AGENDA

Regular Meeting
Board of Directors

Thursday, October 23, 2025
5:00 p.m.

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

Vice Chair Yamane will Participate Remotely from:
1243 National City Boulevard
National City, CA 91950

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 10 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

- **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 September 25, 2025, Meeting Minutes
2. Receive and File Treasurer's Report for Period Ending July 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. Receive and File Update on Regulatory and Legislative Affairs
11. Approve Annual Energy Usage and Voting Shares Update
12. Approve Amendment No. 5 to Agreement with Neyenesch Printers for Printing, Mailing and Postage Services to Extend the Term to December 31, 2026 and Increase the Contract Not-to-Exceed amount by $900,000 for a total Contract Not-To-Exceed amount of $2,128,218
13. Approve Non-Material Revisions to FY 2025-2026 Operating Budget, the FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan
14. Approve Updated 2026 Board Meeting Schedule

15. **Receive and File Update on Pilot Projects**

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.

16. **San Diego Regional Energy Academy Update**

Recommendation: Receive and file an update on the San Diego Regional Energy Academy.

17. **Fiscal Year End 2024-25 Financial Audit Progress Report Presentation**

Recommendation: Receive and File Fiscal Year End 2024-25 Financial Audit Progress Report Presentation.

18. **Adopt Resolution No. 2025-20, Approving a Third Revision to the Financial Reserves Policy**

Recommendation: Adopt Resolution No. 2025-20, approving revisions to the Financial Reserves Policy.

19. **Approve Agreement with Aspen Environmental Group for Long-Term Load Forecasting**

Recommendation: Approve the Professional Services Agreement with Aspen Environmental Group for a two-year Long-term Load Forecasting and Compliance services agreement including a not-to-exceed amount of $150,000.00 and authorize the Chief Executive Officer to execute the contract. This agreement is to develop, test, and support implementation of a customized long-term model to forecast hourly and aggregate customer demand for use in Community Power's financial and resource planning.

20. **Approve Master Agreement with Yes Energy, LLC for Short-term Load Forecasting Services**

Recommendation: Approve the Master Services Agreement (MSA) with Yes Energy, LLC and service order for Short-term Load Forecasting services ("TESLA Custom Forecast"), for an initial 12-month term, and automatic annual renewals, not to exceed 5-years for Short-term Load Forecasting services; and authorize the Chief Executive Officer to execute the contract for a not to exceed amount of $422,935.00 over the maximum 5-year term.

21. **Approve First Amendment to the Voluntary Allocation Market Offer confirmation with San Diego Gas and Electric Company**

Recommendation: Approve the proposed First Amendment to the Voluntary Allocation Market Offer confirmation with San Diego Gas and Electric Company and authorize the Chief Executive Officer to execute the agreement.

22. **Approve Amended and Restated Energy Storage Service Agreement for the Chula Vista Energy Center 2**

Recommendation: Approve the proposed Amended and Restated 15-year Energy Storage Service Agreement with Chula Vista Energy Center, LLC for a 49.7 MW/198.8 MWh, 4-hour battery energy storage facility and authorize the Chief Executive Officer to execute the agreement.

23. **San Diego Regional Energy Network (SDREN) Update**

Recommendation: Receive and file update on San Diego Regional Energy Network (SDREN) progress.

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, November 20, 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
September 25, 2025

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

WELCOME

CALL TO ORDER

Chair Lawson-Remer called the Community Power Board of Directors regular meeting to order at 5:01 p.m.

ROLL CALL

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

ABSENT: None

Staff Present: Chief Executive Officer Burns; Chief Financial Officer Washington; Chief Commercial Officer Samuel; Chief Operations Officer Clark; General Counsel Tyagi; Senior Director of Programs Santulli; Procurement Manager Stephens; Procurement Analyst Carranza; Program Manager – Community Solar Tobar; Clerk of the Board Hernandez; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Chair Lawson-Remer led the Pledge of Allegiance.

LAND ACKNOWLEDGMENT

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

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- **Welcome Director Fisher as the Official Representative from Imperial Beach**

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

- **Introduction of New Community Power Staff**

Chair Lawson-Remer welcomed new employee Angad Kapoor, Administrative Procurement Analyst, to introduce himself.

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

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

PUBLIC COMMENTS

Lane Sharman, a member of the public, provided public comments.

CONSENT CALENDAR

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)

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

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

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

REGULAR AGENDA

14. Community Advisory Committee Quarterly Update

Community Advisory Committee (CAC) Chair Harris provided a quarterly report and shared information about the current and future vacancies.

There were no public comments on Item No. 14.

After Board member comments, the Community Advisory Committee Quarterly Update was received and filed.

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

Mr. Stephens and Ms. Carranza provided an overview of the proposed revisions to the Non-Energy Procurement Policy.

There were no public comments on Item No. 15.

After Board member comments and questions, motioned by Director Suzuki and seconded by Director Inzunza to adopt Resolution No. 2025-16, approving revisions to the Non-Energy Procurement Policy. The motion carried 7/0 as follows:

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

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

Mr. Stephens and Ms. Carranza provided an overview of the proposed revisions to the Delegated Contract Authority Policy.

There were no public comments on Item No. 16.

After Board member comments, motioned by Vice Chair Yamane and seconded by Director San Antonio to adopt Resolution No. 2025-17, approving revisions to the delegated contract authority policy and rescinding Resolution No. 2022-10. The motion carried 7/0 as follows:

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

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

Dr. Washington provided an overview of the Investment in Local Agency Investment Fund (LAIF).

There were no public comments on Item No. 17.

After Board member comments and questions, motioned by Director Elo-Rivera and seconded by Director Inzunza to adopt Resolution No. 2025-18, authorizing investment of monies in the Local Agency Investment Fund (LAIF). The motion carried 7/0 as follows:

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

18. Solar Advantage (Disadvantaged Communities Green Tariff) Program

Chair Lawson-Remer announced that this was a two-part item.

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

Mr. Samuel, Mr. Clark, and Ms. Tobar presented the background of the Solar Advantage (Disadvantaged Communities Green Tariff) Program, provided project summaries and next steps.

There were no public comments on Item No. 18(a).

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

Mr. Samuel provided an overview of the workforce criteria for the Disadvantaged Green Tariff Program.

Cristina Marquez, representative of IBEW 569, provided public comments.

After Board member, comments, questions, and discussion, motioned by Chair Lawson-Remer and seconded by Director Elo-Rivera to approve the recommendations for Items 18 (a) and 18(b), including the Chair's Proposal outlined below.

18(a) 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.

18(b) Directed staff to add the following redline changes to the existing open RFO and apply same criteria to future RFOs for the DAC-GT program:

- **xv. Labor:** Projects must pay prevailing wages, including all tiers of subcontractors. In accordance with San Diego Community Power's Inclusive and Sustainable Workforce Policy, higher evaluation ratings will be given to offers that, among other things:

  a) Commit 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 joint labor management apprenticeship programs.

Offers that have executed, or have committed to executing, Project Labor Agreements (PLAs), and/or committed to using apprentices from State of California approved joint labor management apprenticeship programs, will receive the highest workforce development rankings.

The motion carried 7/0 as follows:

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

19. Solar Battery Savings Residential Program Relaunch

Mr. Santulli provided a presentation on the Solar Battery Savings Residential Program Relaunch.

Serena Pelka, Climate Action Campaign representative, provided public comments via Zoom Teleconference.

After Board member comments and questions, the Solar Battery Savings Residential Program Relaunch was received and filed.

CHIEF EXECUTIVE OFFICER REPORT

Ms. Burns expressed appreciation for the Solar Battery Savings (SBS) and the 1st Light teams for their efforts and reported on Community Power's recent activities and events.

DIRECTOR COMMENTS

None.

ADJOURNMENT

The meeting was adjourned at 6:32 p.m. to the next regular meeting scheduled for Thursday, October 23, 2025, at 5 p.m.

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Maricela Hernandez, MMC, CPMC
Clerk of the Board

SAN DIEGO COMMUNITY POWER
Staff Report – Item 2

To:	Board of Directors
From:	Dr. Eric W. Washington, Chief Financial Officer/Treasurer
Via:	Karin Burns, Chief Executive Officer
Subject:	Treasurer's Report for Period Ending July 31, 2025
Date:	October 23, 2025

Recommendation

Receive and File Treasurer's Report for Period Ending July 31, 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 one-month period ended July 31, 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 $150,000 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.

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.

On June 26, 2025, the Community Power Board of Directors (Board) approved the Fiscal Year 2025-26 Operating Budget that included net operating revenues of $1,199,619,579 total expenses of $1,010,943,119 and a resulting net position of $164,613,302. The Capital Investment Plan was approved for $22,170,600. The large majority of this one-time investment is meant to fund $18.8 million for the Solar Battery Savings program, which offers upfront and performance-based incentives for home battery systems that boost resilience and reduce grid demand.

Analysis and Discussion:

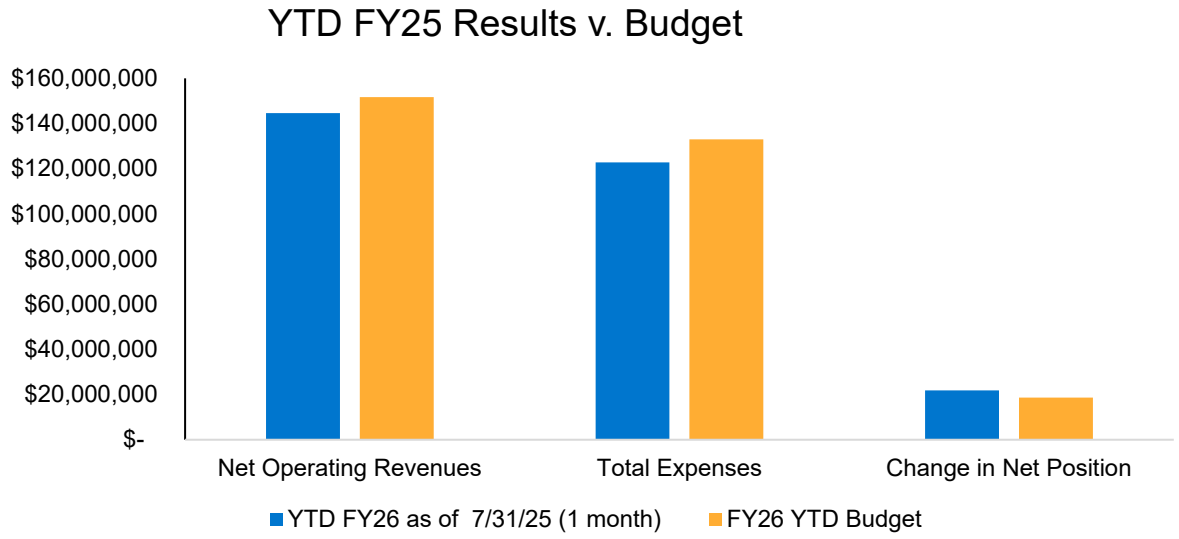
Actual financial results for the period ended July 31, 2025: $144.6 million in net operating revenues were reported compared to $151.7 million budgeted for the period. $122.8 million in total expenses were reported (including $97.1 million in energy costs) compared to $133.0 million budgeted for the period (including $106.1 million budgeted for energy costs). After expenses, Community Power's change in net position of $21.8 million was reported year-to-date for Fiscal Year 2025-26. The following is a summary of the actual results compared to the Fiscal Year 2025-26 Adopted Budget.

