadlines, or (ii) Seller failed to provide requested documentation as provided below. Except as set forth in Section 10.3 regarding Force Majeure Event notice requirements, Seller shall provide prompt written notice to Buyer of a Development Cure Period delay, but in no case more than [REDACTED] after Seller became aware of such delay, except that in the case of a delay occurring within [REDACTED] of the Guaranteed Commercial Operation Date, or after such date, Seller must provide written notice within five (5) Business Days of Seller becoming aware of such delay. Upon request from Buyer, Seller shall provide documentation demonstrating to Buyer's reasonable satisfaction that the delays described above did not result from Seller's actions or failure to take commercially reasonable actions.

5. Failure to Reach Guaranteed Capacity.

If, at Commercial Operation, the Installed Capacity is less than one hundred percent (100%) of the Guaranteed Capacity, Seller shall have [REDACTED] after the Commercial Operation Date to install additional capacity such that the Installed Capacity is equal to (but not greater than) the Guaranteed Capacity, and Seller shall provide to Buyer a new certificate substantially in the form attached as Exhibit I hereto specifying the new Installed Capacity.

EXHIBIT C
COMPENSATION

Buyer shall compensate Seller for the Product in accordance with this Exhibit C (the “**Monthly Product Payment**”).

(a) Renewable Rate. [REDACTED]

(b) Excess Contract Year Deliveries Over [REDACTED]

[REDACTED] Excess Settlement Interval Deliveries. [REDACTED]

[REDACTED] Curtailment Payments. [REDACTED]

[REDACTED] PTC Amount. [REDACTED]

[REDACTED] Test Energy. [REDACTED]

[REDACTED] Renewable Energy Incentives. [REDACTED]

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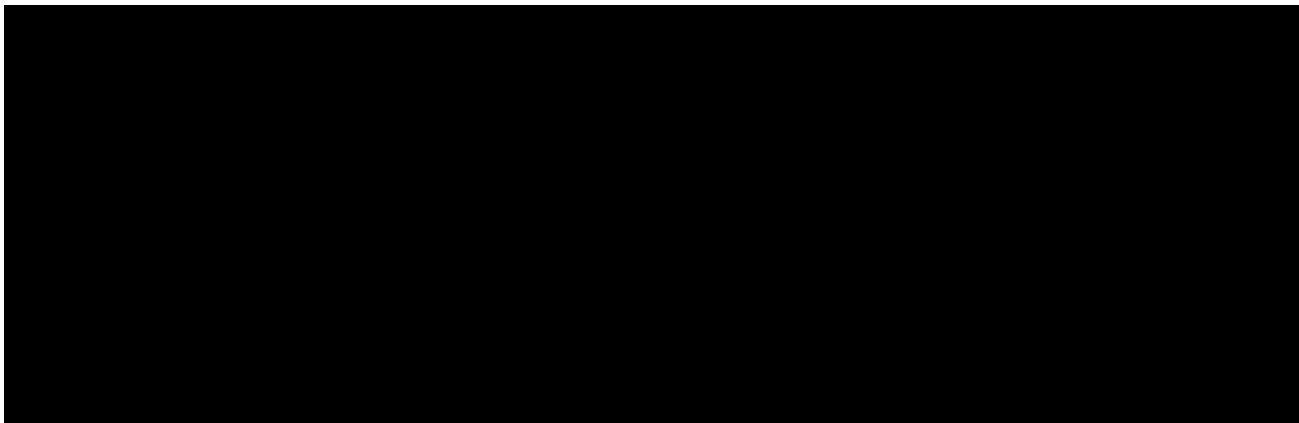


EXHIBIT D

SCHEDULING COORDINATOR RESPONSIBILITIES

(a) Buyer as Scheduling Coordinator for the Facility. Upon Initial Synchronization of the Facility to the CAISO Grid, Buyer shall be the Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with the CAISO for the Facility for both the delivery and the receipt (as applicable) of Test Energy, and the Product at the Delivery Point. Prior to the Initial Synchronization of the Facility, Seller or Seller's designee shall be the Scheduling Coordinator for the Facility. At least thirty (30) days prior to the Initial Synchronization, (i) Seller shall take all actions and execute and deliver to Buyer and the CAISO all documents necessary to authorize or designate Buyer (or Buyer's designee) as the Scheduling Coordinator for the Facility effective as of the Initial Synchronization of the Facility to the CAISO Grid, (ii) Seller shall make available to Buyer's Scheduling Coordinator all real-time telemetry data reasonably necessary for Buyer's Scheduling Coordinator to perform its duties as Buyer's Scheduling Coordinator, including the relevant operational data specified in this Exhibit D, Section (i), and (iii) Buyer shall, and shall cause its designee to, take all actions and execute and deliver to Seller and the CAISO all documents necessary to authorize or designate Buyer or its designee as the Scheduling Coordinator for the Facility effective as of the Initial Synchronization of the Facility to the CAISO Grid. On and after Initial Synchronization of the Facility to the CAISO Grid. Seller shall not authorize or designate any other party to act as the Facility's Scheduling Coordinator, nor shall Seller perform for its own benefit the duties of Scheduling Coordinator, nor shall Seller perform for its own benefit the duties of Scheduling Coordinator, and Seller shall not revoke Buyer's authorization to act as the Facility's Scheduling Coordinator unless agreed to by Buyer. Buyer (as the Facility's SC) shall submit Schedules to the CAISO in accordance with this Agreement and the applicable CAISO Tariff, protocols and Scheduling practices for Product on a day-ahead, hour-ahead, fifteen-minute market or real time or other CAISO market basis that may develop after the Effective Date, as determined by Buyer.

(b) Notices. Buyer (as the Facility's SC) shall provide Seller with access to a web-based system through which Seller shall submit to Buyer and the CAISO all notices and updates required under the CAISO Tariff regarding the Facility's status, including, but not limited to, all outage requests, forced outages, forced outage reports, clearance requests, or must offer waiver forms. Seller shall cooperate with Buyer to provide such notices and updates. If the web-based system is not available, Seller shall promptly submit such information to Buyer and the CAISO (in order of preference) telephonically, by electronic mail, or fax transmission to the personnel designated to receive such information.

(c) CAISO Costs and Revenues. Except as otherwise set forth below, Buyer (as Scheduling Coordinator for the Facility) shall be responsible for CAISO costs (including penalties, Imbalance Energy costs (except as otherwise set forth in this Agreement), and other charges) and shall be entitled to all CAISO revenues (including credits, Imbalance Energy revenues, and other payments), including revenues associated with CAISO Dispatches, bid cost recovery, Inter-SC Trade credits, or other credits in respect of the Product Scheduled or delivered from the Facility. In addition, Seller shall assume all liability and reimburse Buyer for any and all CAISO penalties and Imbalance Energy costs (i) incurred by Buyer resulting from any failure by Seller to abide by the CAISO Tariff requirements imposed on it as Facility owner (but not in

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connection with obligations of Buyer hereunder) or the outage notification requirements set forth in this Agreement (except to the extent such non-compliance is caused by Buyer's failure to perform its duties as Scheduling Coordinator for the Facility), or (ii) to the extent arising as a result of Seller's failure to comply with a timely Curtailment Order if such failure results in incremental costs to Buyer. In addition, if during the Delivery Term, the CAISO implements or has implemented any sanction or penalty related to scheduling, outage reporting, or generator operation, and any such sanctions or penalties are imposed upon the Facility or to Buyer as Scheduling Coordinator due to failure by Seller to abide by the CAISO Tariff or the outage notification requirements set forth in this Agreement, the cost of the sanctions or penalties shall be Seller's responsibility.

(d) CAISO Settlements. Buyer (as the Facility's SC) shall be responsible for all settlement functions with the CAISO related to the Facility. Buyer shall render a separate invoice to Seller for any CAISO payments, charges or penalties ("**CAISO Charges Invoice**") for which Seller is responsible under this Agreement. CAISO Charges Invoices shall be rendered after settlement information becomes available from the CAISO that identifies any CAISO charges. Notwithstanding the foregoing, Seller acknowledges that the CAISO will issue additional invoices reflecting CAISO adjustments to such CAISO charges. Buyer will review, validate, and if requested by Seller under paragraph (e) below, dispute any charges that are the responsibility of Seller in a timely manner and consistent with Buyer's existing settlement processes for charges that are Buyer's responsibilities. Subject to Seller's right to dispute and to have Buyer pursue the dispute of any such invoices, Seller shall pay the amount of CAISO Charges Invoices within ten (10) Business Days of Seller's receipt of the CAISO Charges Invoice. If Seller fails to pay such CAISO Charges Invoice within that period, Buyer may net or offset any amounts owing to it for such CAISO Charges Invoices against any future amounts it may owe to Seller under this Agreement. The obligations under this Section with respect to payment of CAISO Charges Invoices in respect of performance prior to the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement.

(e) Dispute Costs. Buyer (as the Facility's SC) may be required by Seller to dispute CAISO settlements in respect of the Facility. Seller agrees to pay Buyer's costs and expenses (including reasonable attorneys' fees) associated with its involvement with such CAISO disputes to the extent they relate to CAISO charges payable by Seller with respect to the Facility that Seller has directed Buyer to dispute.

(f) Terminating Buyer's Designation as Scheduling Coordinator. At least thirty (30) days prior to expiration of this Agreement or as soon as reasonably practicable upon an earlier termination of this Agreement, the Parties will take all actions necessary to terminate the designation of Buyer as Scheduling Coordinator for the Facility as of 11:59 p.m. on such expiration date.

(g) Master Data File and Resource Data Template; Master Resource Database. The Parties will collaborate to comply with the applicable deadlines for filing and updating the information for the Facility in the CPUC Master Resource Database and Master Data File. Seller shall provide the data to Buyer that is required for the CAISO's Master Data File and Resource Data Template (or successor data systems) for the Facility consistent with this Agreement at least five (5) Business Days before the deadline for submission to CAISO and Buyer (as SC) shall

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promptly provide such data to CAISO. Seller shall provide the data that is required for the CPUC Master Resource Database for the Facility consistent with this Agreement to Buyer for review and approval at least five (5) Business Days before the deadline for submission of such to the CPUC. Neither Party shall change such CAISO or CPUC data without the other Party's prior written consent. At least once per Contract Year, Seller shall review and confirm that the data provided for the CAISO's Master Data File and Resource Data Template (or successor data systems) and CPUC Master Resource Database for this Facility remains consistent with the actual operating characteristics of the Facility and provide such information to Buyer for review at least five (5) Business Days prior to submission to the CAISO or CPUC as applicable.

(h) NERC Reliability Standards. Buyer (as Scheduling Coordinator) shall cooperate reasonably with Seller to the extent necessary to enable Seller to comply, and for Seller to demonstrate Seller's compliance with, NERC reliability standards. This cooperation shall include the provision of information in Buyer's possession that Buyer (as Scheduling Coordinator) has provided to the CAISO related to the Facility or actions taken by Buyer (as Scheduling Coordinator) related to Seller's compliance with NERC reliability standards.

EXHIBIT E
PROGRESS REPORTING FORM

Each Progress Report must include the following items:

1. Executive Summary.
2. Facility description.
3. Site plan of the Facility.
4. Description of any material planned changes to the Facility or the Site.
5. Gantt chart schedule showing progress on achieving each of the Milestones.
6. Summary of activities during the previous calendar quarter or month, as applicable, including any OSHA labor hour reports.
7. Forecast of activities scheduled for the current calendar quarter.
8. Written description about the progress relative to Seller's Milestones, including whether Seller has met or is on target to meet the Milestones.
9. List of issues that are likely to potentially affect Seller's Milestones.
10. A status report of start-up activities including a forecast of activities ongoing and after start-up, a report on Facility performance including performance projections for the next twelve (12) months.
11. Prevailing wage reports as required by Law and per section 13.4 of agreement.
12. Progress and schedule of all major agreements, contracts, permits, approvals, technical studies, financing agreements and major equipment purchase orders showing the start dates, completion dates, and completion percentages.
13. Pictures, in sufficient quantity and of appropriate detail, in order to document construction and startup progress of the Facility, the interconnection into the Distribution System and all other interconnection utility services.
14. Workforce Development or Supplier Diversity Reporting (if applicable).
15. Any other documentation reasonably requested by Buyer.

EXHIBIT F-1

FORM OF AVERAGE EXPECTED ENERGY REPORT

[Average Expected Energy, MWh Per Hour]

	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00
JAN																								
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NOV																								
DEC																								

The foregoing table is provided for informational purposes only, and it shall not constitute, or be deemed to constitute, an obligation of any of the Parties to this Agreement.

EXHIBIT F-2

FORM OF AVAILABLE CAPACITY FORECAST

Available Capacity, MWh Per Hour – [*Insert Month*]

	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00
Day 1																								
Day 2																								
Day 3																								
Day 4																								
Day 5																								
[insert additional rows for each day in the month]																								
Day 29																								
Day 30																								
Day 31																								

The foregoing table is provided for informational purposes only, and it shall not constitute, or be deemed to constitute, an obligation of any of the Parties to this Agreement.

EXHIBIT G

GUARANTEED ENERGY PRODUCTION DAMAGES CALCULATION

In accordance with Section 4.9, if Seller fails to achieve the Guaranteed Energy Production during any Performance Measurement Period, a liquidated damages payment shall be due from Seller to Buyer, calculated as follows:

$$(A - B) * (C - D)$$

where:

A = the Guaranteed Energy Production amount for the Performance Measurement Period, in MWh

B = the Adjusted Energy Production amount for the Performance Measurement Period, in MWh

C = Replacement price for the Performance Measurement Period, in \$/MWh, which is the sum of (a) the simple average of the Integrated Forward Market (as such term is defined in the CAISO Tariff) hourly price for all the hours in the Performance Measurement Period, as published by the CAISO, for the Existing Zone Generation Trading Hub (as defined in the CAISO Tariff) for the Delivery Point, plus (b) the lesser of (i) [REDACTED] and (ii) the market value of Replacement Green Attributes as reasonably determined by Buyer.

D = the Renewable Rate for the Contract Year which ends each Performance Measurement Period, in \$/MWh

“Adjusted Energy Production” shall mean the sum of the following: Delivered Energy + Deemed Delivered Energy + Lost Output provided with respect to such Performance Measurement Period.

No payment shall be due if the calculation of (A - B) or (C - D) yields a negative number. In no event will Buyer owe any payment to Seller pursuant to this Exhibit G.

Within sixty (60) days after each Contract Year, Buyer shall send Seller Notice of the amount of damages owing, if any, which shall be payable to Buyer before the later of (a) thirty (30) days of such Notice and (b) ninety (90) days after each Performance Measurement Period, *provided*, the amount of damages owing shall be adjusted to account for Replacement Product, if any, delivered after each applicable Performance Measurement Period.

EXHIBIT H

FORM OF COMMERCIAL OPERATION DATE CERTIFICATE

This certification (“**Certification**”) of Commercial Operation is delivered by [*LICENSED PROFESSIONAL ENGINEER*] (“**Engineer**”) to San Diego Community Power Authority, a California joint powers authority (“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated [*DATE*] (“**Agreement**”) by and between [*SELLER*] and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

As of [*DATE*], Engineer hereby certifies and represents to Buyer the following:

1. The Facility is fully operational, reliable and interconnected, fully integrated and synchronized with the Distribution System in accordance with the Interconnection Agreement.
2. Seller has installed equipment for the Facility with a nameplate capacity of no less than ninety-five percent (95%) of the Guaranteed Capacity.
3. Seller has commissioned all equipment in accordance with its respective manufacturer’s specifications.
4. Seller has demonstrated functionality of the Facility’s communication systems and automatic generation control (AGC) interface to operate the Facility as necessary to respond and follow instructions, including an electronic signal conveying real time and intra-day instructions, directed by the Buyer in accordance with this Agreement and/or the CAISO.
5. The Facility’s testing included a performance test demonstrating peak electrical output of no less than ninety-five percent (95%) of the Guaranteed Capacity for the Facility at the Delivery Point, as adjusted for ambient conditions on the date of the Facility testing.
6. Authorization to parallel the Facility was obtained from the Distribution Provider on [DATE] .
7. The Distribution Provider has provided documentation supporting full unrestricted release for Commercial Operation [DATE] .
8. The CAISO has provided notification supporting Commercial Operation, in accordance with the CAISO Tariff on [DATE] .
9. Seller shall have caused the Facility to be included in the Full Network Model and has the ability to offer Bids into the CAISO Day-Ahead and Real-Time Markets in respect of the Facility.
10. Seller has segregated and separately metered Station Use to the extent required in accordance with the retail service provider’s tariff, and any such meter(s) have the same or

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greater level of accuracy as is required under the retail service provider's tariff.