Table 1: Budget Comparison Versus Actual Result

Budget Comparison						
	YTD FY26 as of 7/31/25 (1 month)		FY26 YTD Budget		Budget Variance ($)	Budget (%)
Net Operating Revenues	$	144,622,279	$	151,679,000	$ (7,056,721)	95.3%
Total Expenses	$	122,764,286	$	133,010,000	$ (10,245,714)	92%
Change in Net Position	**$**	**21,857,994**	**$**	**18,669,000**	**$ 3,188,994**	

- Net operating revenues finished $144.6 million (or 4.7 percentage points) under the budget and a variance of $7.0 million is due to cooler temperatures driving lower energy sales.
- Operating expenses ended $122.8 million (8.0 percentage points) under budget, primarily due to the following factors:
    - Cost of Energy: $8.9 million below year-to-date budget. The variance between budgeted and actuals primarily reflects timing differences due to accruals of REC pricing.
- Investment Income: Favorable variance of $0.7 million year-to-date. Investment returns are not budgeted and will be reflected in financial statements as realized.
- Professional Services and Consultants: $0.5 million below year-to-date budget, mainly due to lower-than-expected costs related to Calpine, Legal, SDG&E fees, and other services.
- Personnel Costs: $0.2 million under budget, driven by vacancies and accrued vacation.

Figure 1: Budget Comparison versus Actual Results

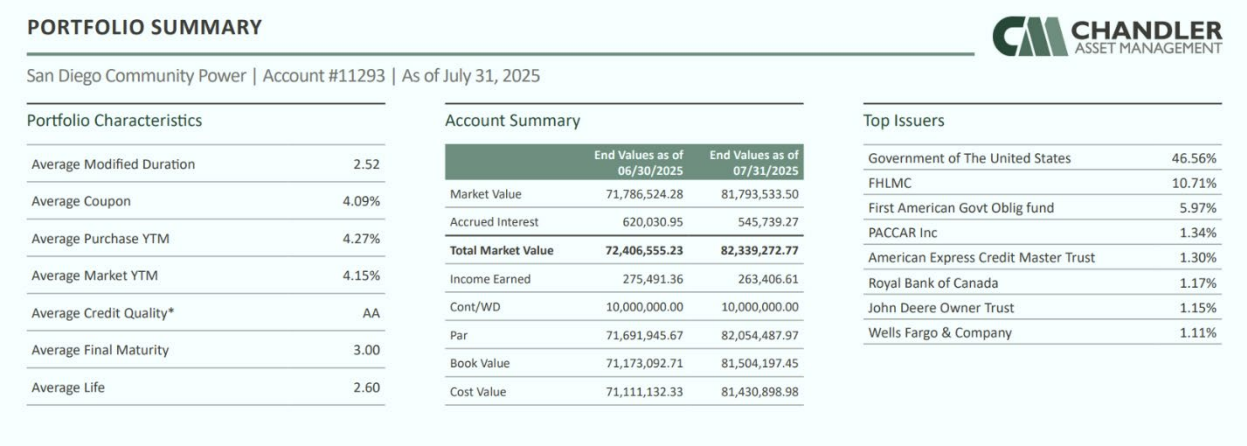


For the one-month period ending July 31, 2025, Community Power contributed $21.9 million to its net position compared to the expected contribution of $18.7 million per the Fiscal Year 2025-26 budget.

Community Power reserves at the end of the period totaled $389.6 million, including $312.7 million in unrestricted cash and $76.9 million in investment holdings. Total available liquidity (including unrestricted cash, investment holdings, and lines of credit availability) was $617.1 million. Community Power has a total Fiscal Year 2025-26 year-end reserve target of $575.8 million which is equivalent to 180-days of total operating expenses as set in Community Power's Reserve Policy and Strategic Goals.

Investment Portfolio Report

Chandler Asset Management manages Community Power's investment portfolio. As of July 31, 2025, the market value of the portfolio was $82.3 million compared to the $72.4 million market value as June 30, 2025. This increase was due to a $10.0 million contribution during the month of July. The following is a snapshot of the overall characteristics of the portfolio.



PORTFOLIO SUMMARY

CHANDLER ASSET MANAGEMENT

San Diego Community Power | Account #11293 | As of July 31, 2025

Portfolio Characteristics

Average Modified Duration	2.52
Average Coupon	4.09%
Average Purchase YTM	4.27%
Average Market YTM	4.15%
Average Credit Quality*	AA
Average Final Maturity	3.00
Average Life	2.60

Account Summary

	End Values as of 06/30/2025	End Values as of 07/31/2025
Market Value	71,786,524.28	81,793,533.50
Accrued Interest	620,030.95	545,739.27
Total Market Value	**72,406,555.23**	**82,339,272.77**
Income Earned	275,491.36	263,406.61
Cont/WD	10,000,000.00	10,000,000.00
Par	71,691,945.67	82,054,487.97
Book Value	71,173,092.71	81,504,197.45
Cost Value	71,111,132.33	81,430,898.98

Top Issuers

Government of The United States	46.56%
FHLMC	10.71%
First American Govt Oblig fund	5.97%
PACCAR Inc	1.34%
American Express Credit Master Trust	1.30%
Royal Bank of Canada	1.17%
John Deere Owner Trust	1.15%
Wells Fargo & Company	1.11%

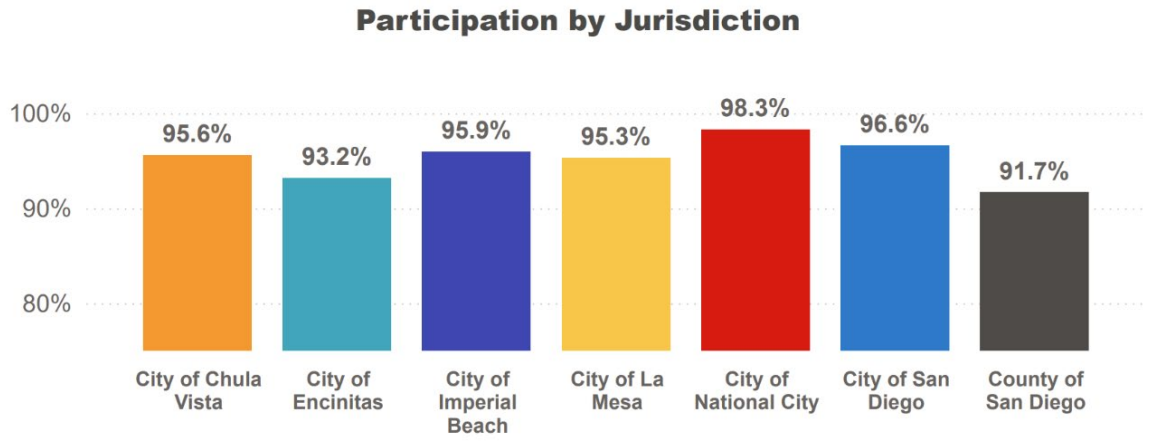
Contract Execution between $50,000 and $150,000

- Communication Cloud Software
  - Vendor: Granicus
  - Contract Total: $75,563.41
- Professional Advocacy Services
  - Vendor: HB Strategies, LLC
  - Contract Total: $100,000

Metrics Figure 2: Participation Rates as of 10/1/2025

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 below arrearage data includes Community Power's Receivables aged 120+ Days as of October 1, 2025.



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	99,384	95,012	95.6%
City of Encinitas	Power100	28,918	26,938	93.2%
City of Imperial Beach	PowerOn	10,811	10,373	95.9%
City of La Mesa	PowerOn	29,578	28,174	95.3%
City of National City	PowerOn	19,514	19,176	98.3%
City of San Diego	PowerOn	629,320	607,944	96.6%
County of San Diego	PowerOn	190,903	174,995	91.7%
Total		**1,008,428**	**962,612**	**95.5%**

Figure 3: State of Community Power Arrearages as of 10/1/2025

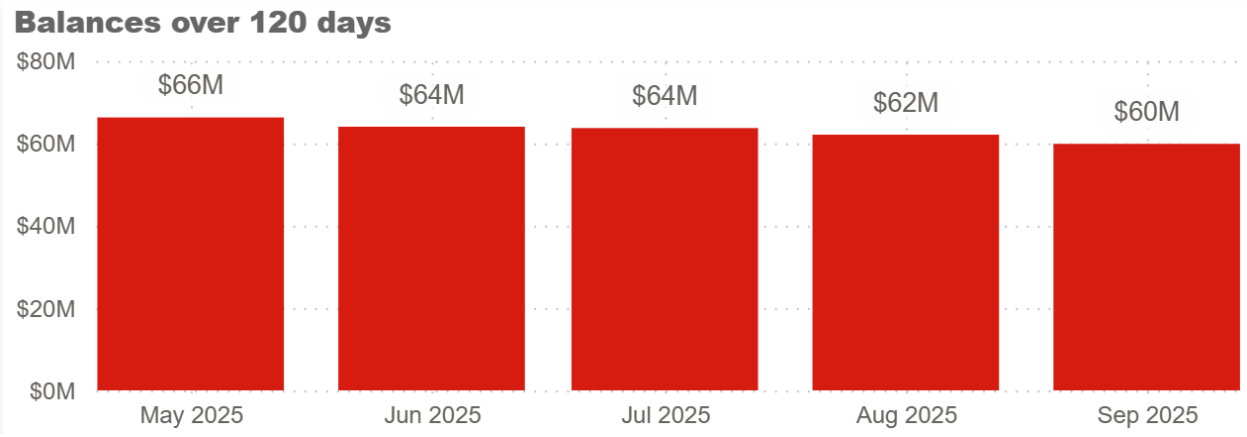
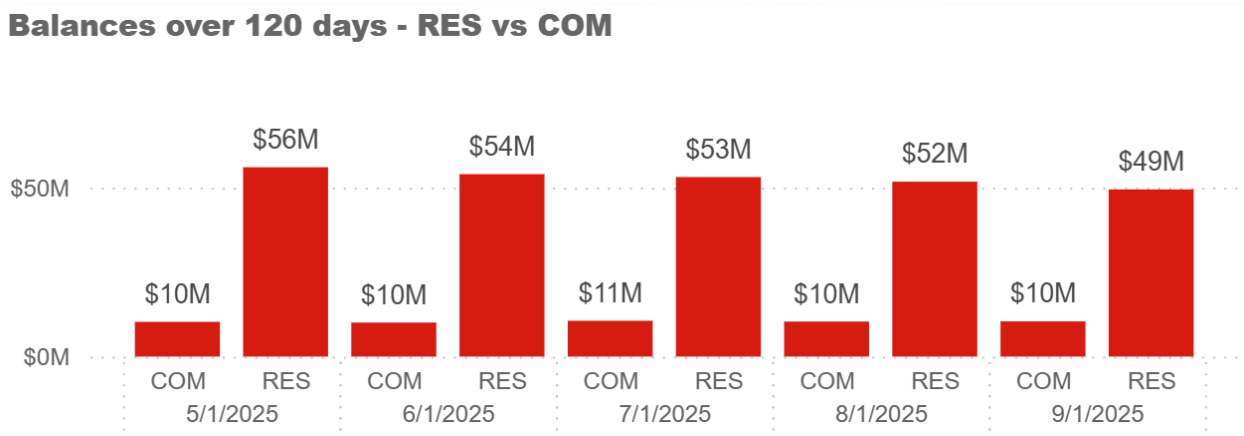


Figure 4: State of Community Power Arrearages Residential vs Commercial as of 10/1/2025



Fiscal Impact

N/A

Committee Review

At their meeting of October 16, 2025, the Finance and Risk Management Committee received and filed this item.

Attachments

A: FY 2026 Year-to-Date Period Ended July 31, 2025, Financial Statements.

ITEM 2
ATTACHMENT A

MAHER
ACCOUNTANCY

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 July 31, 2025, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the month 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
September 25, 2025

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of July 31, 2025

ASSETS	
Current assets	
Cash and cash equivalents - unrestricted	$ 312,698,344
Cash and cash equivalents - restricted	25,734,783
Accounts receivable, net of allowance	140,911,893
Accrued revenue	77,641,042
Prepaid expenses	36,579,778
Other receivables	6,377,720
Deposits	11,761,383
Investments	1,360,288
Total current assets	613,065,231
Noncurrent assets	
Cash and cash equivalents - restricted	647,000
Investments	75,546,166
Capital assets, net of depreciation and amortization	1,221,345
Total noncurrent assets	77,414,511
Total assets	690,479,742
LIABILITIES	
Current liabilities	
Accrued cost of electricity	112,303,895
Accounts payable	3,433,629
Other accrued liabilities	2,317,698
State surcharges payable	209,428
Deposits - energy suppliers	483,731
Lease liability	858,414
Advances from grantors	25,234,783
Total current liabilities	144,841,578
Noncurrent liabilities	
Lease liability	523,318
Deposits - energy suppliers	7,443,450
Total noncurrent liabilities	7,966,768
Total liabilities	152,808,346
NET POSITION	
Restricted for security collateral	1,147,000
Unrestricted	536,524,396
Total net position	$ 537,671,396

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
One Month Ended July 31, 2025

OPERATING REVENUES	
Electricity sales, net	$ 144,622,279
Grant revenue	20,932
Total operating revenues	144,643,211
OPERATING EXPENSES	
Cost of electricity	97,145,126
Contract services	1,885,813
Staff compensation	1,559,391
Other operating expenses	1,195,931
Depreciation and amortization	96,197
Total operating expenses	101,882,458
Operating income	42,760,753
NON-OPERATING REVENUES (EXPENSES)	
Investment income	742,685
Interest expense	(7,665)
Nonoperating revenues (expenses), net	735,020
CHANGE IN NET POSITION	43,495,773
Net position at beginning of year	494,175,623
Net position at end of year	$ 537,671,396

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
One Month Ended July 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 115,048,354
Receipts of supplier security deposits	268,448
Receipts from wholesale sales and other operating activities	(389,868)
Payments to suppliers for electricity	(84,306,133)
Payments for other goods and services	(3,513,129)
Payments for staff compensation	(1,559,739)
Payments of state surcharges	(535,146)
Net cash provided by operating activities	25,012,787
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments of lease liability	(77,982)
Net cash used by capital and related financing activities	(77,982)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income received	1,127,617
Proceeds from investment sales and maturities of investments	642
Purchase of investments	(6,157,182)
Net cash provided (used) by investing activities	(5,028,923)
Net change in cash and cash equivalents	19,905,882
Cash and cash equivalents at beginning of year	319,174,246
Cash and cash equivalents at end of year	$ 339,080,128
Reconciliation to the Statement of Net Position	
Cash and cash equivalents (unrestricted)	$ 312,698,344
Restricted cash and cash equivalents - current	25,734,783
Restricted cash and cash equivalents - noncurrent	647,000
Cash and cash equivalents	$ 339,080,127
NONCASH INVESTING ACTIVITIES	
Change in fair value of investments	$ (312,726)
Change in interest income receivable	$ (72,206)

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
One Month Ended July 31, 2025

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	$	42,760,753
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization expense		96,197
(Increase) decrease in:		
Accounts receivable, net		(24,884,670)
Accrued revenue		(4,898,683)
Prepaid expenses		(12,777,643)
Other receivables		(2,349,935)
Deposits		(667,172)
Increase (decrease) in:		
Accrued cost of electricity		28,045,188
Accounts payable		(377,343)
Advances from grantors		(20,931)
Other accrued liabilities		157,743
State surcharges payable		(325,718)
Deposits - energy suppliers		255,000
Net cash provided by operating activities	$	25,012,786

MAHER
ACCOUNTANCY

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 month ended July 31, 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
September 25, 2025

SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
One Month Ended July 31, 2025

	Year-to-Date				Annual	
	Budget	Actual	Budget Variance (Under) Over	Actual/ Budget %	Budget	Budget Remaining
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	154,381,000	$ 146,824,649	(7,556,351)	95%	1,220,987,000	$ 1,074,162,351
Less: Uncollectible Customer Accounts	(2,702,000)	(2,202,370)	499,630	82%	(21,367,000)	(19,164,630)
Total Revenues and Other Sources	151,679,000	144,622,279	(7,056,721)		1,199,620,000	1,054,997,721
OPERATING EXPENSES						
Cost of Energy	106,132,000	97,145,126	(8,986,874)	92%	956,691,000	859,545,874
Professional Services and Consultants	2,059,000	1,580,390	(478,610)	77%	24,713,000	23,132,610
Personnel Costs	1,767,000	1,559,391	(207,609)	88%	21,209,000	19,649,609
Marketing and Outreach	205,000	354,826	149,826	173%	2,464,000	2,109,174
General & Administrative	489,000	517,445	28,445	106%	5,867,000	5,349,555
Total Operating Expenses	110,652,000	101,157,178	(9,494,822)		1,010,944,000	909,786,822
Operating Income (Loss)	41,027,000	43,465,101	2,438,101		188,676,000	145,210,899
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	-	742,685	742,685	na	-	(742,685)
Interest and Related Expenses	(158,000)	(149,793)	8,207	95%	(1,893,000)	(1,743,207)
Transfer to Capital Investment Program	(22,200,000)	(22,200,000)	-	100%	(22,200,000)	-
Total Non-Operating Revenues (Expenses)	(22,358,000)	(21,607,108)	750,892		(24,093,000)	(2,485,892)
NET CHANGE	$ 18,669,000	$ 21,857,993	$ 3,188,993		$ 164,583,000	$ 142,725,007

See accountants' compilation report.

CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
One Month Ended July 31, 2025

	Annual Budget	YTD Actual	Budget Remaining
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	$ 22,200,000	$ 22,200,000	$ -
Grant Revenue - SDREN	31,900,000	20,932	(31,879,068)
Grant Revenue - DAC	600,000	-	(600,000)
Total Revenue and Other Sources	54,700,000	22,220,932	(32,479,068)
EXPENDITURES AND OTHER USES			
Program Expenditures	54,700,000	560,214	$ (54,139,786)
Net increase (decrease) in fund balance	$ -	21,660,718	
Fund balance at beginning of period		10,340,567	
Fund balance at end of period		$ 32,001,285	

See accountants' compilation report.

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:	October 23, 2025

Recommendation

Receive and file 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 and Energy Storage Programs, and the San Diego Regional Energy Network.

Analysis and Discussion

Updates on customer energy programs are detailed below.

Commercial Programs
Commercial Application Assistance Pilot Project
Status: The Commercial Application Assistance Pilot Project is now complete. A dedicated item on Pilot Projects, including the Commercial Application Assistance Pilot Project, is included in the October 2025 Board meeting agenda packet.

Next Steps: Staff are preparing to transition the Commercial Application Assistance Pilot into a full-service offering. Program staff are collaborating with the Account Services team to issue a competitive solicitation for a qualified energy consulting firm. Staff anticipate launching the expanded service by mid-2026.

Efficient Refrigeration Pilot Project
Status: A dedicated item on Pilot Projects, including the Efficient Refrigeration Pilot Project, is included in the October 2025 Board meeting agenda packet.
Next Steps: Staff will continue to conduct outreach and enroll participants in the pilot until grant funds are expended.

Residential Programs
California Energy Commission ("CEC") Equitable Building Decarbonization Direct Install ("EBD DI") Program
Status: Staff continue to work with Los Angeles County ("LA County") and their implementation partners to prepare for the launch of the EBD DI Program. Community Power has met with their assigned Area Coordinators to coordinate on program requirements, and establish expectations and timelines for marketing, outreach, and educational ("ME&O") activities. Staff are simultaneously collaborating with the Public Affairs and Outreach team to contract community-based organizations ("CBOs") in our Power Network to implement and support ME&O activities.

In September 2025, the CEC announced the initial community focus areas that will be served by the first phase of the program. The list of initial community focus areas include communities in Chula Vista, El Cajon, Escondido, Oceanside, Ramona, San Marcos, Vista, and communities affected by January 2024 rainstorm and flooding. Community Power will work with CBOs to target ME&O in the initial community focus areas.

Next Steps: Staff will continue to work with LA County to successfully implement the EBD DI Program in San Diego and make our residents aware of the program through CBOs. Staff are coordinating with the Area Coordinators on media strategy for the launch of EBD.

Flexible Load Programs
Smart Home Flex Pilot Project
Status: On June 30, 2025, Staff conducted the first Smart Flex Event, sending a signal to participating thermostats to increase temperature settings by three degrees in order to reduce air conditioning load during the on peak period. Since then, Staff have conducted seven (7) events, with an average participation rate of ~95% (approximately 1,900 thermostats). A full update on the Smart Home Flex Pilot project will be included in the November 2025 Board agenda.

Next Steps: Staff executed an agreement with Skycentrics Inc. to purchase up to four hundred (400) EcoPort modules to enable enrollment of additional heat pump water heaters into the pilot. Staff also released an Invitation to Bid to hire a firm to evaluate, measure, and verify the load impacts of the Smart Home Flex pilot.

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 grant award to study the impacts of the EV Flex Connect Pilot on resource adequacy needs and distribution operations. Staff will collaborate with external partners on the awarded project, which will use data from the Pilot to analyze and quantify the value of V1G strategies. Staff worked with the CEC on project agreement documents to prepare for the September 2025 CEC Business Meeting. The project agreement was reviewed and formally approved by the Commission on September 10, 2025.

Next Steps: Staff will continue to work with their implementation partner on enrolling participants and planning load shifting strategies. Staff will also work with the CEC to finalize the project agreement in preparation for Board review and approval, in addition to coordinating with SDG&E to plan for the inclusion of distribution operations use cases in the CEC project.

Solar and Energy Storage Programs

Disadvantaged Communities–Single-Family Affordable Solar Homes ("DAC-SASH") Readiness Pilot Project

Status: The DAC-SASH Pilot Project is now complete. A dedicated item on Pilot Projects, including the DAC-SASH Pilot Project, is included in the October 2025 Board meeting agenda packet.

Next Steps: Staff will incorporate lessons learned from this pilot into future program design and advocate for funding to support wraparound services that address essential home infrastructure needs.

Net Energy Metering ("NEM") and Net Billing Tariff ("NBT")

Status: At the September 2025 Board of Directors meeting, the Board of Directors approved proposed revisions to the existing NEM tariff, revisions to the existing NBT and the establishment of new Net Billing Tariff Virtual and new Net Billing Tariff Aggregation tariffs.

Next Steps: Staff will continue to monitor NBT adoption and anticipate conducting an evaluation of the tariff in 2026.

Solar Battery Savings ("SBS") Program Relaunch

Status: SBS began accepting applications on September 30, 2025. Community Power held a press event at the County of San Diego Administration Building on October 1, 2025, to generate earned media and raise awareness of the program. As of program launch, over 50 contractors and three battery manufacturers have been approved for the program.

Next Steps: In Q4 2025, Community Power expects to offer a series of customer workshops to build awareness of the program and the benefits of residential solar and storage, in general. In November 2025, staff will reopen the contractor application period, including offering additional mandatory trainings, to enable additional interested contractors to apply to become an approved contractor in the program.