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

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

[LICENSED PROFESSIONAL ENGINEER]

By: _____

Printed Name: _____

Title: _____

EXHIBIT I

FORM OF INSTALLED CAPACITY CERTIFICATE

This certification (“**Certification**”) of Installed Capacity is delivered by [*LICENSED PROFESSIONAL ENGINEER*] (“**Engineer**”) to San Diego Community Power Authority, a California joint powers authority (“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated [*DATE*] (“**Agreement**”) by and between [*SELLER*] and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

I hereby certify the following:

(a) The performance test for the Facility demonstrated peak electrical output of ___ MW AC at the Delivery Point, as adjusted for ambient conditions on the date of the performance test (“**Installed Capacity**”);

EXECUTED by [*LICENSED PROFESSIONAL ENGINEER*]

this _____ day of _____, 20__.

[*LICENSED PROFESSIONAL ENGINEER*]

By: _____

Printed Name: _____

Title: _____

EXHIBIT J

FORM OF CONSTRUCTION START DATE CERTIFICATE

This certification of Construction Start Date (“**Certification**”) is delivered by [SELLER ENTITY] (“**Seller**”) to San Diego Community Power Authority, a California joint powers authority (“**Buyer**”) in accordance with the terms of that certain Renewable Power Purchase Agreement dated [DATE] (“**Agreement**”) by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Seller hereby certifies and represents to Buyer the following:

- (1) Construction Start (as defined in Exhibit B of the Agreement) has occurred, and a copy of the notice to proceed that Seller issued to its contractor as part of Construction Start is attached hereto.
- (2) the Construction Start Date occurred on _____ (the “**Construction Start Date**”); and
- (3) the precise Site on which the Facility is located is, which must be within the boundaries of the previously identified Site:

_____.

IN WITNESS WHEREOF, the undersigned has executed this Certification on behalf of Seller as this _____ day of _____, 20__.

[SELLER ENTITY]

By: _____

Printed Name: _____

Title: _____

EXHIBIT K
FORM OF LETTER OF CREDIT

[Issuing Bank Letterhead and Address]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [XXXXXXX]

Date:
Bank Ref.:
Amount: US\$[XXXXXXXX]
Expiry Date:

Beneficiary:

San Diego Community Power Authority
PO Box 12716
San Diego, CA 92112

Ladies and Gentlemen:

By the order of _____ (“Applicant”), we, [insert bank name and address] (“Issuer”) hereby issue our Irrevocable Standby Letter of Credit No. [XXXXXXX] (the “Letter of Credit”) in favor of San Diego Community Power, a California joint powers authority (“Beneficiary”), for an amount not to exceed the aggregate sum of U.S. \$[XXXXXX] (United States Dollars [XXXXX] and 00/100), pursuant to that certain Renewable Power Purchase Agreement dated as of _____ and as amended (the “Agreement”) between Applicant and Beneficiary. This Letter of Credit shall become effective immediately and shall renew annually until terminated in accordance with the terms hereof (the “Expiration Date”).

Funds under this Letter of Credit are available to Beneficiary by valid presentation on or before the Expiration Date of a dated statement purportedly signed by your duly authorized representative, in the form attached hereto as Exhibit A, containing one of the two alternative paragraphs set forth in paragraph 2 therein, referencing our Letter of Credit No. [XXXXXXX] (“Drawing Certificate”).

The Drawing Certificate may be presented by (a) physical delivery, (b) as a PDF attachment to an e-mail to [bank email address] or (c) facsimile to [bank fax number [XXX-XXX-XXXX]] confirmed by [e-mail to [bank email address]]. Transmittal by facsimile or email shall be deemed delivered when received.

The original of this Letter of Credit (and all amendments, if any) is not required to be presented in connection with any presentment of a Drawing Certificate by Beneficiary hereunder in order to receive payment.

We hereby agree with Beneficiary that all documents presented under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation to Issuer on or before the

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Expiration Date. All payments made under this Letter of Credit shall be made with Issuer's own immediately available funds by means of wire transfer in immediately available United States dollars to Beneficiary's account as indicated by Beneficiary in its Drawing Certificate or in a communication accompanying its Drawing Certificate.

Partial draws are permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance.

This Letter of Credit may only be terminated upon one hundred twenty (120) days' prior written notice from Issuer to Beneficiary by registered mail or overnight courier service that Issuer elects not to extend this Letter of Credit, in which case it will expire on the date specified in such notice. No presentation made under this Letter of Credit after such Expiration Date will be honored.

Notwithstanding any reference in this Letter of Credit to any other documents, instruments or agreements, this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce Publication No. 600 (the "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. In the event of an act of God, riot, civil commotion, insurrection, war or any other cause beyond Issuer's control (as defined in Article 36 of the UCP) that interrupts Issuer's business and causes the place for presentation of the Letter of Credit to be closed for business on the last day for presentation, the Expiration Date of the Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

Please address all correspondence regarding this Letter of Credit to the attention of the Letter of Credit Department at [insert bank address information], referring specifically to Issuer's Letter of Credit No. [XXXXXXX]. For telephone assistance, please contact Issuer's Standby Letter of Credit Department at [XXX-XXX-XXXX] and have this Letter of Credit available.

All notices to Beneficiary shall be in writing and are required to be sent by certified letter, overnight courier, or delivered in person to: San Diego Community Power, Chief Financial Officer, PO Box 12716, San Diego, CA 92112. Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.

[Bank Name]

[Insert officer name]

[Insert officer title]

(DRAW REQUEST SHOULD BE ON BENEFICIARY'S LETTERHEAD)

Drawing Certificate

[Insert Bank Name and Address]

Ladies and Gentlemen:

The undersigned, a duly authorized representative of San Diego Community Power, a California joint powers authority, PO Box 12716, San Diego, CA 92112, as beneficiary (the "Beneficiary") of the Irrevocable Letter of Credit No. [XXXXXXX] (the "Letter of Credit") issued by [insert bank name] (the "Bank") by order of _____ (the "Applicant"), hereby certifies to the Bank as follows:

1. Applicant and Beneficiary are party to that certain Renewable Power Purchase Agreement dated as of _____, 20__ (the "Agreement").
2. Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. \$_____ because a Seller Event of Default (as such term is defined in the Agreement) has occurred or other occasion provided for in the Agreement where Beneficiary is authorized to draw on the letter of credit has occurred.

OR

Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. \$_____, which equals the full available amount under the Letter of Credit, because Applicant is required to maintain the Letter of Credit in force and effect beyond the expiration date of the Letter of Credit but has failed to provide Beneficiary with a replacement Letter of Credit or other acceptable instrument within thirty (30) days prior to such expiration date.

3. The undersigned is a duly authorized representative of San Diego Community Power and is authorized to execute and deliver this Drawing Certificate on behalf of Beneficiary.

You are hereby directed to make payment of the requested amount to San Diego Community Power by wire transfer in immediately available funds to the following account:

[Specify account information]

San Diego Community Power

Name and Title of Authorized Representative

Date _____

EXHIBIT L
FACILITY OPERATIONS DATA

Data Point
Unit Gross MW
Unit Net MW
High Sustainable Limits
ADS 5 Minute Dispatch Operating Targets Setpoint
Aggregate Gross MW
Interconnection Point/Delivery Point MW
Meteorological Data ¹
Heartbeat
Frequency

¹ Meteorological Data includes irradiance, back panel temperature, wind speed, wind direction, and temperature and such other data as mutually agreed to by the Parties.

EXHIBIT M
RESERVED

EXHIBIT N

NOTICES

1st OAK 2, LLC ("Seller")	SAN DIEGO COMMUNITY POWER ("Buyer")
All Notices: 1869 Moffat Blvd Manteca, CA 95337 Attn: Justin Krum Phone: (209) 456-5415 Email: jkrum@1stle.com	All Notices: PO Box 12716 San Diego, CA 92112 Attn: Power Services Email: powercontracts@sdcommunitypower.org
Reference Numbers: [REDACTED]	Reference Numbers: Duns: 11-754-8142 Federal Tax ID Number: 85-0824464
Invoices: Attn: Accounts Payable Phone: (209) 824-5500 Email: accountspayable@1stle.com	Invoices: Attn: SDCP Settlements Phone: (619) 880-6545 Email: settlements@sdcommunitypower.org
Scheduling: Attn: Richard Hanson Phone: (209) 824-5500 x 1026 Email: rhanson@1stle.com	Scheduling: Tenaska Power Services Co. Attn: Kara Whillock Phone: (972) 333-6122 Email: kwhillock@tnsk.com Day Ahead: (817) 303-1115 Real Time: (817) 303-1852 Facsimile: (817) 303-1104
Confirmations: Attn: Marcos Garcia Phone: (209) 824-5500 Email: mgarcia@1stle.com	Confirmations: Attn: SDCP Settlements Phone: (619) 880-6545 Email: settlements@sdcommunitypower.org
Payments: Attn: Accounts Receivable Phone: (209) 824-5500 Email: accountsreceivable@1stle.com	Payments: Attn: Michael Maher Phone: (415) 526-3020 Email: mmaher@maher CPA.com
Wire Transfer: [REDACTED]	Wire Transfer: [REDACTED]

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1st OAK 2, LLC ("Seller")	SAN DIEGO COMMUNITY POWER ("Buyer")
With additional Notices of an Event of Default to: Attn: Justin Krum Phone: (209) 456-5415 Facsimile: (209) 824-5575 Email: jkrum@1stle.com	With additional Notices of an Event of Default to: Attn: SDCP General Counsel PO Box 12716 San Diego, CA 92112 Email: legal@sdcommunitypower.org
Emergency Contact: Attn: Justin Krum Phone: (209) 456-5415 Email: jkrum@1stle.com	Emergency Contact: Attn: Gordon Samuel, Chief Commercial Officer Phone: (619) 657-0407 Email: gsamuel@sdcommunitypower.org

EXHIBIT O
METERING DIAGRAM

EXHIBIT P

WORKFORCE DEVELOPMENT

Sample Supplier Diversity Survey

Please note that not all questions may apply to your business. For the questions that do not apply, please skip them or answer "Not Applicable" or "Decline to State."

Pursuant to Proposition 209, SDCP does not give preferential treatment based on race, sex, color, ethnicity, or national origin. Providing information in these categories is optional and will not impact your participation in any future SDCP solicitation selection process. Responses are collected for informational and reporting purposes only pursuant to Senate Bill (SB) 255.

*Required

1. Business Name*

2. Email Address*

3. Where is your business located/headquartered?

4. Is your business certified under General Order 156 (GO 156)? GO 156 is a California Public Utilities Commission ruling that requires utility entities to report annually on their contracts with majority women-owned, minority-owned, disabled veteran-owned and LGBT-owned business enterprises (WMDVLGBTBs) in all categories. Qualified businesses become GO 156 Certified through the CPUC and are then added to the GO 156 Clearinghouse database at www.thesupplierclearinghouse.com.

Yes

No

Qualified as a WMDVLGBTB but not GO 156 certified

5. If you answered "yes" to Question 4, when does your certification expire?

6. If you answered "yes" or "qualified, but not certified" to Question 4, in which categories are you certified or qualified? Please choose all that apply.

Minority Owned

Women Owned

LGBT Owned

Disabled Veteran Owned

Small Business Enterprise, as defined by 8(d) of the Small Business Act

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7. If your business is a minority-owned business enterprise, what GO156 certification or qualification does your business fall under?

Black American

Hispanic American

Asian Pacific American

Native American

8. Please list the Standardized Industrial Code (SIC) of the products and services your business offers. Search for your SIC in the “Commodity Codes” search bar, here: <https://sch.thesupplierclearinghouse.com/FrontEnd/SearchCertifiedDirectory.asp>.

9. If certified under GO 156, please list your annual business revenue as reported to the CPUC Supplier Clearinghouse. You may check your CPUC Supplier Clearinghouse status here: <https://sch.thesupplierclearinghouse.com/FrontEnd/SearchCertifiedDirectory.asp>.

10. If your business is qualified, but not GO 156 certified, please identify the reasons for not completing the certification process?

11. If your business has used GO 156 certified subcontractors for your SDCP contract, please include a list of your subcontractor business names, if the subcontract is for products or services, and the anticipated subcontract amount. Example: Electrical Design Technology, Inc.; products (batteries); \$100,000.

12. If applicable, please describe any hiring policies your business has for using small, local, and/or economically disadvantaged subcontractors or for using subcontractors that qualify for the GO 156 Supplier Clearinghouse.

13. Does your business have a history of using apprenticeship programs, local hires, union labor, or multi-trade project labor agreements? Local hires can be defined as labor-sourced from within SDCP’s service area.

Yes, apprenticeship programs in this recent contract with SDCP

Yes, local labor in this recent contract with SDCP

Yes, union labor in this recent contract with SDCP

Yes, multi-trade PLA in this recent contract with SDCP

Yes, apprenticeship programs but not in this contract with SDCP

Yes, history of local hire but not in this contract with SDCP

Yes, history of union labor but not in this contract with SDCP

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Yes, history of multi-trade PLA but not in this contract with SDCP

Uses California-based labor, but not local to SDCP's service areas

None of the above

Not applicable

14. Are you a small business? Please refer to the Small Business Association' Size Standards tool for more information: <https://www.sba.gov/sizestandards>.

Yes

No

15. If you answered "yes" to question 14, please describe your history with labor agreements, union labor, multi-trade labor, apprenticeship labor, or how many local workers/businesses you employ for your contract with SDCP.

16. Is there any additional feedback that you would like to provide to SDCP at this time?

17. Does the bidder have formal initiatives to promote diversity, equity, and inclusion among its workforce?

18. If the answer to question 17 is "Yes," please explain and provide supporting documentation.

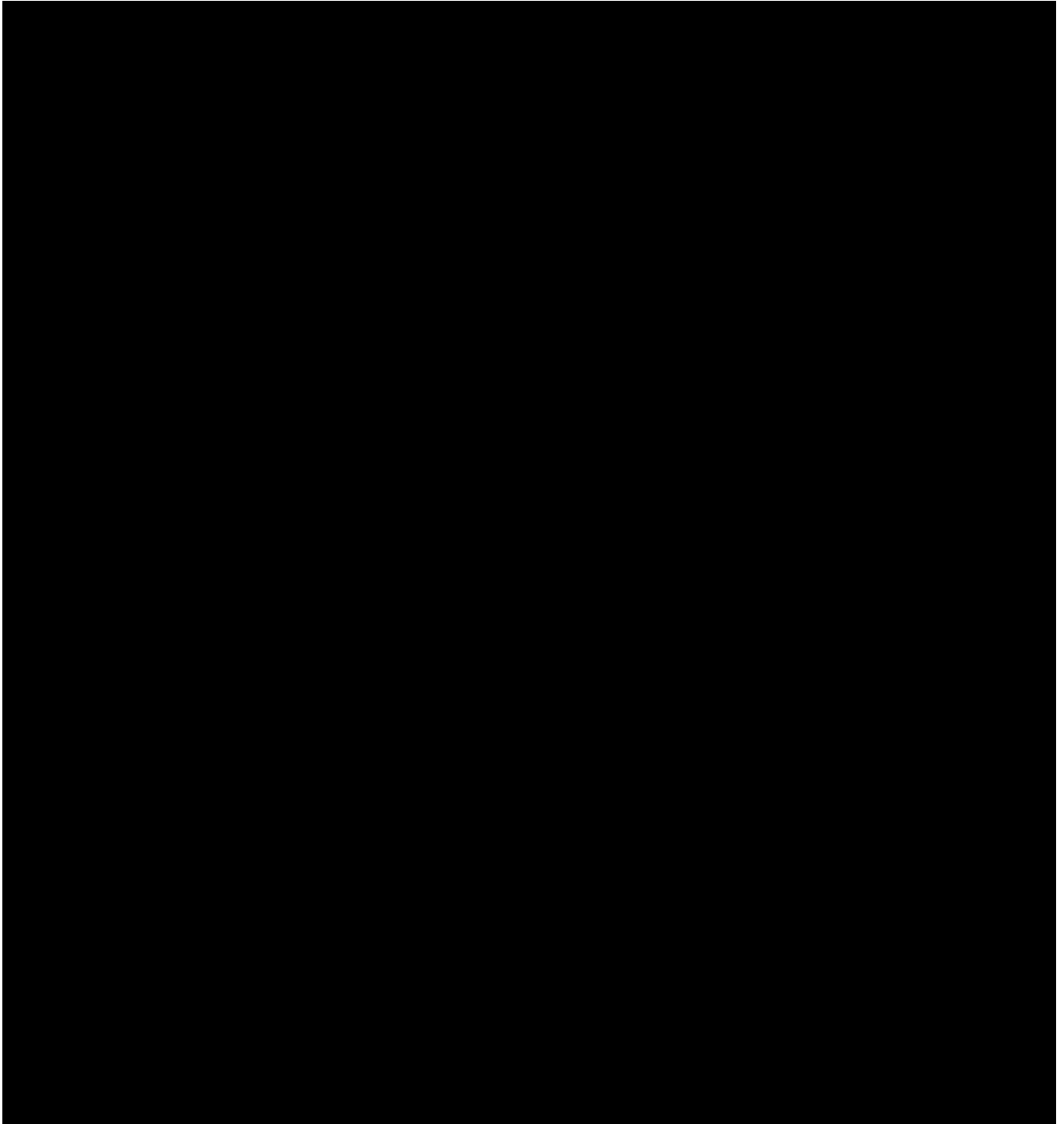
19. Has the bidder adopted formal Environmental, Social, and Governance (ESG) goals?

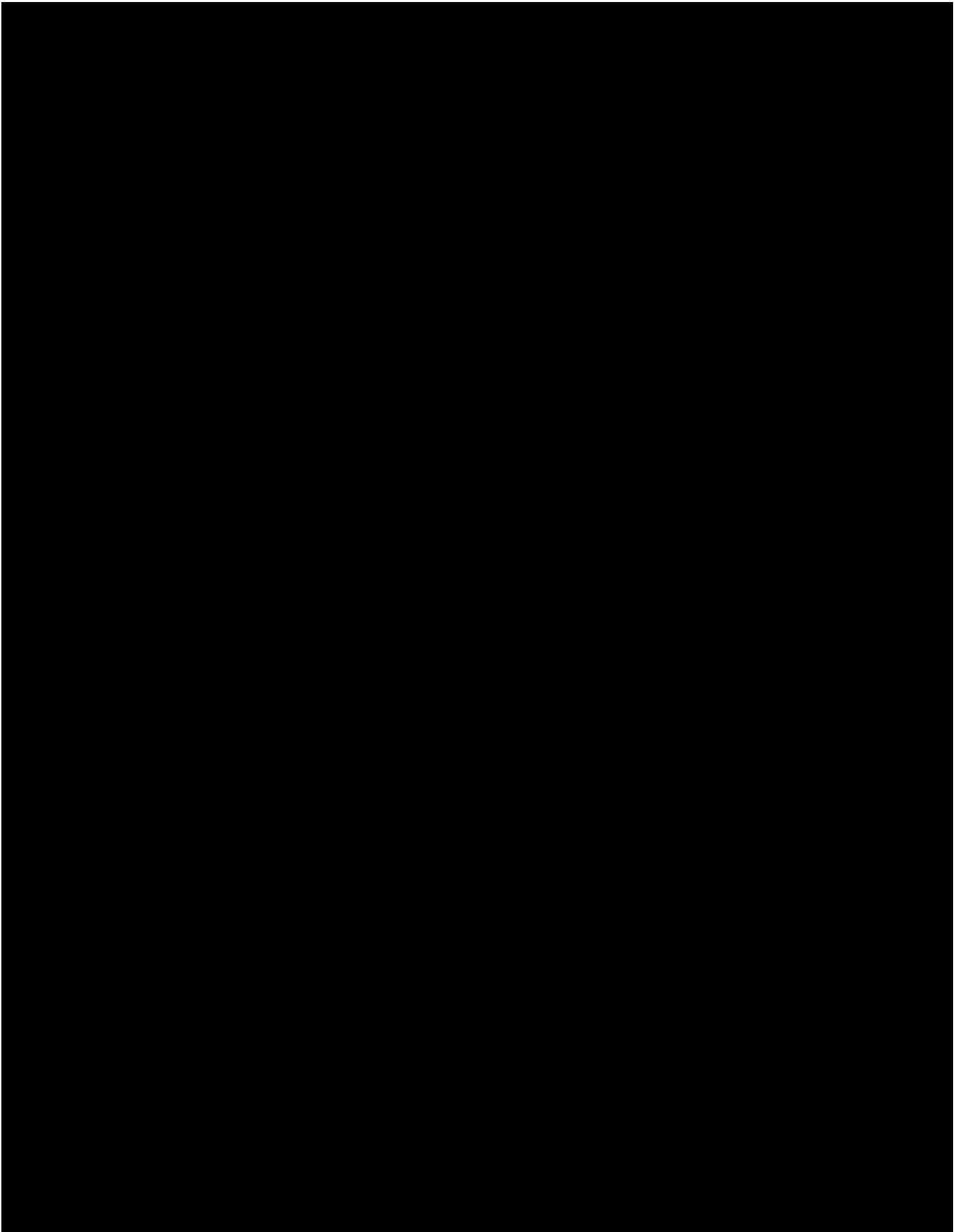
20. If the answer to question 19 is "Yes", please explain and provide supporting documentation.