Solar Advantage Program (previously DAC-GT)
Status: Staff have extended the response deadline for the Solar Advantage Program's Second Request for Offer ("RFO") by two weeks, from October 6, 2025, 5:00 P.M. PDT to October 20, 2025, 5:00 P.M. PDT. A Notice of Addendum #2 outlining the RFO modifications was issued, and potential respondents originally notified of the RFO received notification of the Addendum via Granicus on September 30, 2025.

At the September 2025 Board of Directors meeting, the Board approved three Solar Advantage Power Purchase Agreements ("PPAs") totaling 2.91 MW combined. The three projects will be located on commercial rooftops in Chula Vista, El Cajon, and San Diego. Community Power has filed a Tier 2 Executed PPA Advice Letter with the California Public Utilities Commission ("CPUC") to seek approval for the PPAs.

Next Steps: Prior to launching RFO #3 (currently planned for Q1 2026), Staff will update the cost containment cap as directed by E-5368. Upon completion of the three projects from the 1st RFO round in Q2 2027, 1,200 eligible residential customers in the top 10% of Disadvantaged Communities ("DACs"), located in Central Chula Vista, Barrio Logan, Logan Heights, Southcrest, Mount Hope, and Chollas View, will be auto-enrolled and receive immediate bill reductions.

San Diego Regional Energy Network ("SDREN")
Status: A dedicated item on SDREN is included in the October 2025 Board meeting agenda packet.

Next Steps: Staff will continue contract negotiations with the selected vendors from the Phase 3 solicitation and finalize contract negotiations with the selected vendors from the Phase 2 solicitations. All contracts from Phase 1 have now been executed. Staff anticipate 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 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).

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:	October 23, 2025

Recommendation

Recommendation to receive and file update on Power Services.

Background

Staff provide the updates below to the Board of Directors regarding Community Power's 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. With the newest two team members joining in the roles of Portfolio Analyst and Senior Originations Associate, the Power Services team is now sixteen people strong.

Administrative Amendment Updates
In August 2025, the CEO signed an administrative amendment to the Sunzia Power Purchase Agreement to allow the developer, Pattern Energy, to bifurcate the project into Power Purchase Agreements for the North and South portions of the project.

Long-term Renewable Energy Solicitations

As Community Power strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (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 and/or storage project. In addition, long-term PPAs lock in renewable energy supply around which Community Power can build its power supply portfolio while also hedging power supply costs. 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, staff have released several Requests for Offers (RFOs), including an RFO this year that targeted clean-firm resources that can provide 24/7 deliveries. 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 developers can agree to mutually agreeable contracts consistent with terms authorized by the ECWG, staff then review draft terms with the Community Power Board for approval and authorization to execute the relevant documents. To date, staff have enabled the execution of over two dozen long-term contracts 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 2030. Going forward, staff expect to prioritize projects that increase the portfolio's diversity in terms of technology and innovative contract structures to achieve a pathway to 100% clean energy. Staff will also be increasingly prioritizing local infill projects as described below.

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, Community Power Board of Directors has approved a portfolio of PV PPAs and energy storage and service agreements and is actively negotiating with several local projects submitted to the Local RFI over the past several months. 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. This solicitation has yielded nine Board-approved PPAs and energy storage agreements, and additional agreements resulting from the

RFO are possible pending further negotiations. Other ongoing local initiatives include a Feed-in-Tariff Program revamp and expansion 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 PPAs, with Luminia LLC and 1st Light Sales Corporation, were presented to and approved by the Board in January and September respectively. The second DAC-GT solicitation round was released on April 7th and will be accepting offers through October 20th.

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 uncertain. 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 are on a slight decline due to decreasing electric demand and cooling temperatures. As Fall weather brings less heat and reduced electric demand, markets are watching seasonal heating changes that can impact natural gas supply and by extension, in-state energy supply and prices. 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:	October 23, 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 September 23, 2025, Community Power is serving a cumulative total count of **962,612** 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 August 31, 2025.

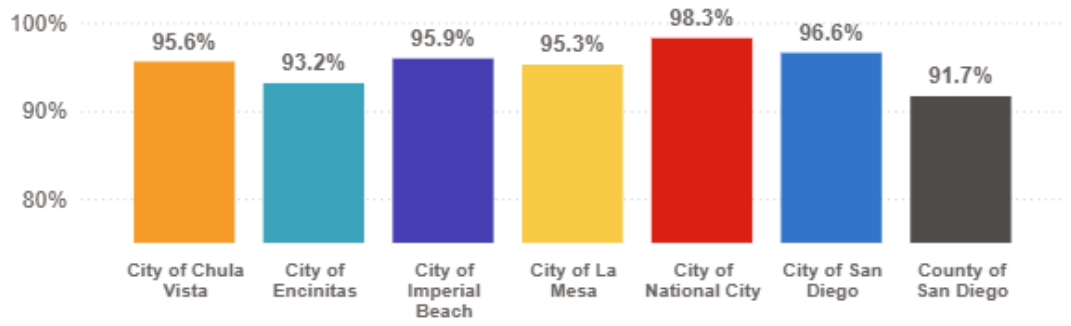
B) Customer Participation Tracking

The below charts summarize customer elections into San Diego Community Power's four (4) available service levels:

Enrolled Accounts	Participation Rate
962,612	95.5%

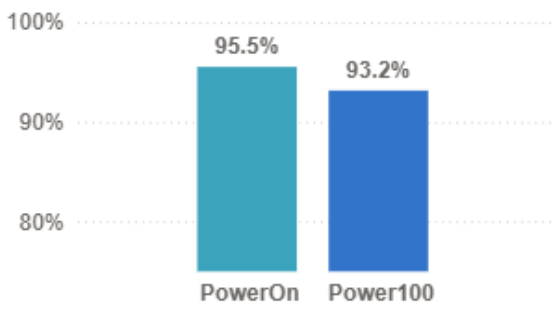
Participation

Participation by Jurisdiction

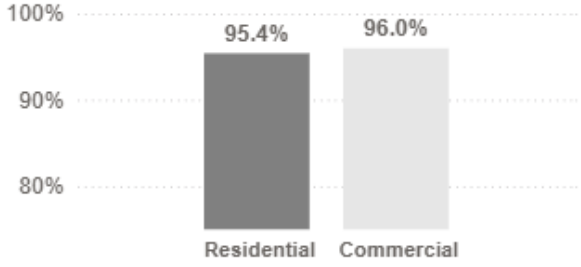


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	99,384	95,012	95.6%
City of Encinitas	Power100	28,918	26,938	93.2%
City of Imperial Beach	PowerOn	10,811	10,373	95.9%
City of La Mesa	PowerOn	29,578	28,174	95.3%
City of National City	PowerOn	19,514	19,176	98.3%
City of San Diego	PowerOn	629,320	607,944	96.6%
County of San Diego	PowerOn	190,903	174,995	91.7%
Total		**1,008,428**	**962,612**	**95.5%**

Participation by Default Service Option



Residential vs Commercial Participation

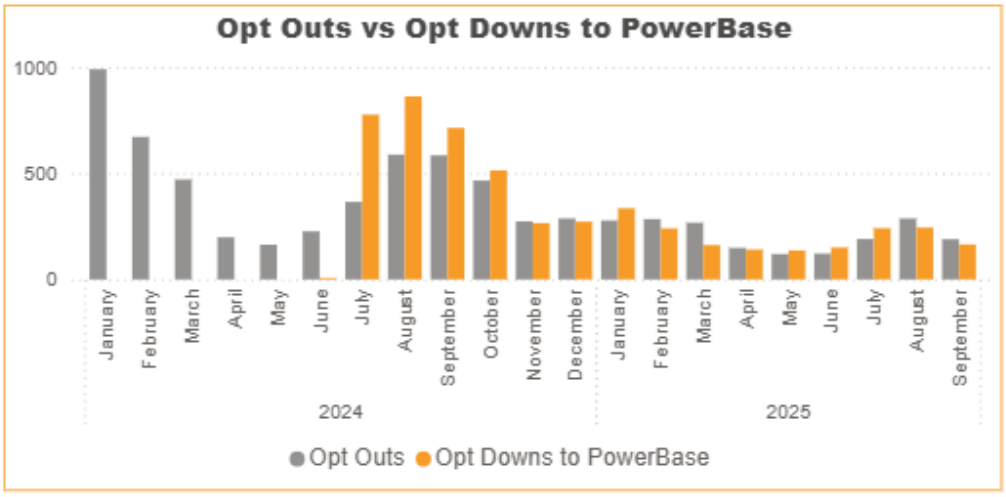


Service Option

PowerBase		PowerOn		Power100		Power100 Green+	
Enrolled	4,624	Enrolled	923,636	Enrolled	34,329	Enrolled	23
Participation	0.5%	Participation	96.0%	Participation	3.6%	Participation	0.0%

Service Option Enrollment Summary

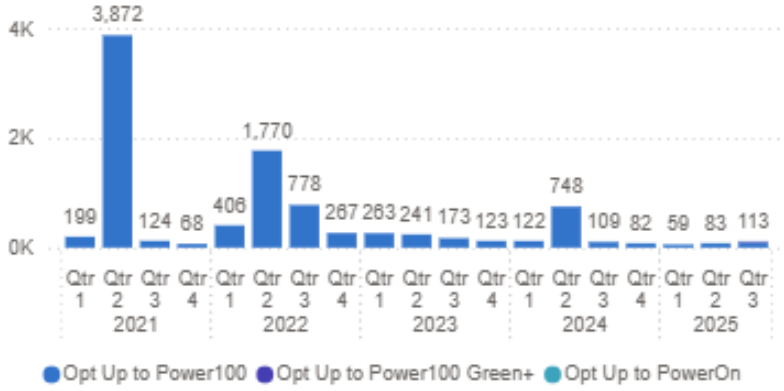
Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100%	Power100 Green+ Enrolled	Power100 Green+%
City of Chula Vista	PowerOn	95,012	431	0.5%	93,670	98.6%	911	1.0%		
City of Encinitas	Power100	26,938	185	0.7%	404	1.5%	26,349	97.8%		
City of Imperial Beach	PowerOn	10,373	33	0.3%	10,260	98.9%	80	0.8%		
City of La Mesa	PowerOn	28,174	131	0.5%	27,781	98.6%	262	0.9%		
City of National City	PowerOn	19,176	55	0.3%	19,089	99.5%	32	0.2%		
City of San Diego	PowerOn	607,944	2,466	0.4%	599,559	98.6%	5,896	1.0%	23	0.0%
County of San Diego	PowerOn	174,995	1,323	0.8%	172,873	98.8%	799	0.5%		
Total		962,612	4,624	0.5%	923,636	96.0%	34,329	3.6%	23	0.0%



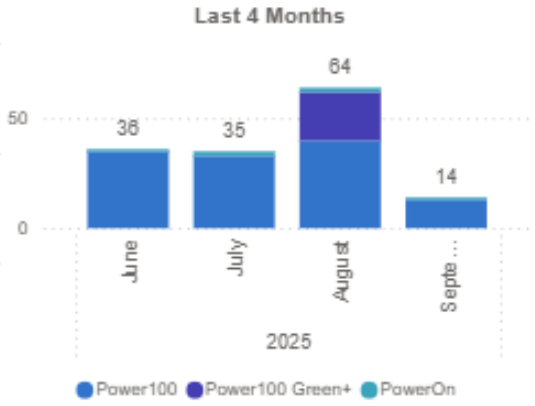
Opt Up History

Total Opt Ups	Opt Ups Current*
9,600	8,080

Opt Ups Quarterly



Opt Ups Monthly



Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	2025-9	Total
City of Chula Vista	710	175	61	49	5	8	4		1	1,013
City of Encinitas	18	1	1	3					1	24
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					1	37
City of San Diego	3,316	2,896	489	340	42	70	19	55	10	7,237
County of San Diego	4		207	627	10	4	7	9	1	869
Total	4,263	3,221	800	1,061	59	83	35	64	14	9,600