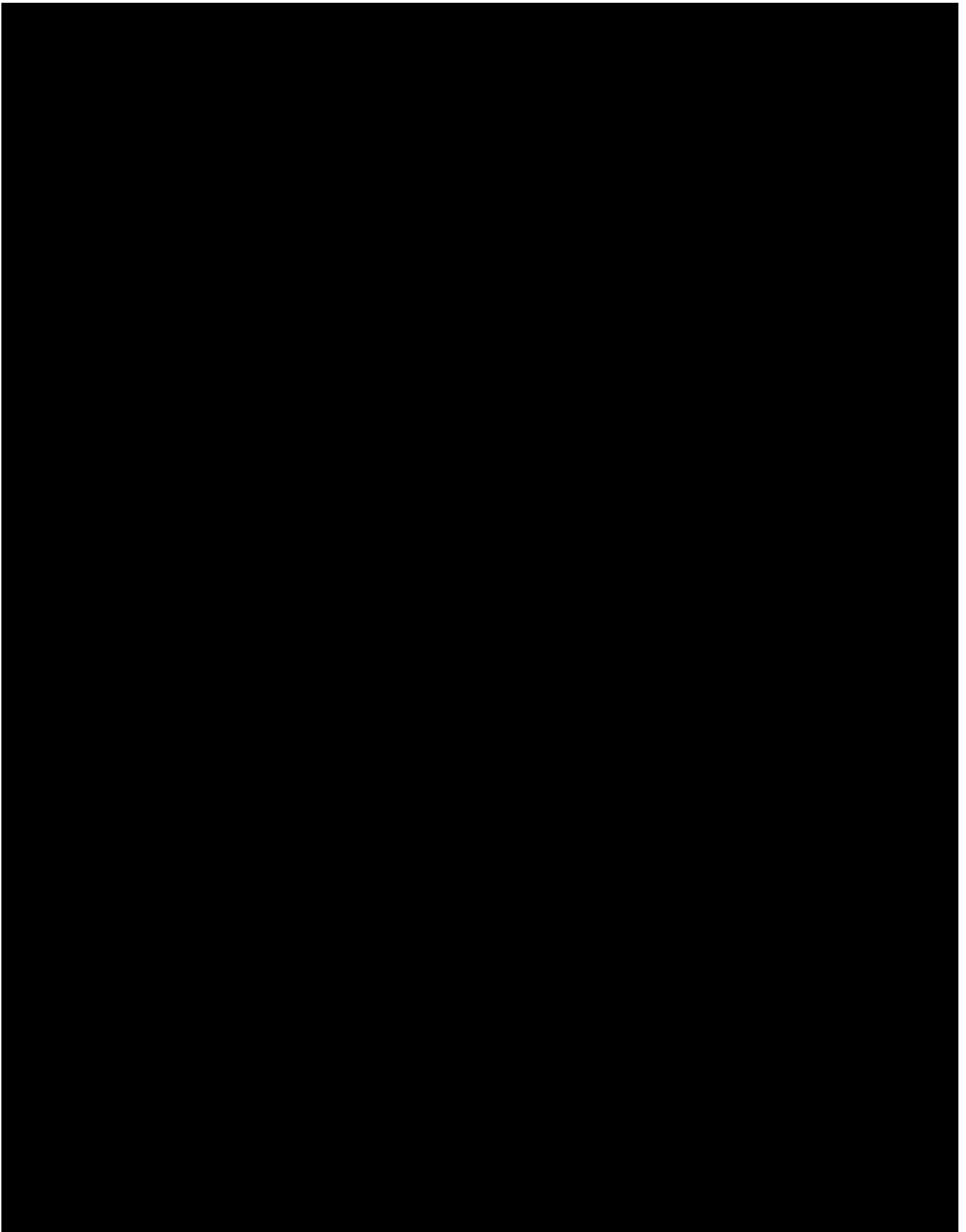
EXHIBIT Q

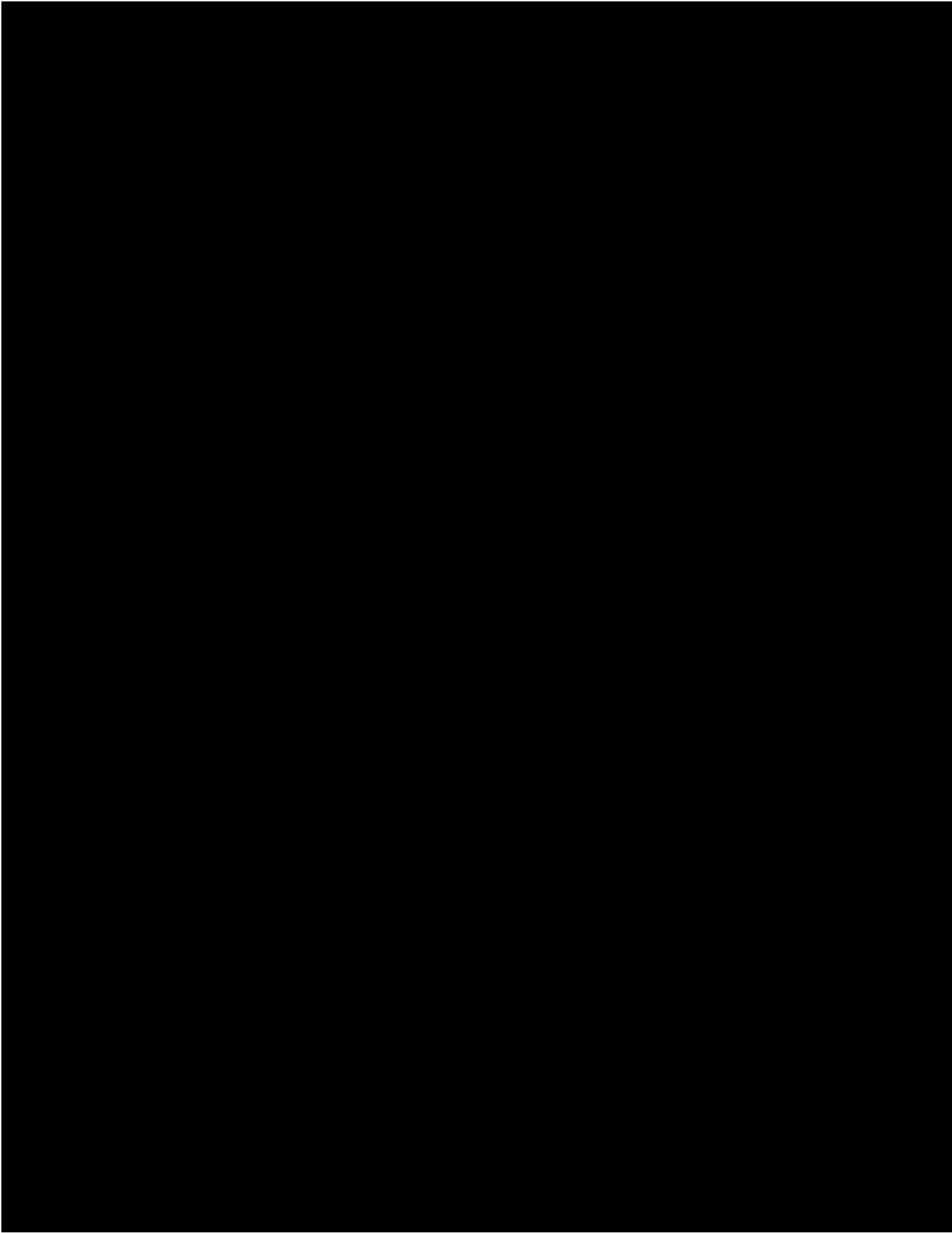
FORM OF LIMITED ASSIGNMENT AGREEMENT

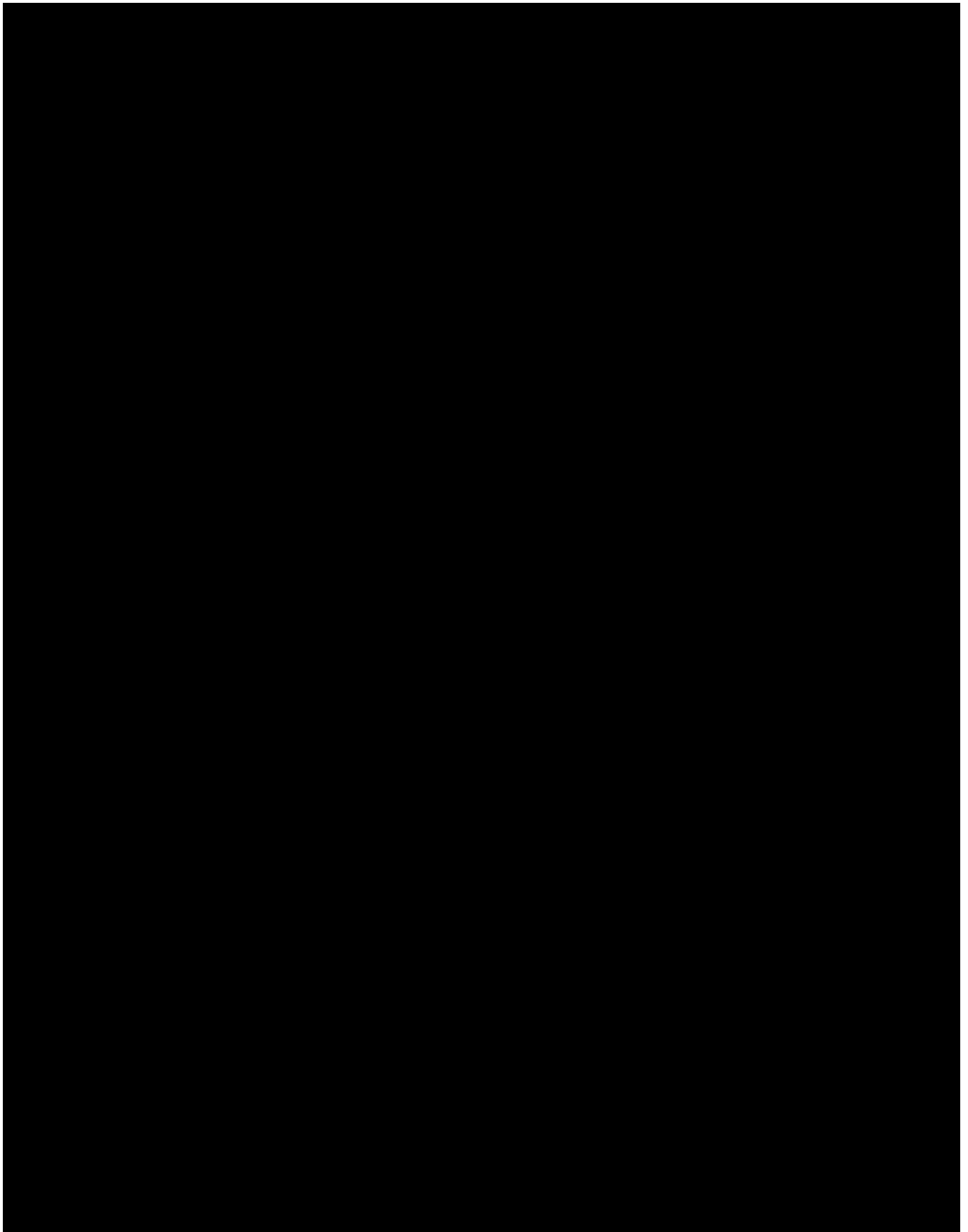
LIMITED ASSIGNMENT AGREEMENT

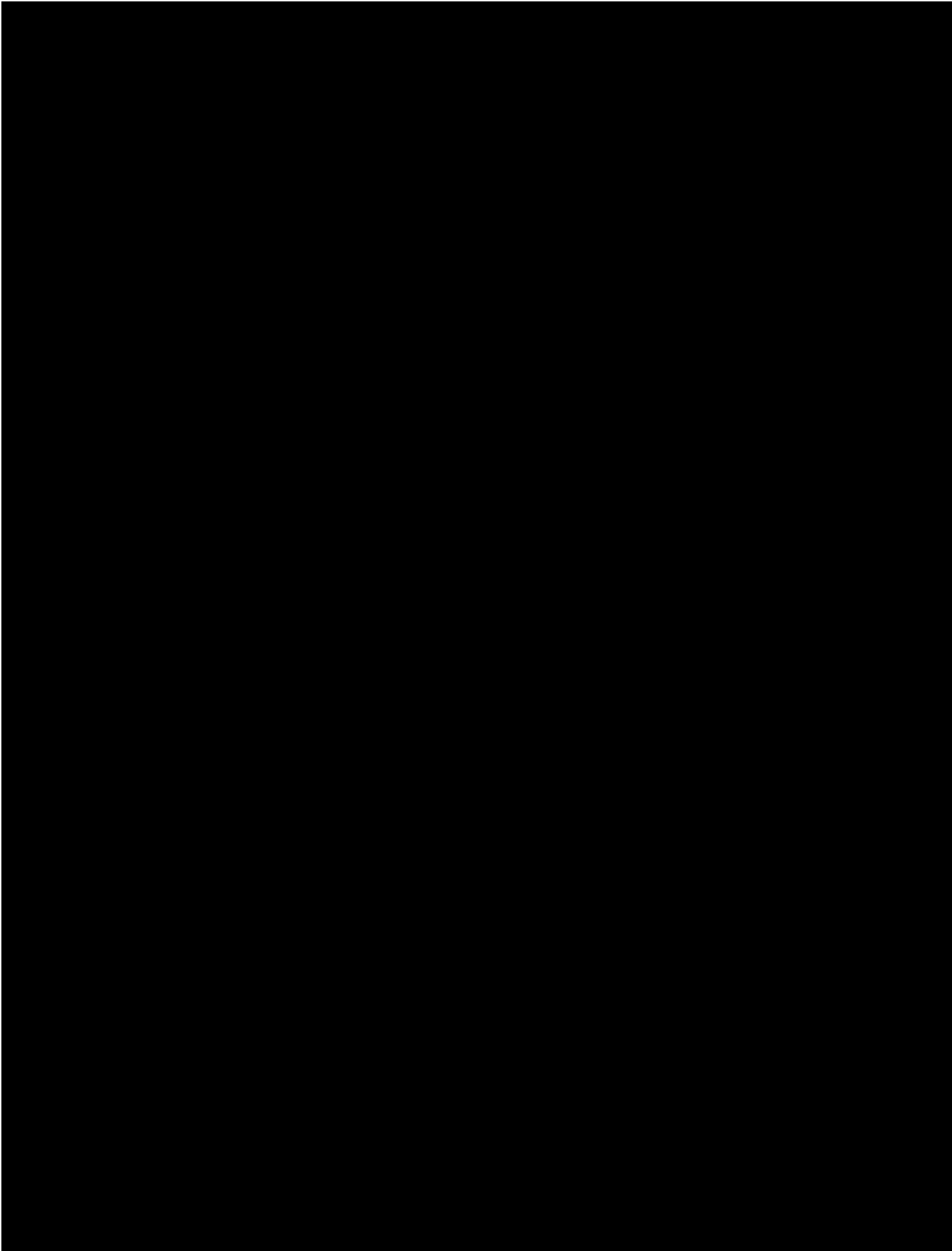


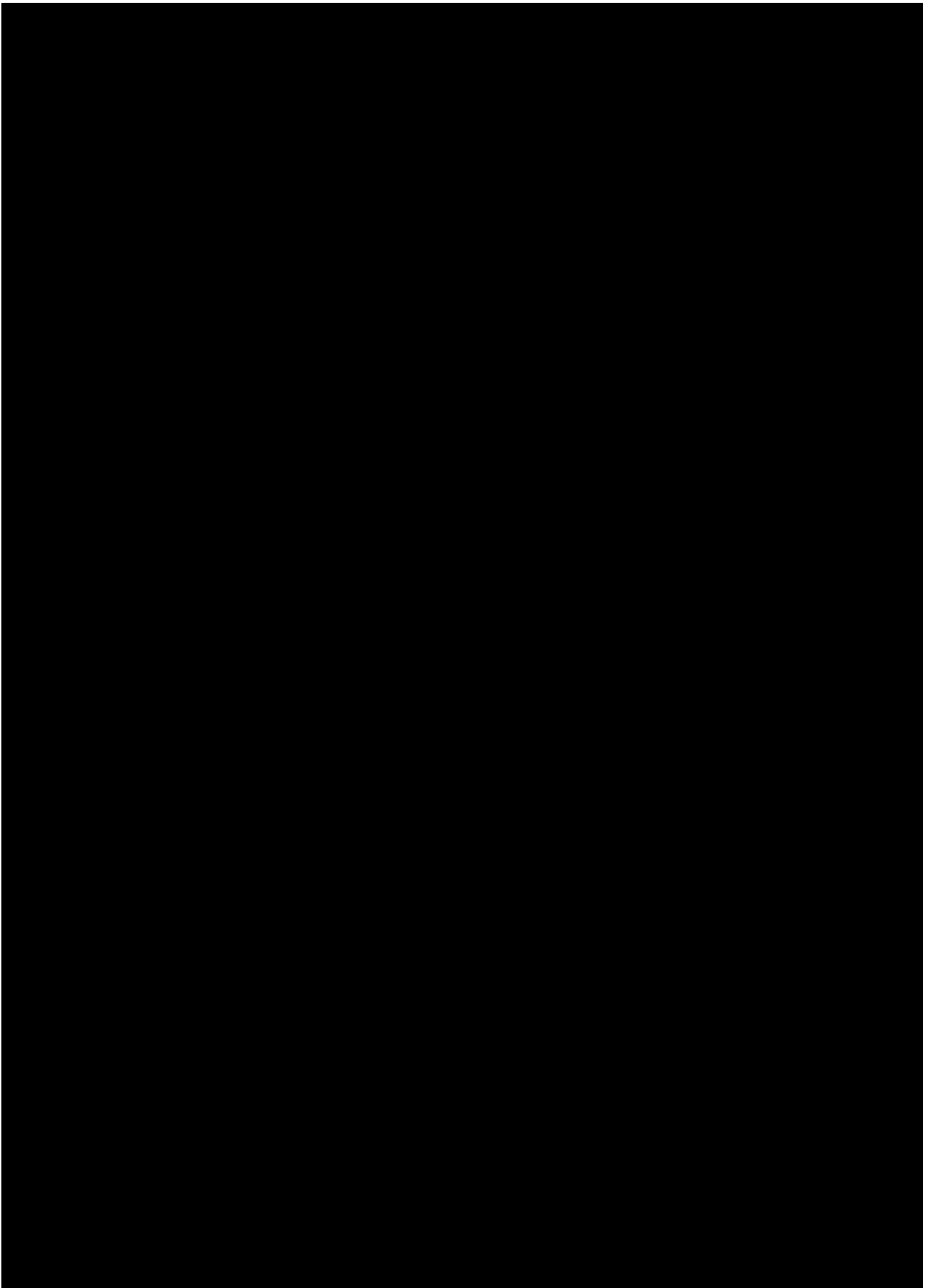


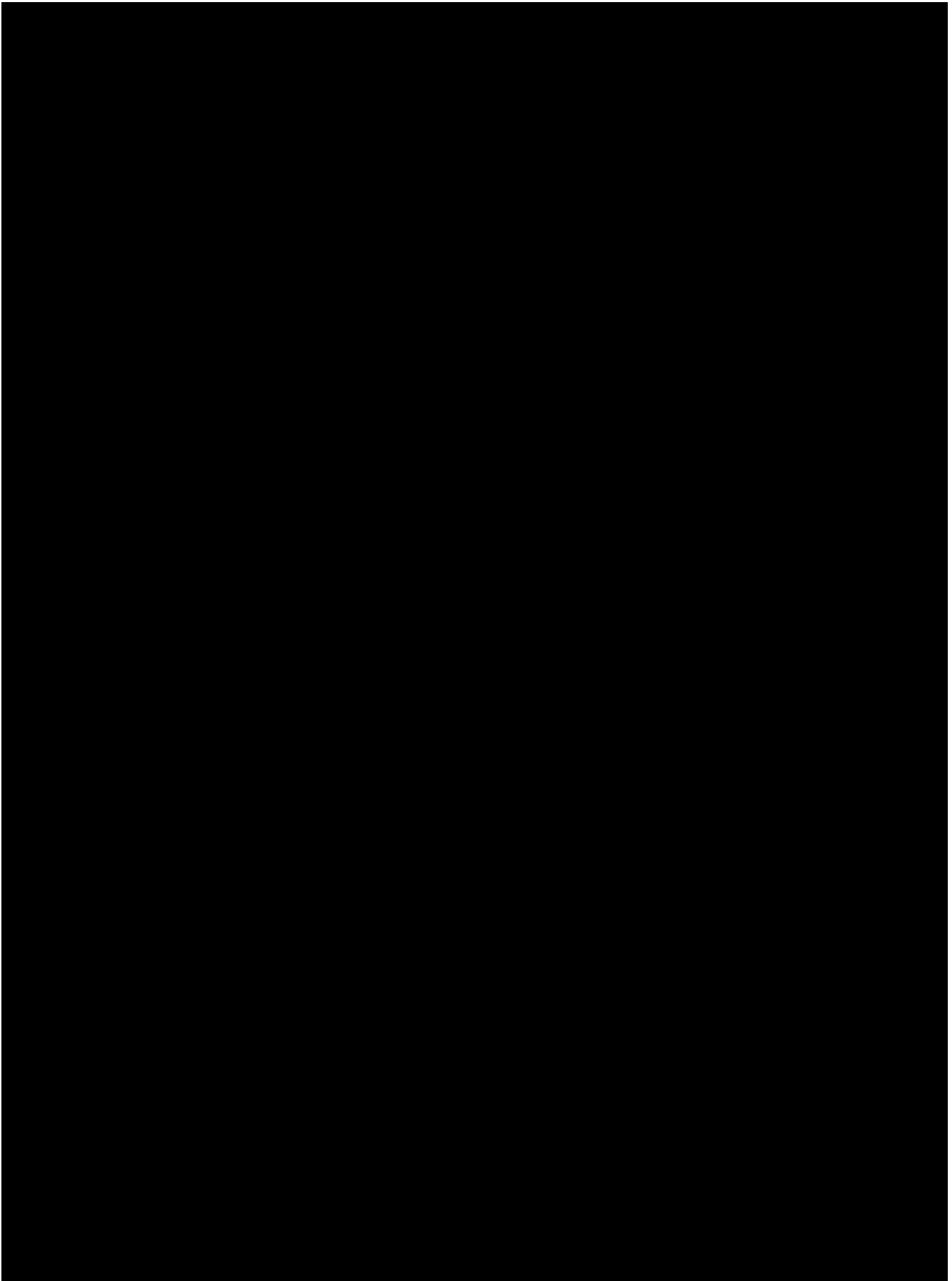


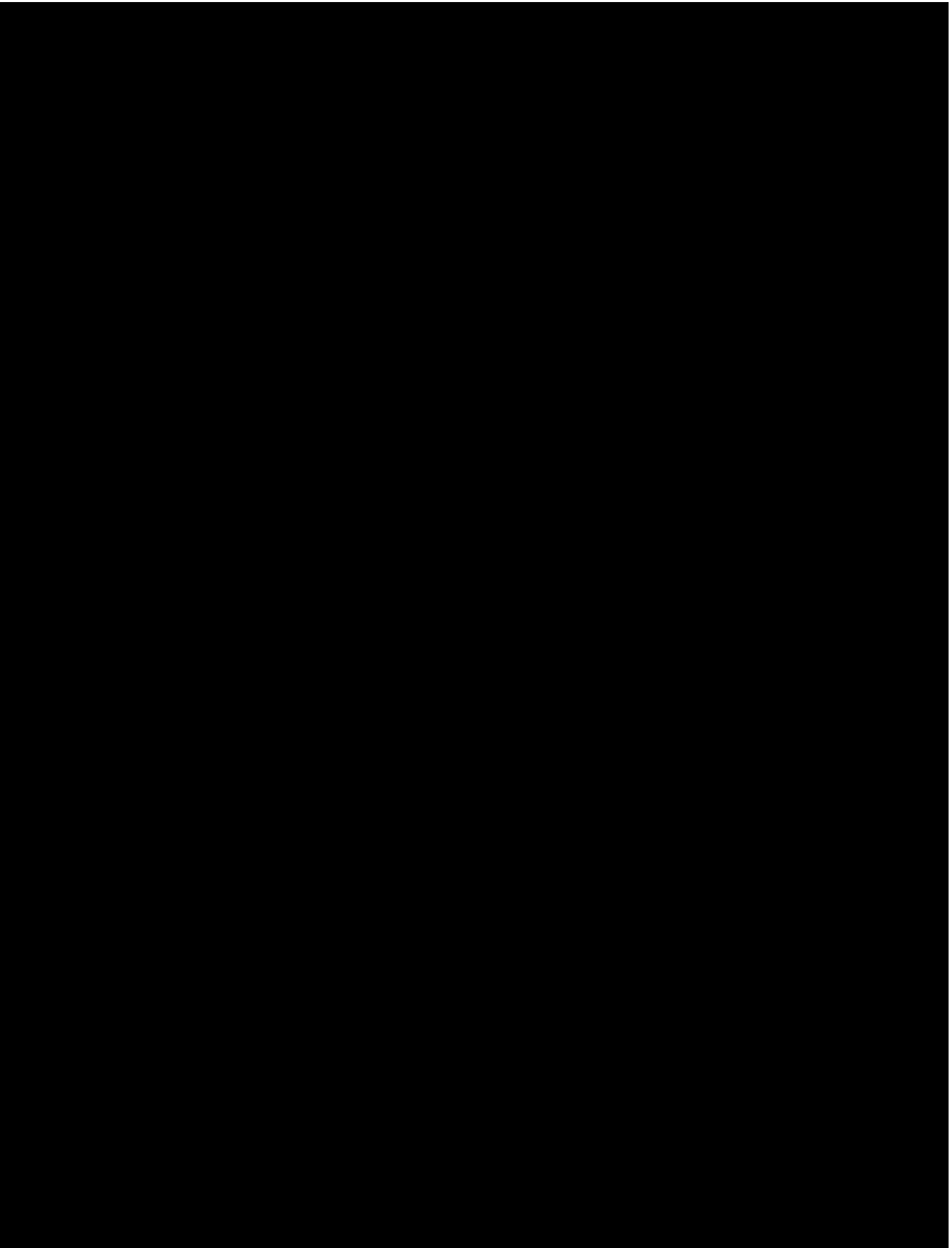


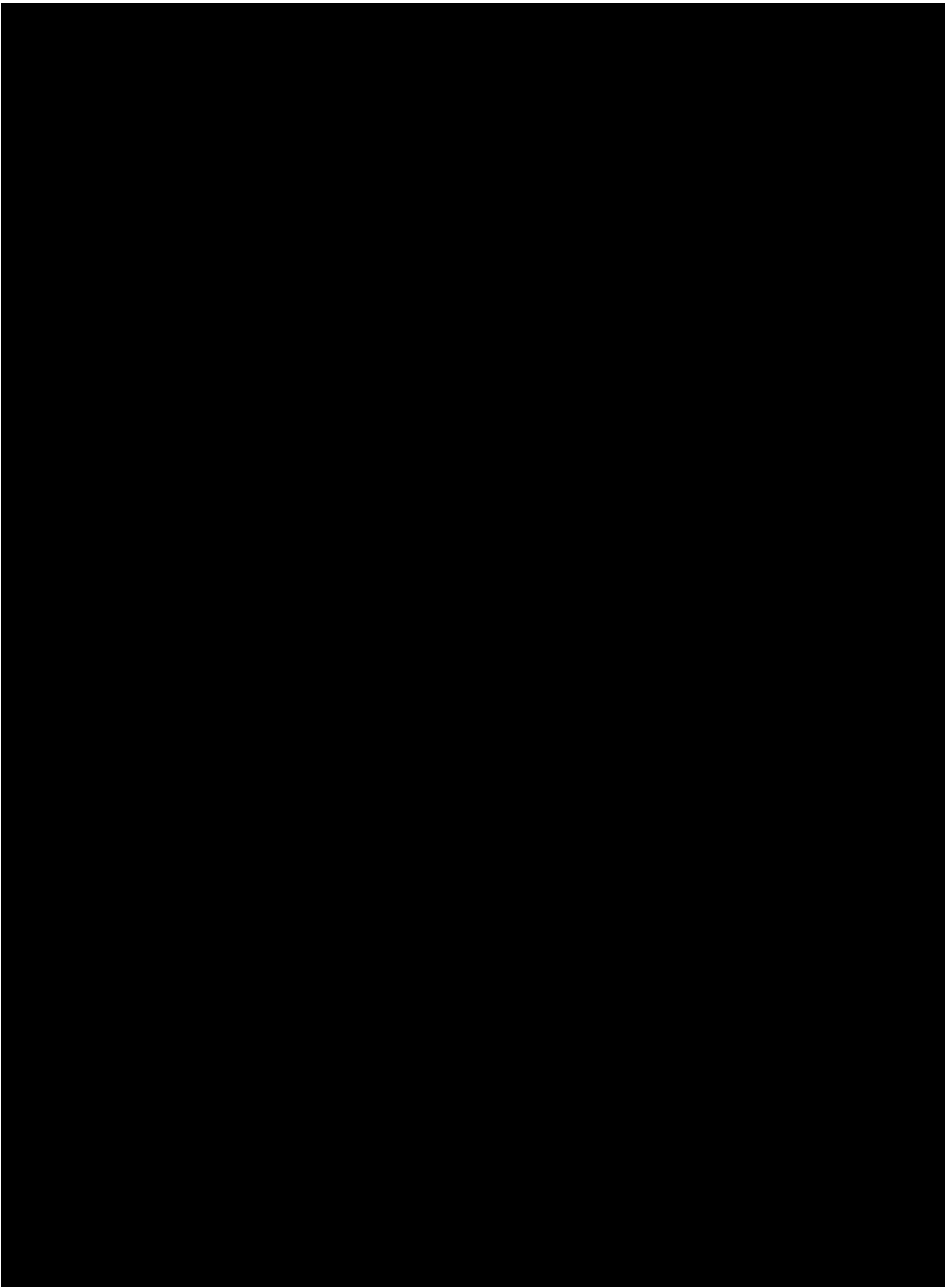


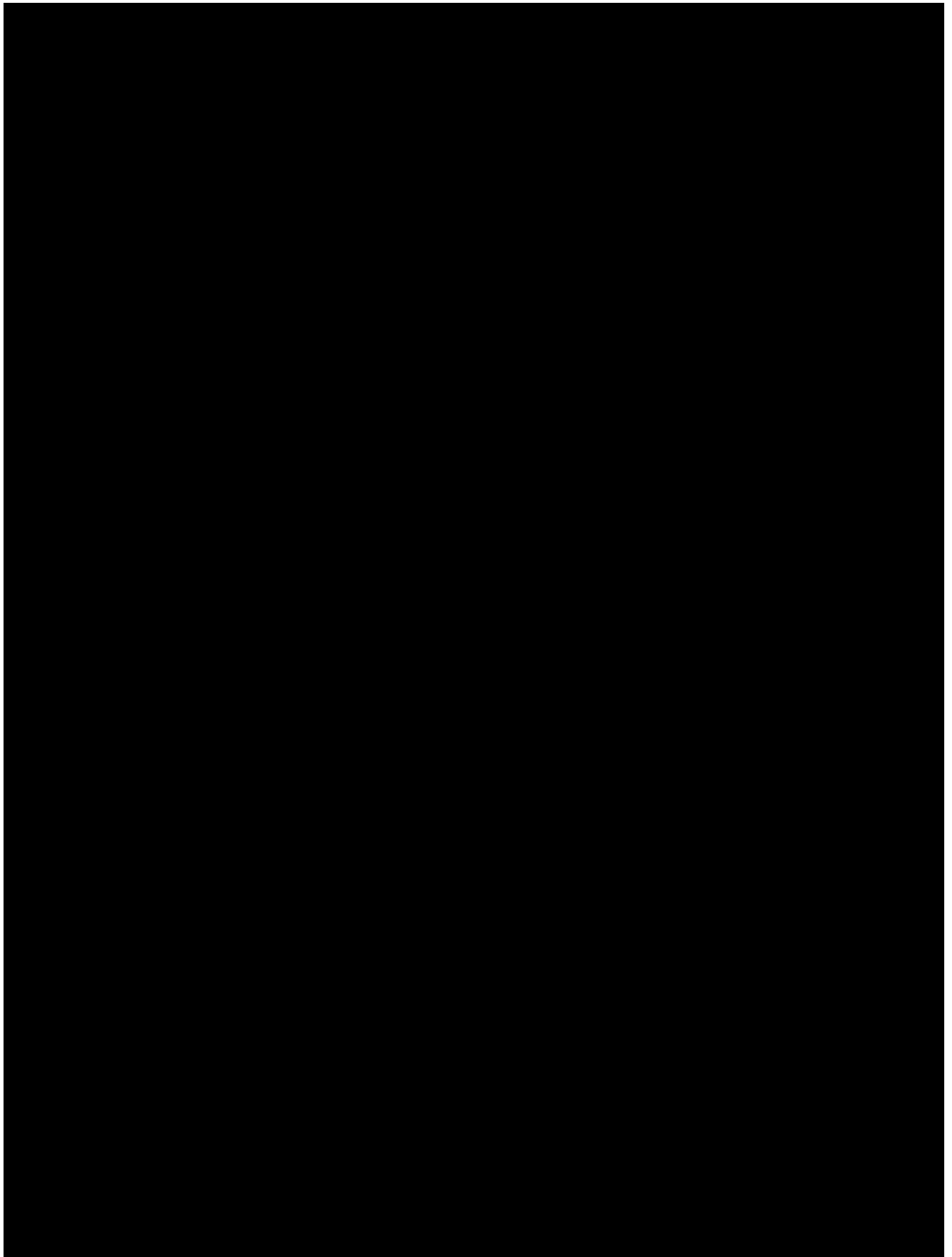


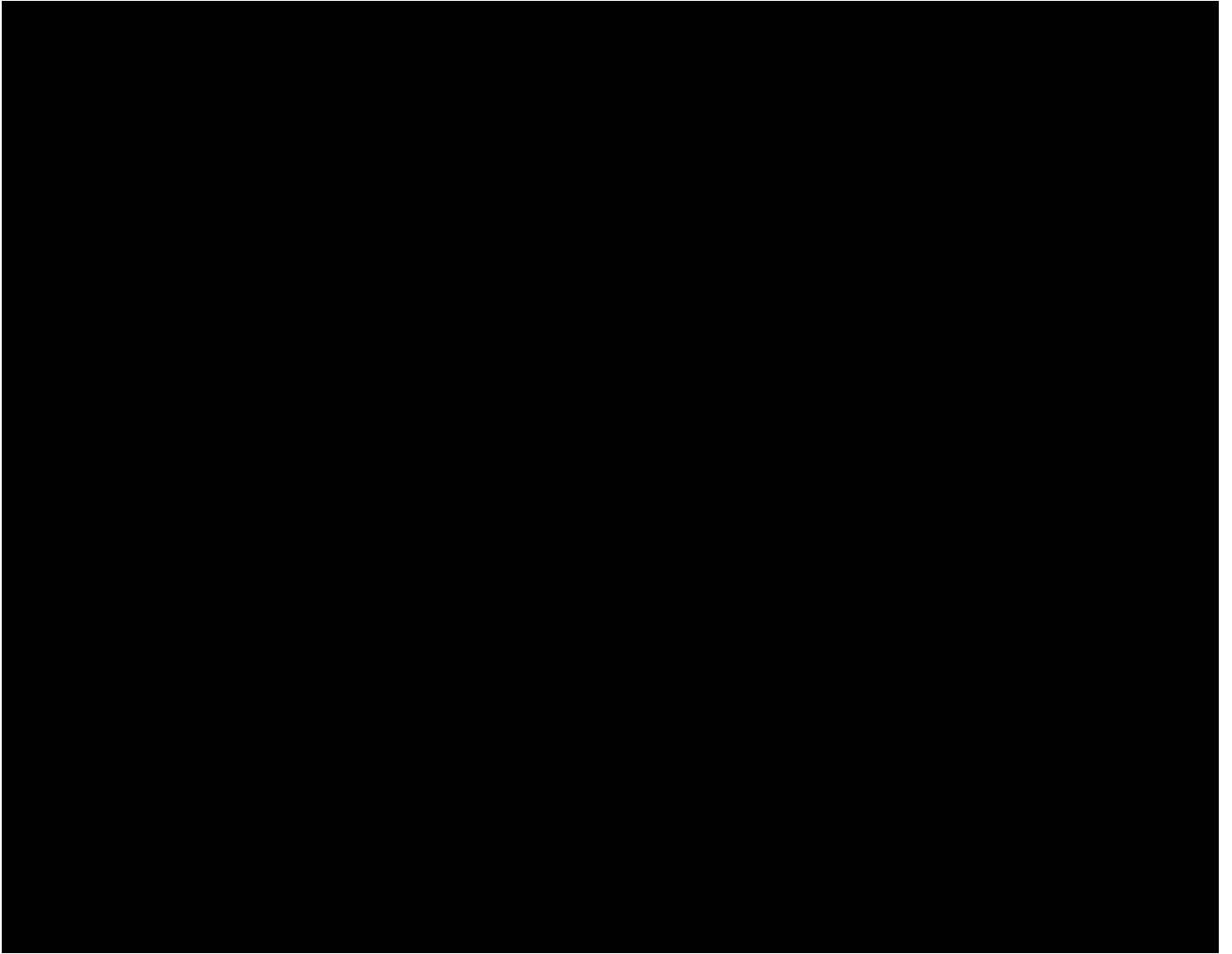


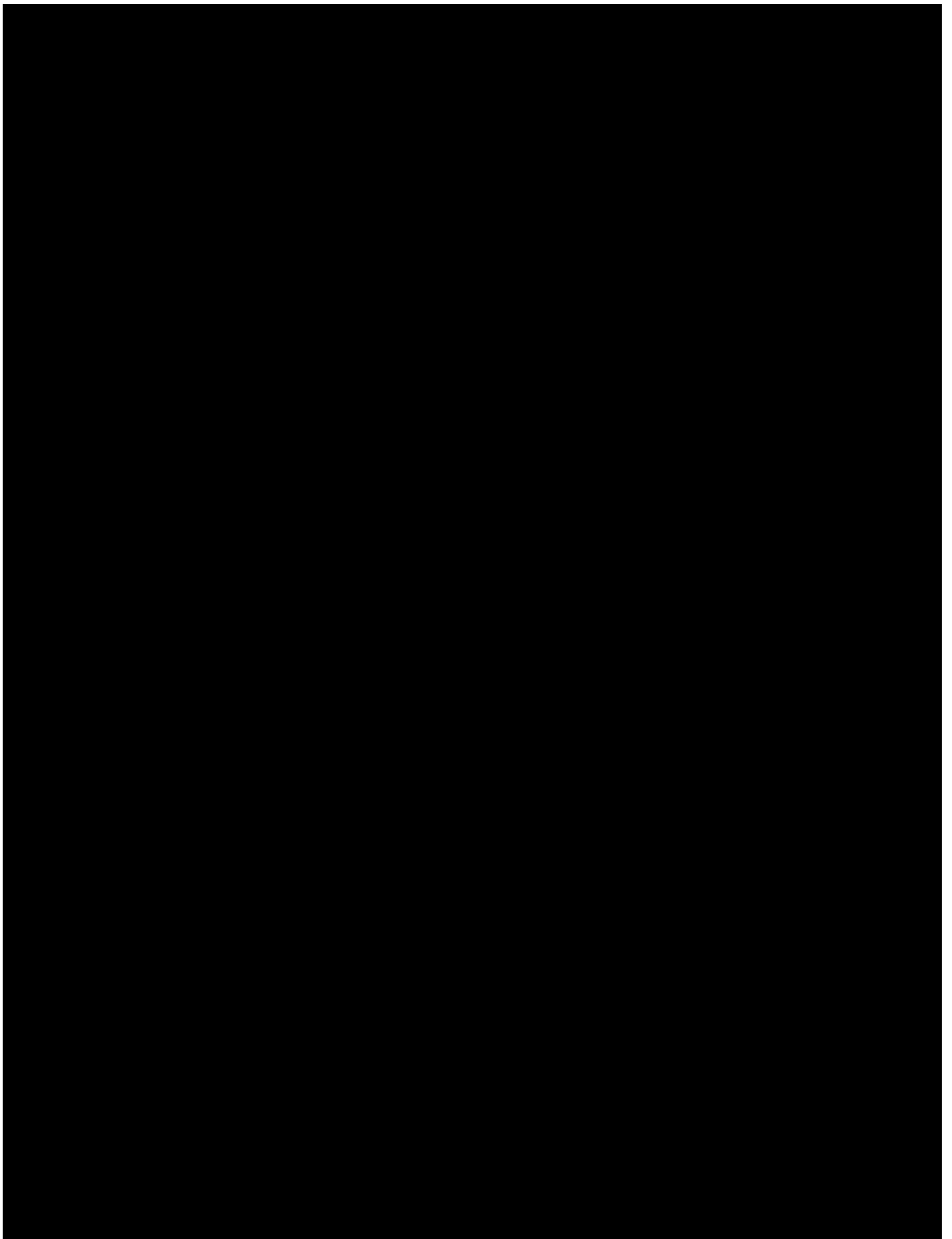


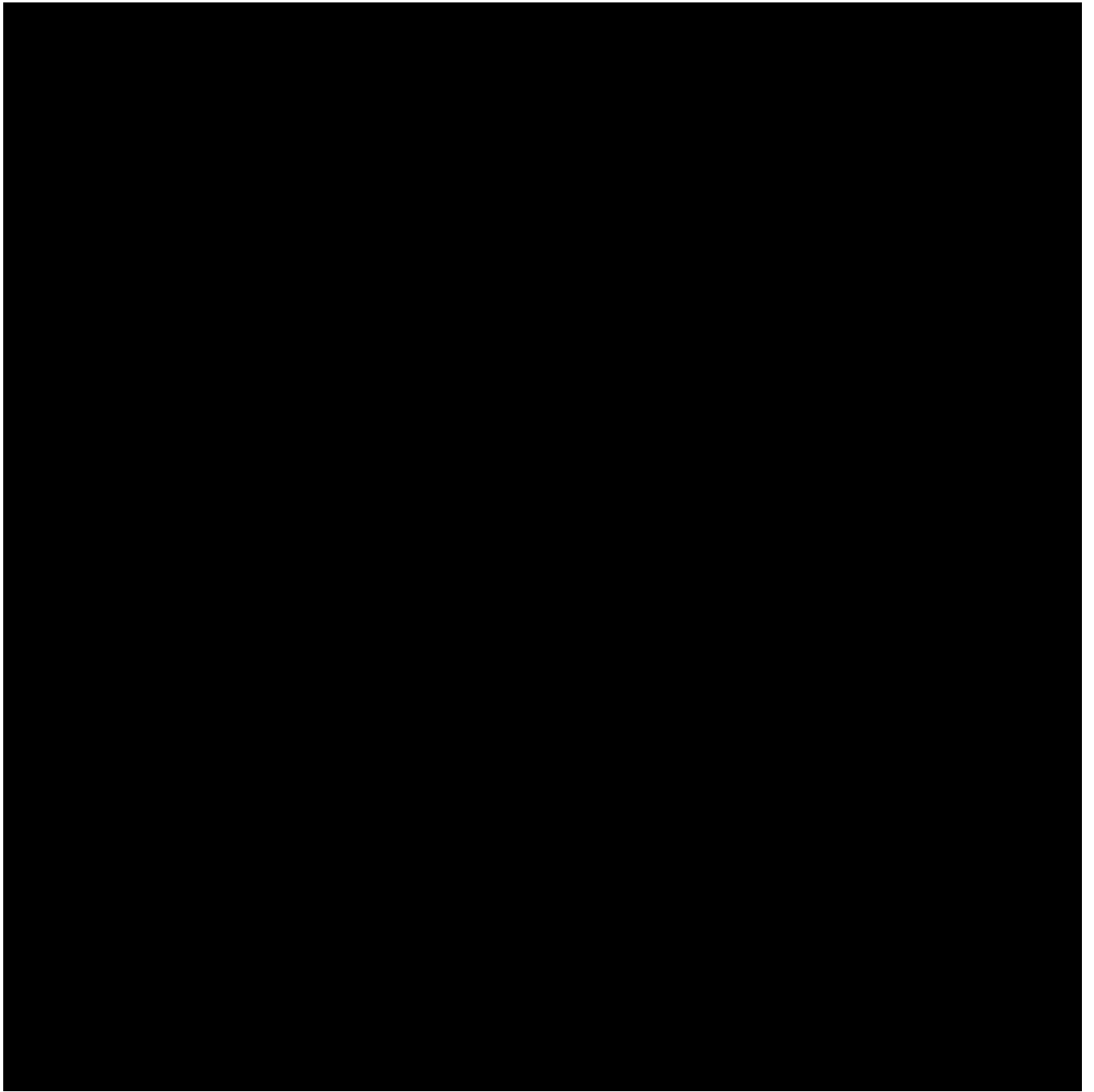


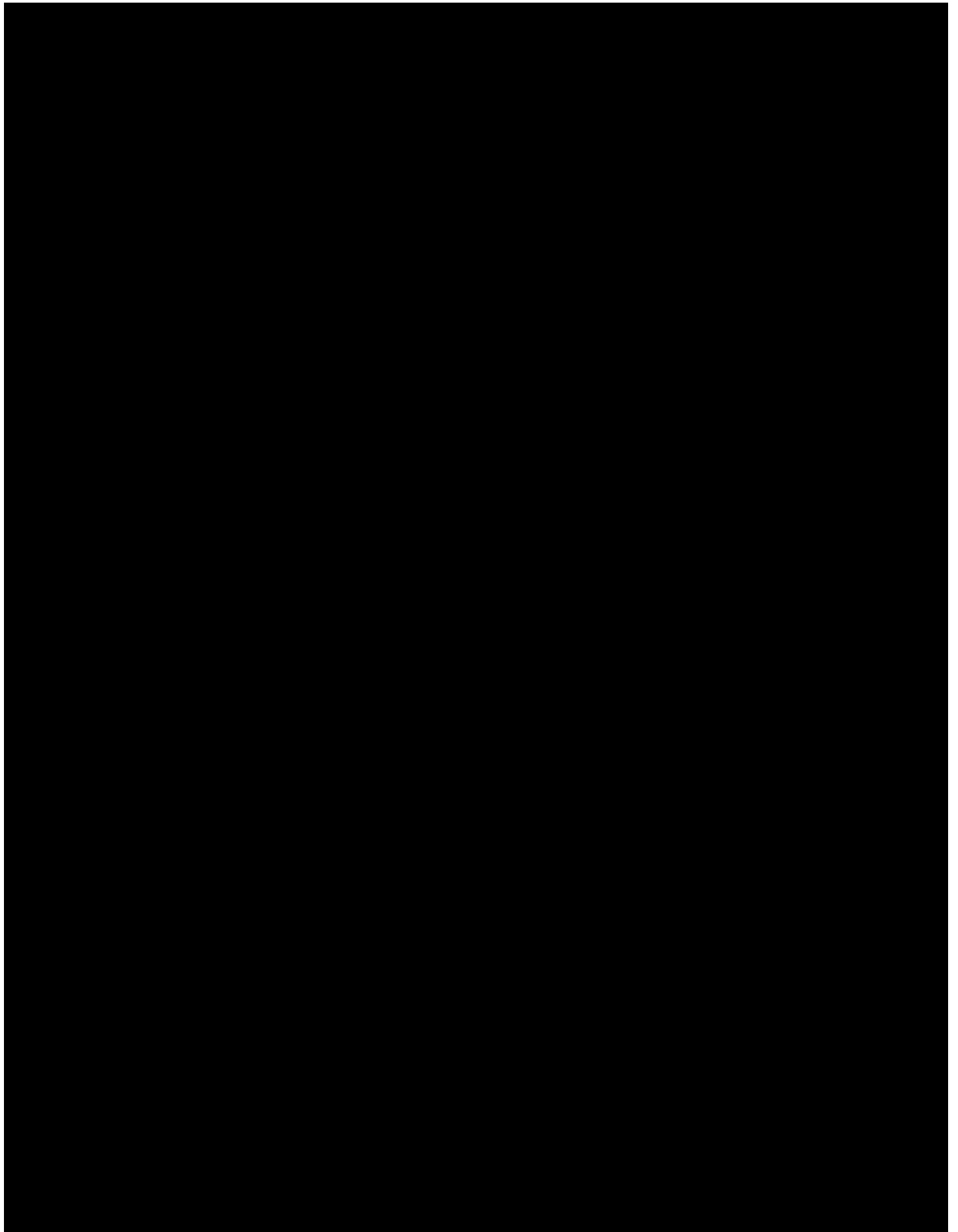


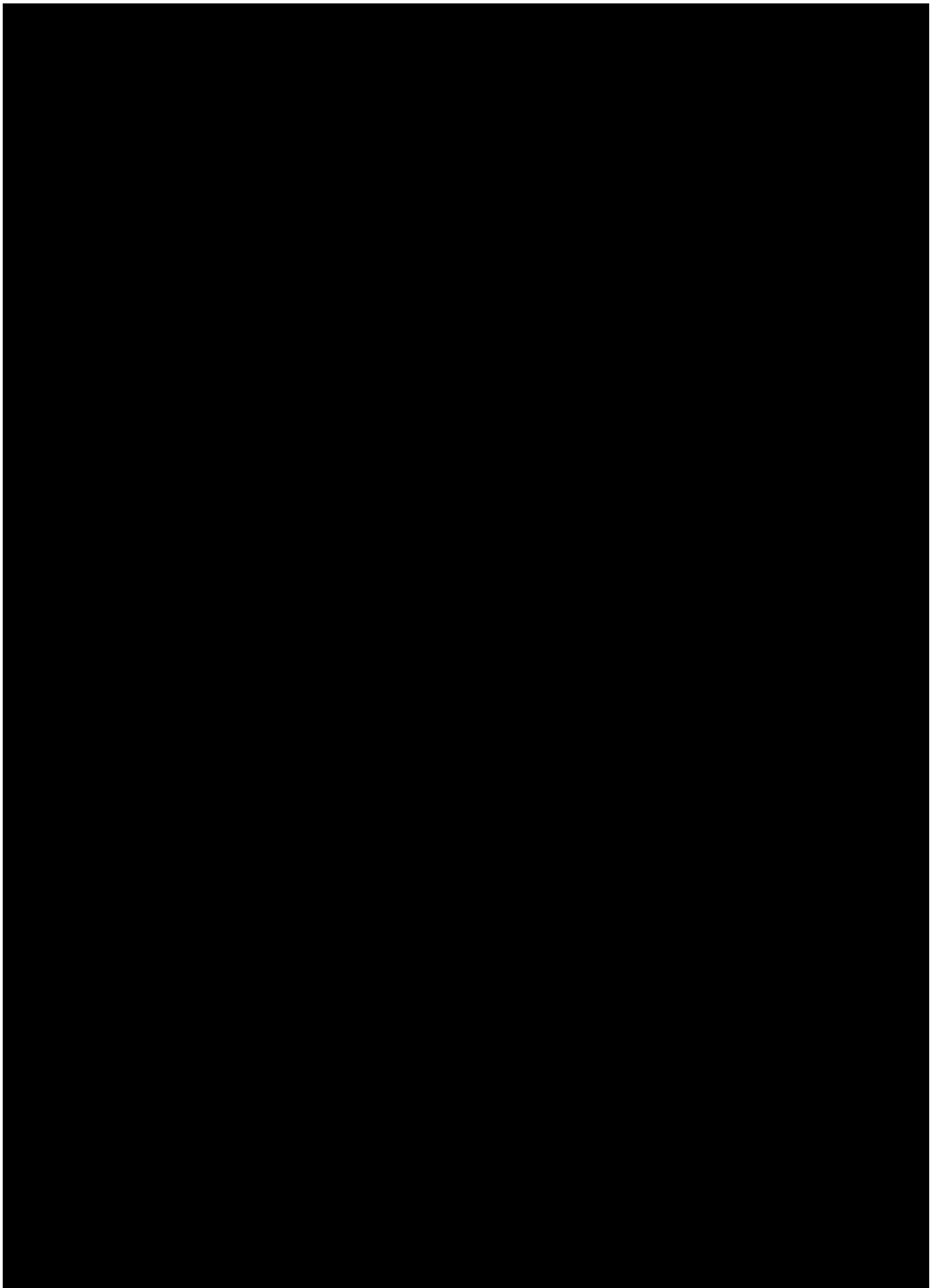
















SAN DIEGO COMMUNITY POWER

Staff Report - Item No. 18 b.

To: Board of Directors

From: Gordon Samuel, Chief Commercial Officer; Andrea Torres, Director of Origination

Via: Karin Burns, Chief Executive Officer

Subject: Evaluate the Workforce Criteria for the Disadvantaged Green Tariff Program

Date: September 25, 2025

Recommendation

Revise existing workforce criteria and include additional enhanced criteria and stronger labor protections for all current or future Request for Offers (RFOs) for the Disadvantaged Green Tariff Program.

Background

On June 21, 2018, the California Public Utilities Commission ("CPUC") approved (D.)18-06-027 Alternate Decision Adopting Alternatives to Promote Solar Distributed Generation in Disadvantaged Communities which adopted new programs to promote the installation of renewable generation among residential customers in disadvantaged communities ("DAC") as directed by the California Legislature in Assembly Bill (AB) 327. 