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	2025-9	Total
Commercial	4,256	296	232	701	15	36	11	37	4	5,588
Residential	7	2,925	568	360	44	47	24	27	10	4,012
Total	4,263	3,221	800	1,061	59	83	35	64	14	9,600

Opt Ups by Method

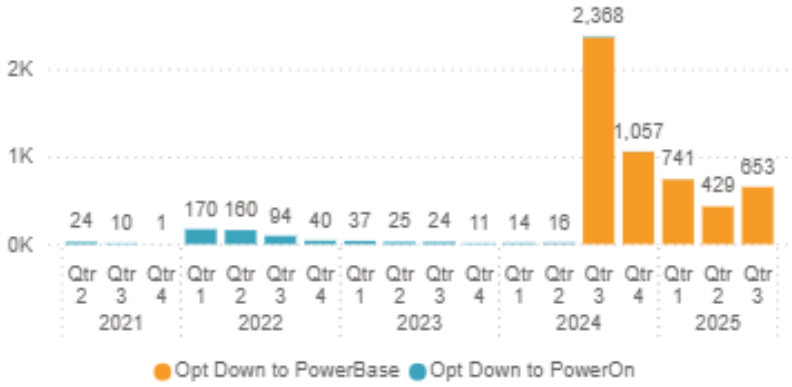
Opt Method	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	2025-9	Total
CSR	4,232	1,372	301	817	24	49	20	42	5	6,862
IVR	4	85	84	42	4	7	2	3	1	232
Web	27	1,764	415	202	31	27	13	19	8	2,506
Total	4,263	3,221	800	1,061	59	83	35	64	14	9,600

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

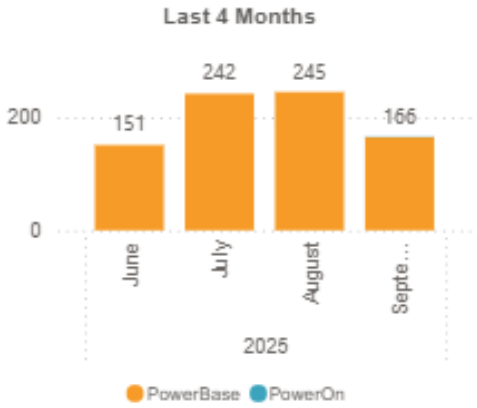
Opt Down History

Total Opt Downs	Opt Downs Current*
5,874	5,071

Opt Downs Quarterly



Opt Downs Monthly



Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	2025-9	Total
City of Chula Vista		2	4	287	108	33	29	17	14	494
City of Encinitas	35	429	74	150	28	27	8	11	6	768
City of Imperial Beach		1		31	4	4	2			42
City of La Mesa		4		106	16	13	6	8	5	158
City of National City				36	11	5	5	4	4	65
City of San Diego		28	13	1,793	401	240	146	142	94	2,857
County of San Diego			6	1,052	173	107	46	63	43	1,490
Total	35	464	97	3,455	741	429	242	245	166	5,874

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	2025-9	Total
Commercial	34	23	9	508	46	32	25	20	4	701
Residential	1	441	88	2,947	695	397	217	225	162	5,173
Total	35	464	97	3,455	741	429	242	245	166	5,874

Opt Downs by Method

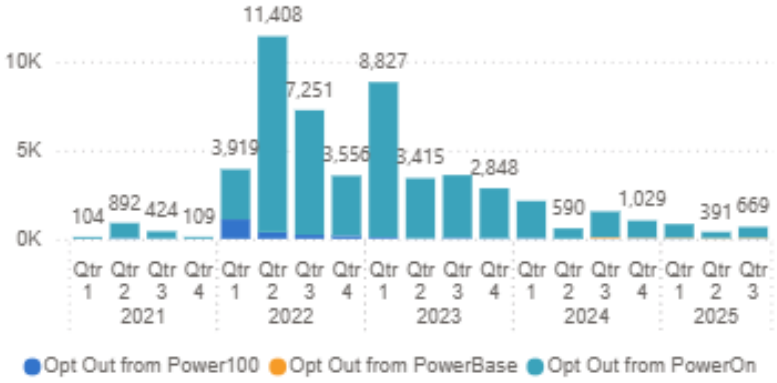
Opt Method	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	2025-9	Total
CSR	31	311	65	2,562	498	248	150	165	100	4,130
IVR	4	26	3	309	82	51	26	18	21	540
Web		127	29	584	161	130	66	62	45	1,204
Total	35	464	97	3,455	741	429	242	245	166	5,874

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

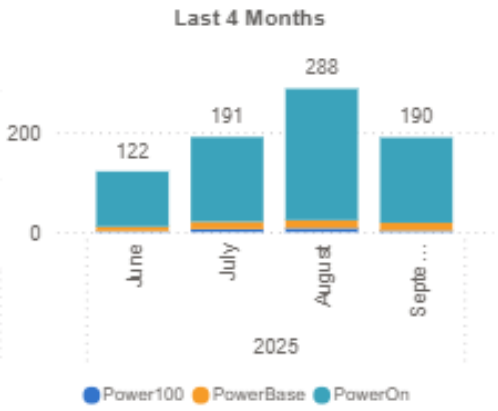
Opt Out History

Total Opt Outs	Opt Outs Current*
53,534	45,017

Opt Outs Quarterly



Opt Outs Monthly



Opt Outs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	2025-9	Total
City of Chula Vista	267	3,466	747	411	72	38	25	17	16	5,059
City of Encinitas	66	1,870	230	118	26	5	5	4	3	2,327
City of Imperial Beach	32	343	99	60	5	3	2	2	2	548
City of La Mesa	84	1,269	235	128	26	7	4	6	5	1,764
City of National City			285	75	20	6		1	1	388
City of San Diego	1,078	19,185	3,185	1,836	346	187	64	140	94	26,115
County of San Diego	2	1	13,902	2,669	336	145	91	118	69	17,333
Total	1,529	26,134	18,683	5,297	831	391	191	288	190	53,534

Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	2025-9	Total
Commercial	1,492	535	1,684	344	53	27	4	9	7	4,155
Residential	37	25,599	16,999	4,953	778	364	187	279	183	49,379
Total	1,529	26,134	18,683	5,297	831	391	191	288	190	53,534

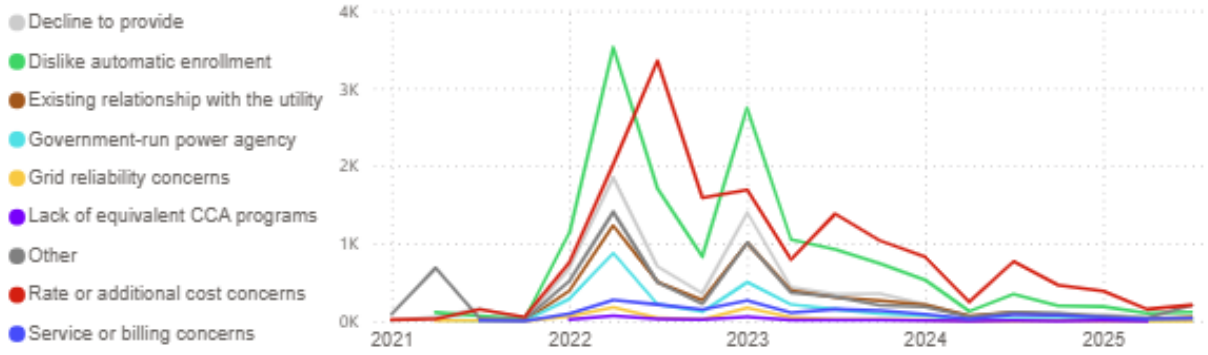
Opt Outs by Method

Opt Method	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	2025-9	Total
CSR	1,104	6,963	4,706	1,653	274	130	59	61	58	15,008
IVR	102	4,886	3,789	1,284	140	86	33	38	43	10,401
Web	323	14,285	10,188	2,360	417	175	99	189	89	28,125
Total	1,529	26,134	18,683	5,297	831	391	191	288	190	53,534

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

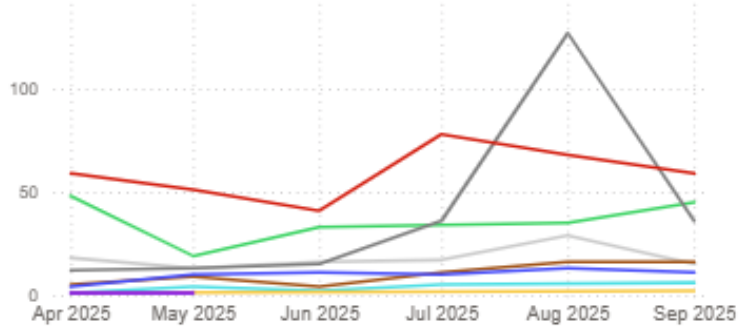
Opt Out Reason Summary

Opt Outs by Reason Quarterly



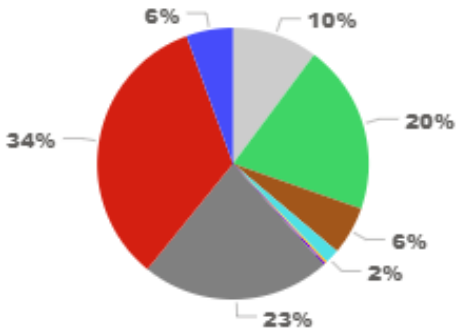
Opt Outs by Reason Monthly

Last 6 Calendar Months



Opt Out Reason Distribution

Last 6 Calendar Months



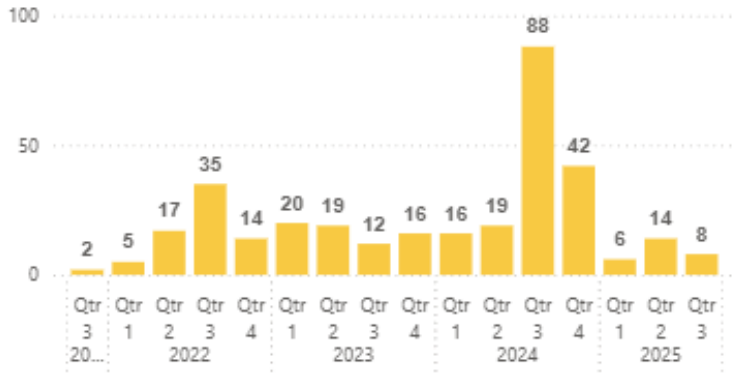
Opt Outs by Reason Table

Opt Out Reason	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	2025-9	Total
Decline to provide	228	3,583	2,519	465	85	47	17	29	15	6,988
Dislike automatic enrollment	203	7,187	5,458	1,188	185	100	34	35	45	14,435
Existing relationship with the utility	2	2,389	1,968	462	49	18	11	16	16	4,931
Government-run power agency	24	1,490	961	129	28	7	5		6	2,650
Grid reliability concerns	7	293	252	20	1	1			2	576
Lack of equivalent CCA programs		131	90	12	3	2				238
Other	819	2,636	1,884	453	50	40	36	127	36	6,081
Rate or additional cost concerns	240	7,707	4,897	2,296	385	151	78	68	59	15,881
Service or billing concerns	6	718	654	272	45	25	10	13	11	1,754
Total	1,529	26,134	18,683	5,297	831	391	191	288	190	53,534

Re-Enrollment Requests

Excludes closed accounts

Re-Enrollments Quarterly



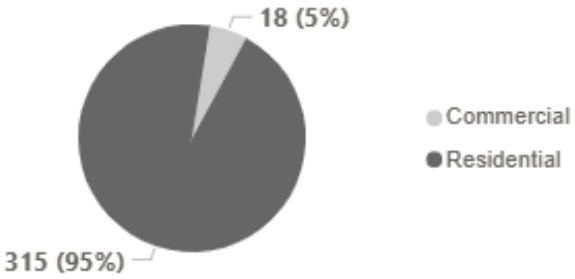
Re-Enrollments Monthly



Re-Enrollments by Jurisdiction

Jurisdiction	Accounts
City of Chula Vista	24
City of Encinitas	29
City of Imperial Beach	4
City of La Mesa	7
City of National City	1
City of San Diego	202
County of San Diego	66
Total	333

Re-Enrollments Residential vs Commercial

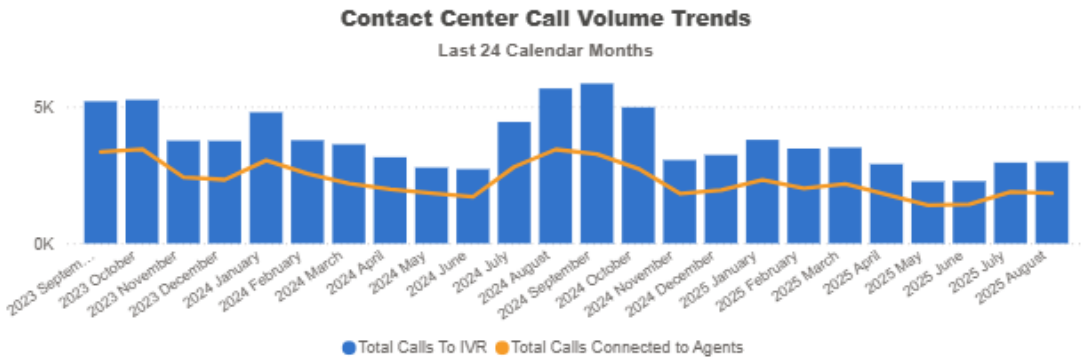


C) Contact Center Metrics

Please note that Contact Center Metrics are captured and displayed through August 31, 2025. As expected, calls to our Contact Center have increased as customers continue 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



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

	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
Total Calls to IVR	2,289	47,118	52,977	48,073	10,767	7,443	2,959	2,980	**174,606**
Total Calls Connected to Agents	1,401	30,174	34,173	29,332	6,528	4,631	1,890	1,831	**109,960**
Avg Seconds to Answer	20.00	11.50	6.75	18.08	15.00	4.00	10.00	10.00	**11.92**
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.6	8.7	8.6	9.5	9.4	**9.2**
Calls Answered Within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	91.74%	92.01%	99.15%	95.68%	96.07%	**95.49%**
Abandon Rate	0.57%	0.36%	0.19%	0.72%	0.88%	0.06%	0.32%	0.11%	**0.40%**



Customer Service Emails

	2021	2022	2023	2024	2025-Q1	2025-Q2	2025-7	2025-8	Total
Emails Received	272	2,894	2,116	1,271	290	209	103	85	**7,240**
Emails Answered or Escalated Within 24 Hours	257	2,821	2,107	1,270	290	209	103	85	**7,142**
Completion%	94%	96%	100%	100%	100%	100%	100%	100%	**99%**

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 the majority 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 a world-class customer experience when they contact Community Power.

Fiscal Impact

N/A

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:	October 23, 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

Information Technology

Support Tickets: Between the previous report (early September) and October, we received 91 tickets, all of which have been resolved, with 83 marked as resolved. This represents a slight decrease from the busier months in Q2 but remains stable. Our First Response SLA score stands at 94.7%, and we have achieved a 100% resolution score in the past quarter (Q3).

Cybersecurity

Over the past six months, Community Power Cybersecurity has dedicated its efforts to educating users on best practices for cybersecurity awareness. Cybersecurity awareness training decreases the likelihood of a successful attack or data loss. After a

series of tests, users are 5% less likely to be compromised by phishing attacks. Phishing attacks are the leading causes of cybersecurity loss incidents.

By establishing cybersecurity and incident reporting processes, we have effectively maintained our security posture and promptly responded to events.

Data Analytics

Enterprise Data Platform (EDP): The Enterprise Data Platform (EDP) was originally scheduled to transition to production in October 2025, with Iteration 3 targeting September 12, 2025. Recent system updates and enhancements from our data providers have introduced new technical dependencies and requirements, specifically around API incremental loads and data ingestion processes. By making these adjustments at this stage, it will integrate smoothly with the existing platform and help avoid the need for future redesigns.

- Current Status:
  - Deployment of Iteration 2 (Design & Development) features to Production is complete, and validation by Community Power staff is nearly complete. Features include back-end system architecture, data ingestion processes, model deployments, and several new Business Intelligence reports available to the internal organization.
  - The project team is actively coordinating with data providers on their enhancements for underlying datasets and incremental loads, which is essential for the next phase of production deployment.
  - The status for Iteration 3 (production go-live) is in progress.
- Implications:
  - The delay is necessary to ensure data integrity, compliance with technical requirements, and successful onboarding of enhancements.
  - The project team will continue to monitor progress and provide updates as new information becomes available.

The Data Analytics team has also been coordinating with other departments for the "democratization" of data in the form of Power BI reports from the EDP as well as direct access to the data for key Individuals.

EDP Managed Services: Finalizing 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 in progress.

Fiscal Impact

N/A

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 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:	October 23, 2025

Recommendation

Receive and file the update on human resources.

Background

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

Analysis and Discussion

Hiring:
Community Power welcomes Carolina Heredia, who has joined the Customer Operations Team as our Key Accounts Services Analyst. Carolina holds a B.S. in Business Administration from San Diego State University and has extensive experience in the energy industry with several years of devoted involvement in project management and billing operations across the Community Choice Aggregation (CCA), Direct Access (DA), and Investor-Owned Utility (IOU)/SDG&E space.

Anna Laprise Is joining our Power Services team as its new Senior Origination Associate. She obtained her B.A. In Political Science from Connecticut College and will be instrumental in helping to source, evaluate, negotiate, and transact long-term contracts for various products including renewable attributes, energy, and capacity.

Mohamed Muhidin has also joined as our temporary **IT Systems Analyst**. Mohamed graduated from SDSU in 2014 with a degree in Management Information Systems. He has experience as a Data Analyst

Intern at UWEAST, working with large datasets and creating dashboards in Power BI and Tableau. He will be working closely with the IT team to provide support services.

Current open positions:

Associate Director of Finance - Capital Investments Plan
Data Analytics and Accounts Services
Paralegal
Procurement Analyst
Program Associate
Senior IT Systems Engineer

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:	October 23, 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 December 11, 2025, Board meeting.

Analysis and Discussion

During the October 9, 2025, regular CAC meeting:

Chair Harris (City of La Mesa) welcomed new Community Power staff and led the approval of the consent agenda, which included updates on Customer Operations, Marketing, Public Relations and Local Government Affairs, and Power Services. Members considered the Programs Update for a separate vote, as some had questions on the timeline of the Solar Battery Savings customers workshops. Members also asked about the local impacts of state veto actions under the Regulatory and Legislative Affairs Update. Item 7: Approve 2026 Meeting Schedule was pulled from the meeting agenda and will be considered at a later date.

The CAC received an update on the Pilot Projects from the Programs team, which included the Disadvantaged Communities-Single Family Affordable Solar Homes (DAC-SASH), Commercial Application Assistance, and Efficient Refrigeration. Members asked questions on the DAC-SASH program outreach, its vendor, and specifics around third party-owned systems and monitoring setups. Members also asked about the wider, long-term planning strategy for project pilots and commended staff for finding other funding sources available to support them.

The CAC also learned about ongoing efforts to implement the San Diego Regional Energy Network (SDREN). Members asked about the governance structure of SDREN, the County of San Diego's involvement in its program administration, and its budget request process.

Lastly, the CAC received an update on the 2024 Power Content Label and Power Source Disclosure Update, where staff shared some key information on changes to the formatting by the California Public Utilities Commission. CAC members asked about general trends in types of renewable energy in California and the impacts to the Power Content Label that projects Community Power has approved will have moving forward as they come online in the coming years.

No items were recommended for the Board of Directors. Members shared an overview of the actions taken by the Board of Directors during its last meeting, announcements on community outreach and meetings, and recognized Community Power's sixth anniversary. Member Sumner volunteered to provide a report to the CAC on the next Board of Directors meeting.

As of October 9, 2025, the CAC has two vacancies representing the City of Encinitas and the City of Imperial Beach. 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:	October 23, 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

San Diego Wave Fútbol Club
San Diego Padres
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
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
Tree San Diego's Plant-A-Thon
RICCE Resource Fair
Chula Vista Community Collaborative
Spirit of the Barrio
Live Well Advance Conference and School Summit
Halloween Spooktacular
Jackie Robinson YMCA Resource Fair
San Diego Regional Chamber of Commerce Legislative Lounge

Marketing, Communications and Outreach

The Public Affairs team took the lead on managing, executing, and sharing the news about Community Power's relaunched Solar Batter Savings program. The press conference was attended by County Board of Supervisors and Community Power Chair Terra Lawson-Remer as well as representatives from the solar industry and labor. The announcement received significant media coverage from the San Diego Union-Tribune, KBPS, and multiple television news stations.

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. It is also promoting 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.

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:	October 23, 2025

Recommendation

Receive and file the update on regulatory and legislative affairs.

Background

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

Analysis and Discussion:

A) Regulatory Updates

Integrated Resource Planning

Ruling on Transmission Planning Process and Recommended Procurement

On September 30, 2025, the California Public Utilities Commission (CPUC) issued an Administrative Law Judge (ALJ) Ruling within the new Integrated Resource Planning (IRP) proceeding inviting comments on proposed electricity resource portfolios for use in the California Independent System Operator's (CAISO) 2026-2027 Transmission Planning Process (TPP) and on staff's analysis on the need for additional incremental reliability procurement.

The electricity resource portfolios transmitted by the CPUC to the CAISO for TPP analysis form the basis for the CAISO's consideration of transmission need in the ten-year and 15-year planning horizon. The Ruling outlines the modeling assumption updates and recommends a base case portfolio and sensitivity portfolio.