1, referred to as the program. The program (1) supports local renewable development in and around disadvantaged communities by offsetting above market procurement costs up to a cap, and (2) benefits residents of those communities who are eligible for California Alternate Rates for Energy ("CARE") and Family Electric Rate Assistance Program ("FERA") by powering their homes with 100% renewable energy at a 20% discount from their current rate.

Community Power requested participation in the program and also requested a capacity transfer from San Diego Gas & Electric ("SDG&E"). CPUC accepted Community Power's allocation request and awarded Community Power with 20.16 MW of eligible capacity, which is expected to equate to up to 9,000 customers who will be eligible for a 20% bill savings. All projects must submit the Power Purchase Agreement to the CPUC for approval within 180 days of the project's shortlist notification, unless an extension is granted.

Analysis and Discussion:

Community Power released the first solicitation for the program under the renamed title of Solar Advantage Program in August 2023 for six (6) months until February 2024. A second solicitation was released April 7, 2025 and is currently scheduled to close on October 6, 2025. Community Power will continue to release solicitations until the entire 20.16 MW allocation is under contract.

The current solicitation requires that successful project bids pay prevailing wages, including to all tiers of subcontractors. Furthermore, consistent with Community Power's Inclusive and Sustainable Workforce Policy, adopted by the Board on November 19, 2020 and revised on January 28, 2021, it also identifies that higher evaluation ratings will be given to offers that:

- a) Illustrate commitments to employ workers and use businesses from San Diego and Imperial counties;
- b) Employ properly licensed contractors and California certified electricians;
- c) Display a poster at jobsites informing workers of prevailing wage requirements; and
- d) Support and utilize local apprentices from State of California approved apprenticeship programs.

Offers that have executed, or have committed to executing, Project Labor Agreements (PLAs), will receive the highest workforce development rankings.

Pursuant to stakeholder input and in consideration that the Inclusive and Sustainable Workforce Policy has not been updated in several years, the Community Power Chair is interested in evaluating and considering whether additional or enhanced workforce conditions are appropriate for this existing open solicitation or for future solicitations of the program. Any changes to the solicitation may require approval by the CPUC if those changes could result in increased project costs.

Fiscal Impact

N/A

Strategic Plan

This activity supports the strategic plan goals of: (1) Develop a clean energy portfolio with renewable content of 100% no later than 2035, with interim targets of 75% by 2027 and 85% by 2030; (2) Support development of 1 Gigawatt of local renewable and clean energy capacity by 2035, of which 300 MW will be distributed energy resources (DERs) enabled by Community Power programs, tariffs, and procurement; and (3) Create high quality local jobs in renewable energy that support healthy families and vibrant communities.

Committee Review

N/A

Attachments

N/A



SAN DIEGO COMMUNITY POWER

Staff Report - Item 19

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Colin Santulli, Senior Director of Programs

Via: Karin Burns, Chief Executive Officer

Subject: Solar Battery Savings Residential Program Relaunch

Date: September 25, 2025

Recommendation

Receive and file update on the relaunch of the Solar Battery Savings (SBS) program.

Background

The Net Billing Tariff (NBT), also known as the Solar Billing Plan (SBP), is the successor to Net Energy Metering (NEM) 2.0. It was established by the California Public Utilities Commission (CPUC) in December 2022 and went into effect for all new customers installing solar systems or any other renewable self-generation system on or after April 15, 2023.

The Community Power Board of Directors adopted the NBT policy at the October 2023 Board of Directors meeting, replacing NEM 2.0 as the default billing mechanism for accounts with newly installed generating systems (e.g., solar, wind, biomass, geothermal or other renewable resources). In December 2023, NBT was operationalized within Community Power's billing system for customers with new generating systems and/or for customers who had reached the conclusion of their 20-year legacy period with NEM. This new approach for compensating renewable energy generation is intended to promote grid reliability, thus increasing the value of solar systems paired with battery storage.

To support the market transition from NEM to NBT, incentivize peak load reductions and support the continued growth of the regional solar market, Community Power committed to create a program to incentivize residential solar and storage systems.

After significant market research and stakeholder engagement to consider various program designs, the Solar Battery Savings Pilot (Pilot) was launched in July 2024. Nearly 1,600 customers participated in the Pilot, enrolling nearly 2,200 batteries with an average upfront

incentive of \$6,900. A diverse group of 50 solar and storage installers/contractors were approved to participate in the program: 37% were registered as Diverse Business Enterprises and 42% indicated 10 employees or less. Contractor participation was enabled, in part, by strong industry partnerships with Greentech Renewables, a large regional solar and storage equipment distributor with deep relationships with the local installer community, and International Brotherhood of Electrical Workers (IBEW) 569; both entities hosted contractor training prior to Pilot launch. The Pilot enrolled nearly 19 MW of flex load based on a 1-hr dispatch. Staff provided a full summary of the SBS Pilot to the CAC at the January 2025 meeting.

In January 2025, the Pilot was highlighted in the U.S. Department of Energy's *Pathways to Commercial Liftoff: Virtual Power Plants 2025 Update*. The Pilot was featured in a detailed case study and recognized for its ability to "expand DER adoption with equitable benefits".

In March 2025, the Board of Directors adopted the Community Power Strategic Plan Goals for Fiscal Year (FY) 2026-2028. The Customer Programs Department goals included a goal to "deliver 150 MW of local capacity from distributed energy resources from our Virtual Power Plant (VPP) by 2035, including the expansion of Solar Battery Savings program". With this direction, staff worked to adjust program design based on lessons from the Pilot and the transition to a Distributed Energy Resources Management System (DERMS).

As part of the adopted FY 2025-2026 Operating Budget and FY 2025-2030 Capital Investment Plan (CIP), the Board of Directors approved the expansion of the Pilot into a multi-year program. The adopted FY 2025-2026 budget included \$18.8M for the SBS program. The adopted FY 2025-2030 CIP included estimated program costs over the next five years of approximately \$55M.

Analysis and Discussion

The following sections provide a discussion of the revised SBS program, highlighting the difference from the Pilot.

A) Program Goals

Largely unchanged from the goals of the Pilot, the goals of the program are as follows:

1. Support the adoption of solar and storage in single-family homes with an emphasis on new systems
2. Direct at least 50% of program funding to communities underserved by the solar/storage industry
3. Support local clean energy goals through dispatching stored solar energy during on-peak hours when energy from the grid is in most demand

4. Strengthen and maintain relationships with Community Power customers and the solar and storage industry by supporting local contractors and battery manufacturers
5. Deliver bill savings to program participants
6. Explore non-Community Power funding to maximize benefits for Program participants (e.g., Disadvantaged Communities – Single-Family Solar Homes (DAC-SASH) [DAC-SASH] or Demand Side Grid Support [DSGS])

The largest variation from the Pilot goals is the emphasis on supporting new systems. The Pilot had no variation in the incentive levels for existing systems versus new systems. The program provides a relatively higher incentive for new solar and storage systems with the intent to broaden access to residential solar plus storage and the associated benefits (see Table 1 for incentive structure and complete program parameters).

Based on the adopted Strategic Plan Goals and the estimated program budget in the adopted FY 2025-2039 CIP, the total program target for installed capacity is 90 MWh. Employing a well-known step-down incentive structure tied to program milestones, similar to other statewide residential solar and storage incentive programs (e.g., California Solar Initiative, Self-Generation Incentive Program), SBS will include three 30MWh steps. Once SBS program applications reach 75% of each of the 30MWh step (i.e., 22.5 MWh) staff will announce the expected incentive step-down levels and transition date to the next incentive step. The step-down incentive structure provides a transparent, predictable reduction in incentive levels, allowing market actors to plan and adapt.

B) Program Operations and Equipment Eligibility

Program operations remain generally consistent with the Pilot, with two important changes. The primary differences between Pilot and Program operations relate to the number and duration of events. Namely, the Pilot allowed participants to elect a weekday and weekend schedule or a weekday only schedule. We learned from the Pilot that the majority of participants preferred a weekday dispatch and thus simplified the program to weekday only. Additionally, the program is changing the dispatch from 2 hours to 4 hours. The Program also establishes the expectation that, in subsequent years, devices can be dispatched for any duration needed, between 1 to 5 hours, to support Community Power operations within the on-peak period.

Table 1: Program Parameters

	Market rate		Non-market rate	
	Existing system (NEM and SBP)	New system	Existing system (NEM and SBP)	New system
Upfront rebate (nameplate useable capacity)	\$250/kWh	\$350/kWh	Up to \$350/kWh	Up to \$500/kWh
Performance incentive	\$0.10/kWh (based on actual performance over the dispatch)			
Number of events	Daily (weekday only)			
Dispatch timing	All passive daily dispatches will align with the on-peak period			
Event duration	1-5 hours (for 2026, the standard will be a four-hour event)			
Battery enrollment	50% of the battery's nameplate usable capacity			
Unenrollment	There will be a prorated claw back associated with the upfront incentive if the participant chooses to unenroll within the first five years			

The launch of Community Power's DERMS triggered a number of changes for battery manufacturers, between the Pilot and program. The DERMS platform allows for centralized monitoring and control of battery assets, enables real-time tracking of operational state and state of charge, and enables standardized reporting to support performance incentives and program evaluation. To ensure the SBS team can make the most of these capabilities, the program requires that battery manufacturers establish and maintain an active API integration with our selected DERMS, that meets a series of operational criteria outlined in the OEM Agreement.

C) Stakeholder Engagement and Training

Significant effort and resources have been allocated to engaging with industry to support the successful relaunch of the SBS program. Early engagement with solar and storage installers/contractors as well as with the storage equipment manufacturers was critical in helping revise program operations as outlined above. In addition to continuous informal engagement, staff held information sessions with both key stakeholder groups in May and July of 2025. Over 25 installers/contractors and 11 different equipment manufacturing firms attended the separate sessions. Industry feedback led to key program process improvements including implementation of a fully digital application process (e.g., program applications automatically emailed to participants pre-populated with participant information by contractors, electronic application signature, etc.).

As with the Pilot, to be eligible for participation, contractors are required to submit a contractor application and complete one of several planned training sessions. Staff again partnered with Greentech Renewables and IBEW 569 to offer three different in-person training sessions on September 10, 16 and 17, as well as a virtual training option on September 9. Over 75

contractors attended the training. Contractor applications are due on September 25. Staff will re-open contractor enrollment and host additional required training in November and on a quarterly basis after launch.

D) Program Marketing

The SBS program will feature significant resources dedicated to promoting the program. To support the overall SBS program goals, the marketing, communication and outreach strategies will focus on supporting the solar and storage industry, residential customers and community partners with resources and methods to effectively communicate program benefits and promote adoption.

Two major strategies will be employed: 1) Community Power staff will provide participating contractors with the tools, materials and education to effectively communicate the program benefits and minimize customer confusion and, 2) Community Power staff will empower customers with the information and resources to learn about solar and storage, evaluate SBS program benefits and confidently make personalized decisions regarding program participation.

Contractor Tools

A suite of print and digital program materials will be developed leading up to and after program launch to support participating contractors. Materials will include an updated webpage, comprehensive program brochure, curated content for social media and newsletters and other resources as needed.

Customer Education

While the Pilot included almost no direct-to-customer marketing by Community Power staff, the relaunch intends to employ strategies that will directly raise awareness of the program by customers. The primary strategy will be a series of customer education workshops, potentially in partnership with community organizations and endorsed by other trusted community partners. Workshops are expected in Q4 CY 2025. Additionally, depending on program adoption, staff are prepared to employ direct outreach, along with earned and paid media to generate program awareness and effectively support the equity-driven objectives of the program.

Community Power staff are planning a variety of program launch activities including a press conference to generate awareness and promote the customer workshops.

E) Next Steps

Customer education workshops, program launch activities and continuous evaluation and adjustment of marketing tactics are expected to occur leading up to and after program launch.

Additionally, staff will consider program uptake and the solar and storage market when considering how much, if at all, to reduce the incentive levels at different steps.

Depending on the step-down incentives and the specific enrolled equipment, the program funding estimated in the adopted FY 2025-2030 CIP could support battery storage systems with a 1-hour flex load capacity equal to approximately 86 MW. This would represent more than half of our 150MW VPP Strategic Plan Goal.

Fiscal Impact

As part of the adopted FY 2025-2026 Operating Budget and FY 2025-2030 CIP, the Board of Directors approved the expansion of the Pilot into a multi-year program. The adopted FY 2025-2026 budget included \$18.8M for the SBS program. The adopted FY 2025-2030 CIP included estimated program costs over the next five years of approximately \$55M.

Strategic Plan

This activity supports Strategic Plan goal for Customer Energy Programs: Deliver 150 Megawatts of local capacity from distributed energy resources (DERs) and our Virtual Power Plant (VPP) by 2035, including expansion of the Solar Battery Savings program.

Committee Review

Staff presented this item to the September meeting of the Community Advisory Committee.

Attachments

N/A

Glossary

AB – Assembly Bill: An Assembly Bill is a piece of legislation that is introduced in the Assembly. In other words, the Assembly (rather than the Senate) is the bill's house of origin in the Legislature. In California, it is common for legislation to be referred to by its house of origin number even after it becomes law. However, because bill numbers “reset” and start again from 1 in each legislative session, it is less confusing to include chapter and statute information when referring to a bill that has become law; for example, SB 350 (Chapter 547, Statutes of 2015).

AL - Advice Letter: An Advice Letter is a request by a California Public Utilities Commission (CPUC) jurisdictional entity for Commission approval, authorization or other relief.

ALJ – Administrative Law Judge: ALJs preside over CPUC cases to develop the evidentiary record and draft proposed decisions for Commission action.

ARB – Air Resources Board: The California Air Resources Board (CARB or ARB) is the “clean air agency” in the state government of California. CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change.

AReM – Alliance for Retail Energy Markets: AReM is a not-for-profit corporation that advocates for continued development of successful customer choice in retail energy markets and provides a focused voice for competitive energy retailers and their customers in select public policy forums at the state level. It represents direct access providers such as Constellation NewEnergy and Direct Energy.

BayREN – Bay Area Regional Energy Network: BayREN offers regionwide energy programs, services and resources to members of the public by promoting energy efficient buildings, reducing carbon emissions and building government capacity.

CAISO – California Independent System Operator: CAISO is a nonprofit public benefit corporation that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (approximately 80% of California's electric flow). Its stated mission is to “operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development.” CAISO is regulated by the Federal Energy Regulatory Commission (FERC) and governed by a five-member governing board appointed by the governor.

CalCCA – California Community Choice Association: CalCCA is a statewide association, made up of Community Choice Aggregators (CCAs), that represents the interests of California's community choice electricity providers.

CALSEIA – California Solar Energy Industries Association: CALSEIA represents more than 200 companies doing solar-related business in California, including manufacturers, distributors, installation contractors, consultants and educators. Members' annual dues support professional staff and a lobbyist who represents the common interests of California's solar industry at the Legislature, Governor's Office and state and local agencies.

CALSLA – California City-County Street Light Association: CALSLA is a statewide association representing cities, counties and towns before the CPUC that is committed to maintaining fair and equitable streetlight electricity rates and facilities charges and disseminating streetlight-related information.

CAM – Cost Allocation Mechanism: CAM is the cost recovery mechanism to cover procurement costs incurred in serving the central procurement function.

CARB – California Air Resources Board: The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

CARE – California Alternative Rates for Energy: CARE is a state program for low-income households that provides a 30% discount on monthly energy bills and a 20% discount on natural gas bills. It is funded through a rate surcharge paid by all other utility customers.

CBE – Communities for a Better Environment: CBE is an environmental justice organization that was founded in 1978. The mission of CBE is to build people's power in California's communities of color and low-income communities to achieve environmental health and justice by preventing and reducing pollution and building green, healthy and sustainable communities and environments.

CCA – Community Choice Aggregator: A community choice aggregator, sometimes referred to as community choice aggregation, is an entity of local governments that procure power on behalf of their residents, businesses and municipal accounts from an alternative supplier while still receiving transmission and distribution service from their existing utility provider. CCAs are an attractive option for communities that want more local control over their electricity sources, more green power than is offered by the default utility, and/or lower electricity prices. By aggregating demand, communities gain leverage to negotiate better rates with competitive suppliers and choose greener power sources.

CCSF – City and County of San Francisco: The City and County of San Francisco often engage in joint advocacy before the CPUC. San Francisco operates CleanPowerSF, a CCA.

CEC – California Energy Commission: The CEC is the primary energy policy and planning agency for California, whose core responsibilities include advancing state energy policy, achieving energy efficiency, investing in energy innovation, developing renewable energy, transforming transportation, overseeing energy infrastructure and preparing for energy emergencies.

CEE – Coalition for Energy Efficiency: CEE is a nonprofit composed of U.S. and Canadian energy-efficiency administrators working together to accelerate the development and availability of energy-efficient products and services.

CLECA – California Large Energy Consumers Association: CLECA is an organization of large, high-load factor industrial customers located throughout the state; its members are in the cement, steel, industrial gas, pipeline, beverage, cold storage, food packaging and mining industries and their electricity costs comprise a significant portion of their costs of production. Some members are bundled customers, others are Direct Access (DA) customers, and some are served by Community Choice Aggregators (CCAs); a few members have onsite renewable generation.

CPUC – California Public Utility Commission: The CPUC is a state agency that regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit and passenger transportation companies, in addition to authorizing video franchises.

C&I – Commercial and Industrial: C&I customers are business customers who generally consume much higher volumes of electricity and gas. Many utilities segment their C&I customers by energy consumption (small, medium and large).

CP – Compliance Period: A Compliance Period is the time period to become Renewables Portfolio Standard (RPS) compliant, set by the California Public Utilities Commission (CPUC).

DA – Direct Access: Direct Access is an option that allows eligible customers to purchase their electricity directly from third-party providers known as Electric Service Providers (ESPs).

DA Cap: The DA Cap is the maximum amount of electric usage that may be allocated to Direct Access customers in California or, more specifically, within an investor-owned utility service territory.

DACC – Direct Access Customer Coalition: DACC is a regulatory advocacy group composed of educational, governmental, commercial and industrial customers that utilize direct access for all or a portion of their electrical energy requirements.

DA Lottery: The DA Lottery is a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently applicable Direct Access Cap.

DA Waitlist: The DA Waitlist consists of customers that have officially registered their interest in becoming a DA customer but are not yet able to enroll in service because of DA cap limitations.