Table 3. Selected Resources in Recommended 2026-2027 TPP Base Case Portfolio (GW)

Resource Type	2026	2028	2031	2036	2041	2045
Natural Gas	-	-	-	-	-	-
Geothermal	0.1	0.3	1.2	3.4	3.4	3.4
Geothermal (enhanced)	-	-	-	1.7	1.7	1.7
Biomass	-	-	-	-	-	-
In-State Wind	0.3	0.8	2.0	2.6	4.8	7.7
Out-of-State Wind	1.4	2.9	5.5	7.0	17.0	19.0
Offshore Wind	-	-	-	2.9	4.5	4.5
Solar	4.0	15.0	35.9	47.5	53.7	68.5
Li-ion Battery (4 hr)	3.9	6.7	6.8	6.8	6.8	6.8
Li-ion Battery (8 hr)	0.2	1.0	10.0	13.2	13.2	18.6
Location-Constrained Storage (12 hr)	-	-	1.6	5.4	5.4	5.4
Generic LDES (12 hr)	-	-	-	-	-	-
Generic LDES (24 hr)	-	-	-	0.5	0.5	0.5
Generic LDES (100 hr)	-	-	-	-	-	-
Shed Demand Response	-	-	-	-	-	-
Gas Capacity Not Retained	(1.3)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)

Table 5. Selected Resources in Limited Wind Sensitivity (GW)

Resource Type	2026	2028	2031	2036	2041	2045
Natural Gas	-	-	-	-	-	-
Geothermal	0.1	0.6	1.2	3.4	4.7	5.6
Geothermal (enhanced)	-	-	-	3.6	3.6	3.6
Biomass	-	-	-	-	-	-
In-State Wind	0.3	0.8	0.9	0.9	2.5	2.5
Out-of-State Wind	1.4	2.5	4.0	4.0	5.1	5.1
Offshore Wind	-	-	-	-	-	-
Solar	4.0	15.0	37.5	48.6	67.6	83.2
Li-ion Battery (4 hr)	3.9	6.7	6.8	6.8	6.8	6.8
Li-ion Battery (8 hr)	0.2	1.0	12.1	17.7	17.7	26.9
Location-Constrained Storage (12 hr)	-	-	1.6	5.7	7.5	7.5
Generic LDES (12 hr)	-	-	-	-	-	-
Generic LDES (24 hr)	-	-	-	-	-	-
Generic LDES (100 hr)	-	-	-	-	-	-
Shed Demand Response	-	-	-	-	-	-
Gas Capacity Not Retained	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)

CPUC staff also did an analysis on reliability needs on the electric system between 2028 and 2032 in response to significant forecasted load growth, federal policies raising the costs of certain resources, and the fact that many more projects are available than are being procured by load serving entities (LSE). Based on staff's analysis, this Ruling proposes that the CPUC order an additional 1,500 MW of incremental procurement for each year in the 2029-2032 timeframe with a cumulative procurement of 6,000 MW. The Ruling proposes that the allocation of need to each LSE should be based on each LSE's share of the managed peak on the electric system as of the resource adequacy (RA) program year 2026, in the same basic manner as the procurement requirements were allocated under the mid-term reliability Decisions (21-06-035 and D.23-02-040). Similarly, the Ruling proposes that compliance and enforcement processes also mirror those under the mid-term reliability orders.

Opening comments in response to this Ruling and the specific questions posed are due October 22 and reply comments are due October 31, 2025. Community Power is working with its trade association, the California Community Choice Association (CalCCA), to draft comments.

Decision on Southern California Edison's Petition for Modification

On September 18, 2025, the CPUC issued a 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. This Decision impacts Community Power's compliance pathways for midterm reliability procurement obligations ordered by the previously noted Decisions.

The final Decision included several clarifications based on party comments on the Proposed Decision (for additional background on the Proposed Decision and Community Power's trade association's (CalCCA), comments please see the September 2025 regulatory update to the Board of Directors on page 58). These clarifications included:

- Specifying that the LSEs will be deemed compliant with their D.21-06-035 and D.23-02-040 (as modified by D.24-02-047) procurement obligations, including for long-lead time resources and Diablo Canyon replacement resources, if they can show that:
    - (1) they have sufficient executed long-term (ten years or more) contracts (for capacity and/or energy, as applicable) to meet the applicable procurement obligation; and
    - (2) they have met their month-ahead system RA obligations for all months in which their procurement is delayed, by the final deadline for curing any RA deficiency;
- Stating that this compliance pathway may be used for a period of not more than three years from the required online date of the applicable procurement requirement;
- Clarifying that bridge contracts will no longer be available as a compliance option, but bridge contracts that were used prior to the adoption of this decision are still valid as a means of showing alternative compliance for past procurement online date requirements.

The Decision also commits the CPUC Energy Division to bringing forward a proposal in R.25-06-019 to clarify the compliance and enforcement standards including, but not necessarily limited to, the "good faith efforts" showing requirements, as recommended by CalCCA.

SDG&E's Cost of Capital Application

Community Power filed a reply brief on October 3 arguing that SDG&E's proposal for an increase in its return on equity is unjustified and will result in increased cost burden for customers to the benefit of shareholders. SDG&E does not justify its increase in wildfire risk,

and its proposed capital structure is at odds with public interest. 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 were filed on September 19. Intervenors generally argued that SDG&E's requested return on equity and capital structure are excessive, unsupported by evidence, and inconsistent with the national averages. Parties emphasize that SDG&E does not face greater risk than other utilities, has already invested heavily in risk mitigation, and benefits from regulatory protections that reduce business risk.

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 greenhouse gas (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

On October 3, Community Power and Clean Energy Alliance (CEA) filed an opening brief requesting that the Commission should expeditiously grant CalCCA's Application for Rehearing of the Decision Adopting Changes to the Calculation of the Resource Adequacy Market Price Benchmark (RA MPB) and not require SDG&E to true-up its 2025 RA MPB. Community Power filed joint intervenor testimony with Clean Energy Alliance, 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 stating that it will have sufficient RECs to meet its 2026 Renewable Portfolio Standard obligation, agrees to correct various errors, and plans to comply with the new Market Price Benchmark methodology in its October update. Parties have agreed that hearings will not be necessary, and the next steps will be legal briefing.

Self-Generation Incentive Program (SGIP)

Community Power and a group of CCAs filed reply comments to the Proposed Decision on September 24 requesting that the CPUC expand the exemption for low-income customers across all programs, and that the exemption be expanded to all CCA customers that do not have access to Qualified Demand Response programs. The decision has been held by the Commission and may be voted on at the October 30 CPUC meeting. The Proposed Decision rules 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.

Rulemaking on Demand Response

On September 18, the CPUC opened an Order Instituting Rulemaking (OIR) to evaluate and enhance the consistency, predictability, reliability, and cost-effectiveness of demand response resources. The Commission will accomplish this enhancement by updating the demand response guiding principles, policies, and data system and process requirements. Concurrently, Energy Division staff also released a staff proposal on Guiding Principles for Demand Response in California. The staff proposal proposes updated guiding principles to make California demand response a dependable, standardized and affordable grid resource that aligns with state goals. The framework emphasizes predictability and reliability for planning and operations; common valuation, metrics and data/communications standards, and; demonstrable cost-effectiveness with measurable system and ratepayer benefits. Opening comments on the preliminary scoping memo and the proposed demand response Guiding Principles, appended to the OIR, are due on November 2 and reply comments are due November 17.

Rulemaking to Improve and Update Electric Rule 21

On August 20, the CPUC opened a Rulemaking to Update and Improve Electric Tariff Rule 21 for the IOUs and small/multi-jurisdictional electric utilities. Rule 21 governs distribution-level interconnection of distributed energy resources (DERs) such as solar, storage, EV charging, and DER management systems. The need for updating Rule 21 is driven by the adoption of new technology configurations, especially related to battery storage and electric vehicles. These developments call for additional updates and improvements to interconnection requirements to preserve the safety and reliability of the grid, promote greater transparency and certainty around interconnection processes for customers and developers, and to responsibly contain costs for all ratepayers that use the electric grid. Opening comments are due October 20, and reply comments are due November 10.

SDG&E General Rate Case Phase 2

On September 18, the CPUC approved a Final Decision on SDG&E's Phase 2 General Rate Case (GRC). In the final decision, 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 decision also adopts the City of San Diego's recommendation that SDG&E should combine its commodity and delivery tariffs for non-residential customers. The decision also approves the partial settlement, including the medial baseline settlement and

the Marginal Cost Settlement, that resolve issues concerning SDG&E's Marginal Distribution Customer Costs.

SDG&E Application to Withdraw from Regional Energy Efficiency Programs

On April 25, 2025, San Diego Gas & Electric Company (SDG&E) filed an application with the CPUC to revise its 2024–2031 Energy Efficiency Business Plan by discontinuing administration of all but one of its regional programs beginning in 2026, while retaining its fiscal agent role and continuing to contribute funding to statewide programs. Under its proposal, most SDG&E regional programs would expire with existing contracts, ultimately leaving only regional Codes & Standards efforts, while statewide programs have been or will be transitioned to other IOUs.

The proposal reduces SDG&E's Business Plan budget by about $300 million and lowers Total System Benefit targets for 2026 and 2027 by nearly half. Total System Benefit is a dollar amount the CPUC uses to reflect the benefit of energy efficiency programs to the overall grid. SDG&E's application cites affordability concerns, program overlap with the San Diego Regional Energy Network (SDREN), and non-cost-effective programs as its primary reasons for seeking approval to withdraw.

On September 5, 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, Tri-County Regional Energy Network, and Inland Regional Energy Network 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.).

On September 26, Community Power submitted its reply brief on the legal permissibility of SDG&E's withdrawal from regional energy efficiency. The same parties that joined Community Power's opening brief also joined the reply brief. The reply brief reiterates that it is not legally permissible for SDG&E to withdraw, detailing that SDG&E must be a portfolio administrator to comply with its statutory procurement obligations and that no party identified in opening briefs a legal basis upon which the Commission could assign SDG&E's goals and targets to SDREN. Additionally, Community Power's reply brief responds to mischaracterizations of Regional Energy Networks that Southern California Edison included in their opening brief.

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.

Long-Term Gas Planning Proceeding

Per Senate Bill 1221, by July 1, 2026, the CPUC is required to designate priority neighborhood decarbonization zones. The CPUC is currently determining implementation details in the long-term gas planning proceeding. Community Power is jointly participating in the long-term gas planning proceeding with several other Community Choice Aggregators (CCAs).

On September 26th, the Joint CCAs submitted comments on a non-disclosure agreement (NDA) template originally filed by the IOUs (link here, see Attachment C) and subsequently revised by the CPUC (link here). The data covered planned gas pipeline retirements, which will help identify potential decarbonization zones and allow CCAs to better forecast increases in electrical load. In comments, the Joint CCAs expressed support for the CPUC's revised NDA, stating it offers a secure data-sharing option while the CPUC continues reviewing information the gas utilities initially sought to file confidentially. The Joint CCAs also argued that limited early participation in the NDA process should not restrict future access, as there hasn't been enough time for stakeholders to fully review the agreement. Many entities, they assert, should still have access to the data, even if they were unaware of the Senate Bill 1221 process.

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

On August 18, 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 of 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. The decision is on the agenda to be voted on at the October 9 CPUC meeting.

Rulemaking to Consider Improvements to the California Climate Credit

The CPUC issued a rulemaking to consider ways to improve the effectiveness of the California Climate Credit for supporting customer affordability on July 24 CPUC Business Meeting. The California Climate Credit is delivered as a twice-per-year lump-sum bill credit automatically provided to all bundled and unbundled residential electric customers and certain qualifying small business electric customers. Qualifying industrial customers receive California Industry Assistance annually from the same Cap-and-Trade Program funds. The CPUC will explore whether they should modify the Climate Credit eligibility, allocation, implementation, and distribution for these funds. CalCCA filed comments on September 16. The comments support the proposed scope and recommend incorporating AB 1207 requirements, formally setting

policy objectives and priorities, and developing a tool or rubric to evaluate bill impacts from party proposals. Reply comments were filed on October 7.