DAC – Disadvantaged Community: “Disadvantaged communities” refers to the areas throughout California that most suffer from a combination of economic, health and environmental burdens. These burdens include poverty, high unemployment, air and water pollution and the presence of hazardous wastes as well as high incidences of asthma and heart disease. One way that the state identifies these areas is by collecting and analyzing information from communities statewide. CalEnviroScreen, an analytical tool created by the California Environmental Protection Agency (CalEPA), combines different types of census tract-specific information into a score to determine which communities are the most burdened or “disadvantaged.”

DASR – Direct Access Service Request: DASR is a request submitted by C&I customers to become direct access eligible.

Demand: Demand refers to the rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW) or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

DER – Distributed Energy Resource: A DER is a small-scale physical or virtual asset (e.g., EV charger, smart thermostat, behind-the-meter solar/storage, energy efficiency) that operates locally and is connected to a larger power grid at the distribution level.

Distribution: Distribution refers to the delivery of electricity to the retail customer's home or business through low-voltage distribution lines.

DLAP – Default Load Aggregation Point: In the CAISO's electricity optimization model, DLAP is the node at which all bids for demand should be submitted and settled.

DR – Demand Response: DR is an opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

DRP – Distributed Resource Plans: Distributed Resource Plans are required by statute and intended to identify optimal locations for the deployment of distributed resources.

DWR – Department of Water Resources: DWR is the state agency charged with managing California's water resources, systems and infrastructure in a responsible, sustainable way.

ECR – Enhanced Community Renewable: ECR is an IOU (Investor-Owned Utility) program that reflects the "Community Solar" model of renewable energy purchasing. Customers sign up to purchase a portion of a local solar project directly from a developer at a level that meets at least 25% and up to 100% of their monthly electricity demand. The customer pays the developer for the subscribed output and receives a credit on their utility bill that reflects their enrollment level.

ED – Energy Division: The CPUC's Energy Division develops and administers energy policy and programs to serve the public interest, advise the Commission and ensure compliance with Commission decisions and statutory Mandates.

EE – Energy Efficiency: Energy Efficiency refers to the use of less energy to perform the same task or produce the same result. Energy-efficient homes and buildings use less energy to heat and cool and run appliances and electronics, and energy-efficient manufacturing facilities use less energy.

ELCC – Effective Load Carrying Capacity: ELCC is the additional load met by an incremental generator while maintaining the same level of system reliability. For solar and wind resources, the ELCC is the amount of capacity that can be counted for Resource Adequacy purposes.

EPIC – Electric Program Investment Charge: The EPIC program was created by the CPUC to support investments in clean energy technologies that provide benefits to the electricity ratepayers of Pacific Gas and Electric (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company (SCE).

ERRA – Energy Resource Recovery Account: ERRA proceedings are used to determine fuel and purchased power costs that can be recovered in rates. The utilities do not earn a rate of return on these costs and recover only actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

ES – Energy Storage: Energy Storage is the capture of energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production.

ESA – Energy Storage Agreement: An ESA refers to a battery services contract, a capacity contract, demand response contract or similar agreement.

ESP – Energy Service Provider: An Energy Service Provider is an energy entity that provides service to a retail or end-use customer.

EV – Electric Vehicle: An EV is a vehicle that uses one or more electric motors for propulsion.

FCR – Flexible Capacity Requirements: “Flexible capacity need” is defined as the quantity of resources needed by the CAISO to manage grid reliability during the greatest three-hour continuous ramp in each month. Resources will be considered as “flexible capacity” if they can sustain or increase output or reduce ramping needs during the hours of “flexible need.” FCR means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC decisions.

GHG – Greenhouse gas: Water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane and chlorofluorocarbons (CFCs) are gases that cause the atmosphere to trap heat radiating from the earth. The most common GHG is carbon dioxide.

GRC – General Rate Case: General Rate Cases are proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For California’s three large IOUs, the GRCs are parsed into two phases. Phase I of a GRC determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible for and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocate’s Office and interested parties and for approval by the CPUC.

GTSR – Green Tariff Shared Renewables: The GTSR program enables customers to receive 50 to 100 percent of their electricity demand from renewable sources. The GTSR program has two components: the Green Tariff (GT) component and the Enhanced Community Renewables (ECR) component. Through GT, a customer may pay the difference between their current generation charge and the cost of procuring 50 to 100 percent renewables. With ECR, a customer agrees to purchase a share of a community renewable (typically solar) project directly from a developer and in exchange will receive a credit from their utility for the customer’s avoided generation procurement.

GWh – Gigawatt-hour: This is the unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

ICA – Integration Capacity Analysis: The enhanced integrated capacity and locational net benefit analysis quantify the capability of the system to integrate Distributed Energy Resources (DERs) within the distribution system. Results are dependent on the most limiting element of the various power system criteria such as thermal ratings, power quality, system protection limits and safety standards of existing equipment.

IDER – Integrated Distributed Energy Resources: A CPUC proceeding that aims to more effectively coordinate the integration of demand-side resources in order to better meet customer and grid needs, while enabling California to attain its greenhouse gas reduction goals.

IDSM – Integrated Demand-Side Management: This is an approach that joins together all the resources utilities have at their disposal to plan, generate and supply electricity in the most efficient manner possible.

IEPA – Independent Energy Producers Association: IEPA is California's oldest and leading nonprofit trade association, representing the interest of developers and operators of independent energy facilities and independent power marketers.

IMD – Independent Marketing Division: Under state law, IOUs are prohibited from lobbying or marketing on community choice unless the IOU forms an independent marketing division funded by shareholders rather than ratepayers. SDG&E and its parent company Sempra were permitted by the CPUC to create such an independent marketing division, which allowed SDG&E to lobby against plans to create a CCA program.

IOU – Investor-Owned Utility: An IOU is a private electricity and natural gas provider, such as SDG&E, PG&E or SCE, which are the three largest IOUs in California.

IRP – Integrated Resource Plan: An Integrated Resource Plan outlines an electric utility's resource needs in order to meet expected electricity demand long-term.

kW – Kilowatt: This is a measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1,000 watts.

kWh – Kilowatt-hour: This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

LCE – Lancaster Choice Energy: LCE is the CCA that serves the City of Lancaster, California.

LCFS – Low Carbon Fuel Standard: This is a CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels and, therefore, reduce greenhouse gas emissions.

LCR – Local (RA) Capacity Requirements: This is the amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

LMP – Locational Marginal Price: Each generator unit and load pocket is assigned a node in the CAISO optimization model. The model will assign a LMP to the node in both the day-ahead and real-time market as it balances the system using the least cost. The LMP is composed of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

LNBA – Locational Net Benefits Analysis: This is a cost-benefit analysis of distributed resources that incorporates location-specific net benefits to the electric grid.

Load: Load refers to an end-use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

LSE – Load-serving Entity: Load-serving Entities have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

LTTP – Long-Term Procurement Rulemaking: This is an “umbrella” proceeding to consider, in an integrated fashion, all of the CPUC’s electric procurement policies and Programs.

MCE – Marin Clean Energy: MCE was the first CCA in California and began serving customers in 2010. It serves customers in Contra Costa, Marin, Napa and Solano counties in Northern California.

MEO – Marketing Education and Outreach: This is a term generally used to describe various strategies to inform customers, such as to motivate consumers to take action on energy efficiency or conservation measures and change their behavior.

MW – Megawatt: A megawatt hour (Mwh) is equal to 1,000 Kilowatt hours (Kwh) or 1,000 kilowatts of electricity used continuously for one hour.

MWH – Megawatt-hour: This is a measure of energy.

NAESCO – National Association of Energy Service Companies: NAESCO is an advocacy and accreditation organization for energy service companies (ESCOs). Energy service companies contract with private and public-sector energy users to provide cost-effective energy efficiency retrofits across a wide spectrum of client facilities.

NBC – Non-Bypassable Charge: Non-Bypassable Charges are fees that are paid on every kilowatt-hour of electricity that is consumed from the grid. These charges can be used to fund things like energy assistance programs for low-income households and energy efficiency programs. These charges apply even if customers buy grid-supplied power from an outside power company such as a CCA.

NDA – Non-Disclosure Agreement: An NDA is a contract by which one or more parties agree not to disclose confidential information that they have shared with each other.

NEM – Net Energy Metering: NEM is a program in which solar customers receive credit for excess electricity generated by solar panels.

NRDC – Natural Resources Defense Council: NRDC is a nonprofit international environmental advocacy group.

NP-15 – North Path 15: NP-15 is a CAISO pricing zone usually used to approximate wholesale electricity prices in Northern California in PG&E's service territory.

OIR – Order Instituting Rulemaking: An OIR is a procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five commissioners of the CPUC.

OSC – Order to Show Cause: OSC is an order requiring an individual or entity to explain, justify or prove something.

ORA – Office of Ratepayer Advocates: The ORA is an independent consumer advocate within the CPUC, now called the Public Advocates Office.

PA – Program Administrator (for EE Business Plans): IOUs and local government agencies can be authorized to implement CPUC-directed energy efficiency programs.

PCE – Peninsula Clean Energy Authority: PCE is the CCA serving San Mateo County and all 20 of its cities and towns as well as the City of Los Banos.

PCC1 – RPS Portfolio Content Category 1: RPS Portfolio Content Category 1 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO, also known as "in-state" renewables.

PCC2 – RPS Portfolio Content Category 2: RPS Portfolio Content Category 2 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are from out of state and not dynamically scheduled to a CBA.

PCC3 – RPS Portfolio Content Category 3: RPS Portfolio Content Category 3 includes Unbundled Renewable Energy Certificate (REC).

PCIA or "exit fee" – Power Charge Indifference Adjustment: The Power Charge Indifference Adjustment (PCIA) is an "exit fee" based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

PCL – Power Content Label: The PCL is a user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Chapter 313, Statutes of 2009) and SB 1305 (Chapter 796, Statutes of 1997).

PD – Proposed Decision: A PD is a procedural document in a CPUC Rulemaking that is formally commented on by parties to the proceeding. A PD is a precursor to a final decision voted on by the five commissioners of the CPUC.

PG&E – Pacific Gas & Electric: PG&E is the IOU that serves 16 million people over a 70,000-square-mile service area in Northern California.

PHC – Prehearing Conference: A PHC is a CPUC hearing to discuss the scope of a proceeding, among other matters. Interested stakeholders can request party status during these conferences.

Pnode – Pricing Node: In the CAISO optimization model, this is a point where a physical injection or withdrawal of energy is modeled and for which an LMP is calculated.

PPA – Power Purchase Agreement: A PPA is a contract used to purchase the energy, capacity and attributes from a renewable resource project.

PRP – Priority Review Project: These are transportation electrification pilot projects approved by the CPUC pursuant to SB 350 (Chapter 547, Statutes of 2015).

PRRR – Progress on Residential Rate Reform: Pursuant to a CPUC decision, the IOUs must submit to the CPUC and other parties periodic updates on the progress of their efforts to assist customers with residential rate design changes related to rate reform, including tier collapse and transition to a default time of use rate.

PUC – Public Utilities Code: The PUC is a California statute that contains 33 divisions; the range of topics within this code includes natural gas restructuring, private energy producers, telecommunication services, and specific municipal utility districts and transit authorities; the primary statute for governance of utilities as well as CCAs in California.

PURPA – Public Utilities Regulatory Policy Act: The PURPA is a federal statute passed in 1978 by Congress in response to the 1973 energy crisis to encourage fuel diversity via alternative energy sources and to introduce competition into the electric sector. It was intended to promote energy conservation (reduce demand) and promote greater use of domestic energy and renewable energy (increase supply).

RA – Resource Adequacy: Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities – investor-owned utilities, electricity service providers and CCAs – to demonstrate in both monthly and annual filings that they have purchased capacity commitments of no less than 115% of their peak loads.

RAM – Renewables Auction Mechanism: This is a procurement program the investor-owned utilities (IOUs) may use to procure RPS eligible generation. The IOUs may use RAM to satisfy authorized procurement needs, for example, system Resource Adequacy needs, local Resource Adequacy needs, RPS needs, reliability needs, Local Capacity Requirements, Green Tariff Shared Renewables needs and any need arising from commission or legislative mandates.



RE – Renewable Energy: Renewable energy is energy from a source that is not depleted when used, such as wind or solar power.

REC - Renewable Energy Certificate: A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every megawatt-hour of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

RES-BCT – Renewables Energy Self-Generation Bill Credit Transfer: This program enables local governments and universities to share generation credits from a system located on one government-owned property with billing accounts at other government-owned properties. The system size limit under RES-BCT is 5 MW, and bill credits are applied at the generation-only portion of a customer's retail rate.

RFO – Request for Offers: This is a competitive procurement process used by organizations to solicit the submission of proposals from interested parties in response to a scope of services.

RPS - Renewable Portfolio Standard: RPS is a law that requires California utilities and other load-serving entities (including CCAs) to provide an escalating percentage of California qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

SB – Senate Bill: A Senate Bill is a piece of legislation that is introduced in the Senate. In other words, the Senate, rather than the Assembly, is the house of origin in the Legislature for the Legislation.

SBP – Solar Billing Plan: The Solar Billing Plan, also known as the Net Billing Tariff or NEM 3.0, is the new method of compensating customer-sited renewable energy self-generation, intended to promote grid reliability and incentivize solar and battery storage.

SCE – Southern California Edison: SCE is the large IOU that serves the Los Angeles and Orange County area.

SCP – Sonoma Clean Power Authority: SCP is the CCA serving Sonoma County and surrounding areas in Northern California.

SDG&E – San Diego Gas & Electric: SDG&E is the IOU that serves San Diego County and owns the infrastructure that delivers Community Power energy to our customers.

SGIP – Self-Generation Incentive Program: SGIP is a program that provides incentives to support existing, new and emerging distributed energy resources (storage, wind turbines, waste heat to power technologies, etc.).

SUE – Super User Electric: This is an electric surcharge intended to penalize consumers for excessive energy use.

SVCE – Silicon Valley Clean Energy: SVCE is the CCA serving the communities in Santa Clara County.

TCR EPS Protocol – The Climate Registry Electric Power Sector Protocol: This refers to online tools and resources provided by The Climate Registry to assist organizations to measure, report and reduce carbon emissions.

TE – Transportation Electrification: For the transportation sector, electrification means replacing fossil fuels with electricity as the means of powering light-duty vehicles and medium- and heavy-duty trucks and buses. The primary goal is to reduce greenhouse gas (GHG) emissions and, ultimately, contribute to mitigating the effects of climate change on the planet.

Time-of-Use (TOU) Rates: TOU Rates refers to the pricing of delivered electricity based on the estimated cost of electricity during a particular time block. Time-of-use rates are usually divided into three or four time blocks per 24 hour period (on-peak, mid-peak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real-time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

TM – Tree Mortality: This is a term that refers to the death of forest trees and provides a measure of forest health. In the context of energy, as part of the Governor's Tree Mortality Emergency Proclamation, the CPUC is tasked with utilizing its authority to extend contracts and take actions to authorize new contracts on bioenergy facilities that receive feedstock from high hazard zones.

TURN – The Utility Reform Network: TURN is a ratepayer advocacy group charged with ensuring that California IOUs implement just and reasonable rates.

Unbundled RECs: Unbundled RECs are renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are “unbundled” and sold to different buyers.

VPP – Virtual Power Plant: A Virtual Power Plant is a cloud-based network that leverages an aggregation of distributed energy resources (DERs) to shift energy demand or provide services to the grid. For example, thousands of EV chargers could charge at a slower speed and hundreds of home batteries could discharge to the grid during a demand peak to significantly reduce the procurement of traditional supply resources.

VAMO – Voluntary Allocation, Market Offer: VAMO is the process for SDG&E to allocate a proportional share of its renewable portfolio to Community Power and other LSEs within the service territory.