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. The Governor had until October 13 to sign or veto bills. Community Power supported 11 bills this year, six of which were signed into law (two of them were incorporated as provisions into separate legislation that was signed into law). Three supported bills stalled in the legislative process and two were vetoed. Community Power took an oppose unless amended position on two bills, both of which were stalled in the legislative process and did not pass.

Regional Electric Markets Legislation Supported by Community Power Signed into Law as Part of a Climate and Energy Legislative Package

AB 825 (Petrie-Norris), supported by Community Power and a large coalition, was part of a package of energy and climate legislation signed into law by the Governor on September 19. The legislation creates a pathway to form an independently governed regional electric market, offering potential benefits of nearly $1 billion in savings for California ratepayers, improved grid reliability, and reduced greenhouse gas emissions. The bill largely takes effect in 2028.

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 signed into law excludes the problematic task force language. The coalition support letter is included as an attachment to this staff report. It aligns closely with SB 540 (Becker), a bill Community Power endorsed earlier this year, but which needed amendments to be workable for market participants outside of California. A coalition letter urging for a workable version of SB 540 (Becker) is also included as an attachment. It was not advanced this year in deference to AB 825 (Petrie-Norris).

Also signed into law as part of the energy and climate legislative package were:

- AB 1207 (Irwin): Extends the state's Cap-and-Trade program past 2030 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 237 (Grayson): Makes various changes to increase the production of in-state oil, in particular in Kern County.

- SB 254 (Becker): This bill is considered the Legislature and Governor's attempt to tackle short and long-term electric rate stability and contains seven different elements:

    1. **Wildfire continuation account.** Creates a new wildfire continuation account that will continue the existing Wildfire Fund charge on customer bills for another 10 years, from January 1, 2036, to January 1, 2046 to help cover claims against IOUs for wildfires ignited after January 1, 2026.
    2. **Public financing of transmission.** Establishes the Transmission Infrastructure Accelerator in the Governor's Office of Business and Economic Development (GO-Biz) to coordinate the state's ongoing activities related to transmission planning and development to minimize duplicative efforts and efficiently achieve the state's transmission development efforts and to coordinate existing workstreams.
    3. **IOU financing.** IOUs must exclude $6 billion in wildfire capital expenditures from their rate base; SDG&E's share is 4.3% of this amount. A legislative analysis suggests this will save SDG&E customers $.30 on a monthly bill.
    4. **Dealing with claims against IOUs for fires sparked in 2025.** If the existing wildfire fund is exhausted by claims related to the Eaton and other fires, the bill allows IOUs to securitize the costs and provides direction to the CPUC on which costs to disallow during a just and reasonableness review.
    5. **Permitting for clean energy projects.** Streamlines the environmental review for clean energy projects that go through the state's opt-in permitting process (generally, solar, wind, geothermal, and storage projects of 50MW or more).
    6. **Improvements to oversight of the IOU wildfire mitigation planning process.** Generally, ensures that the IOU's wildfire mitigation plans consider cost-efficacy, which is to be considered in the IOU's general rate case.
    7. **Oversight of IOU profit and energization projects.** Requires the IOUs to annually report the portion of their annual revenue requirement associated with return on equity, total rate base, and taxes associated with their return on equity, among other provisions.

- SB 352 (Reyes): Updates and enhances community air pollution monitoring requirements and reporting to the Legislature.

- SB 840 (Limon): Redefines statutory guidelines on how to spend proceeds from quarterly auctions of Cap-and-Invest carbon allowances. The bill prioritizes spending revenues on high-speed rail, wildfire prevention, the Affordable Housing and Sustainable Community program, the Transit and Intercity Rail Capital Program, mobile and stationary sources of criteria air pollutants, and the Low Carbon Transit Operations Program. Roughly $1 billion a year may be available to the Legislature for discretionary spending.

Brown Act Reforms Signed into Law

The Governor signed SB 707 (Durazo) into law on October 3. The bill overhauls the Brown Act, which governs public meetings. The law incorporates provisions from two other bills supported by Community Power:

- Subsidiary bodies like the Community Advisory Committee can use streamlined teleconference procedures until January 1, 2030, if certain conditions are met (this was previously in SB 239 (Arreguin), which SDCP supported)
- Legislative bodies can continue to use the just cause and emergency circumstances teleconferencing procedures through January 1, 2030 (this was previously in AB 259 (Rubio), which SDCP supported)

SB 707 (Durazo) also makes numerous other changes to the Brown Act, including provisions that apply only to "eligible legislative bodies," which are defined to include a the Board of Directors of a special district with an internet website and which serves a county with a population of 600,000 or more and has over 200 employees, or has over 1,000 employees, or has annual revenues that exceed $400 million annually and the district has over 200 full time employees.

Other Legislative Outcomes

The Governor vetoed the following bills supported by Community Power:

- 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.

The Governor also signed the following bills supported by Community Power into law:

- SB 283 (Laird): Mandates fire department consultation and inspection of energy storage systems to ensure safety while supporting clean energy infrastructure.
- SB 302 (Padilla): Aligns state tax law with federal clean energy tax provisions related to the transfer of tax credits, enabling non-taxable transferable tax credits, which could reduce project costs by 1–6%, supporting cost-effective decarbonization.

Governor and Legislature Appropriate Funds for Distributed Electricity Resources

SB 105 (Committee on Budget), signed into law on September 17 by the Governor, appropriates $46.1 million in Proposition 4 funds (a voter approved initiative known as the Climate Bond) for the Distributed Electricity Backup Assets (DEBA) program at the California Energy Commission. The funding prioritizes new clean microgrids and distributed energy

storage projects, with $12.5 million reserved for water utilities participating in federally funded grid resilience programs. The funding will be available through the CEC. The appropriation was supported by Community Power. A coalition support letter is included as an attachment.

C) Federal Activities Update

Bipartisan Caucus Releases Energy Permitting Reform Proposal

Prior to the shutdown, on September 17 the Congressional Problem Solvers Caucus, co-led by Rep. Scott Peters, released an energy permitting reform framework they hope to advance through legislation this Congress. The framework contains elements related to fossil energy sources and clean energy. Specifically, the framework would, among other things:

- Consolidate U.S. Department of Energy (DOE) and Federal Energy Regulatory Commission (FERC) transmission project reviews.
- Eliminate duplicative National Environmental Policy Act (NEPA) reviews for designated energy corridors and would make other NEPA reforms.
- Direct FERC to initiate interregional transmission planning and cost allocation and should promote grid enhancing technologies.
- Expedite geothermal project permitting by allowing simultaneous review of multiple project phases.
- Require DOE to assess electric generation and transmission supply chains.
- Streamline the permitting process for cross international border pipelines and transmission lines.
- Make it more feasible to construct carbon pipelines on federal lands.

Fiscal Impact

N/A

Attachments

A: Legislative Budget Letter on DSGS and DEBA
B: SB 540 (Becker) coalition alert
C. AB 825 (Petrie-Norris) coalition support letter

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
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Renew Home

Patrick Welch
Associate Director of Legislative Affairs
San Diego Community Power

Scott Green
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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


NRDC
Environmental Defense Fund
CalChamber
ccue
Coalition of California Utility Employees
CALIFORNIA ENVIRONMENTAL VOTERS
SIERRA CLUB CALIFORNIA
CSAEW
California & Nevada State Association of Electrical Workers
CMTA
CALIFORNIA MANUFACTURERS & TECHNOLOGY ASSOCIATION
CMUA
CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION
SMUD
SILICON VALLEY CLEAN ENERGY
CLIMATE ACTION CALIFORNIA
PENINSULA CLEAN ENERGY
CLECA
CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION
PIONEER COMMUNITY ENERGY
CALCCA
ADVANCING LOCAL ENERGY CHOICE
SAN DIEGO COMMUNITY POWER
BANC
DATA CENTER COALITION
Union of Concerned Scientists
ORANGE COUNTY POWER AUTHORITY
THE POWER OF COMMUNITY
PGE
amazon
CLEAN ENERGY ALLIANCE
CPA CLEAN POWER ALLIANCE
Google
edp Renewables
Western Resource Advocates
wra
Microsoft
SAN JOSE CLEAN ENERGY
IEPA
leap
Central Coast Community Energy
PACIFIC POWER
LA DWP Los Angeles Department of Water & Power
SOUTHERN CALIFORNIA EDISON
Energy for What's Ahead
CEBA
Clean Energy Buyers Association
MCE
AMERICAN CLEAN POWER CALIFORNIA
The Nature Conservancy
TECHNET
THE VOICE OF THE INNOVATION ECONOMY
WPTF
WESTERN POWER TRADING FORUM
PG&E
Pacific Gas and Electric Company
EDF
power solutions
Switchboard
SDGE
SEIA
Solar Energy Industries Association
350 HUMBOLDT
Grassroots Climate Action
CLEU
CALIFORNIA COALITION OF LARGE ENERGY USERS
RIVIAN
Ceres
SIERRA NEVADA
CALIFORNIA OUTDOOR RECREATION PARTNERSHIP
BLUEGREEN ALLIANCE
ELEVATE CALIFORNIA
21ST CENTURY ALLIANCE
E2
A PUBLIC AGENCY
NCPA
NORTHERN CALIFORNIA POWER AGENCY
WESTERN FREEDOM
The Climate Reality Project
SILICON VALLEY CHAPTER
ADVANCED ENERGY UNITED
SVLG
SILICON VALLEY LEADERSHIP GROUP

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.

ITEM 10
ATTACHMENT C

SUPPORT: AB 825 - (Petrie-Norris; Rivas; Becker) as amended, September 12, 2025



DATE: September 12, 2025

TO: The Honorable Assemblymember Cottie Petrie-Norris;
The Honorable Assembly Speaker Robert Rivas;
The Honorable Senator Josh Becker

RE: **SUPPORT: AB 825 (Petrie-Norris; Rivas; Becker) as amended, September 10, 2025**

On behalf of a broad coalition of labor, business, climate advocates, clean energy advocates, public and private utilities, community choice aggregators (CCAs) and consumer advocates from across the state, **we offer our strong support of AB 825 (as amended, September 10, 2025). Your leadership resulted in a bill that lowers electric bills, strengthens grid reliability, and expands access to affordable clean power.**

As amended, AB 825 builds on the recommendations of the West-Wide Governance Pathways Initiative ("Pathways Proposal") by authorizing participation in a new independent Regional Organization. This voluntary Regional Organization would be responsible for establishing energy market rules that benefit the customers of all participating entities. California's participation would be voluntary, and California would keep full control over its energy policies, including climate laws, procurement, transmission, planning, and resource adequacy.

AB 825, as amended, will provide:

- **Lower Electricity Costs for Californians:** AB 825 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**: AB 825 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. A Stanford Woods Institute study found

that participating in a regional energy market could reduce grid stress by 40% during California's highest-risk periods.

- **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.

On behalf of Californians, we appreciate your commitment to the state's energy goals and dedication to making energy more affordable. AB 825 will advance western energy market cooperation and create a structure that engenders confidence and trust - providing the maximum climate, reliability and affordability benefits to customers.

For these reasons, the coalition supports AB 825 and urges an "AYE" vote.

Sincerely,

Daniel Chandler
350 Humboldt

Will Brieger
350 Sacramento

Edson Perez
Advanced Energy United (AEU)

Shannon Kellogg
Amazon

Alexander L. Jackson
American Clean Power – California (ACP)

Jim Shetler
Balancing Authority of Northern California (BANC)

Jon Kendrick
California Chamber of Commerce (CalChamber)

Cathy DeFalco
California Choice Energy Authority (CalChoice)

Meredith Alexander
California Coalition of Large Energy Users (CLEU)

Beth Vaughn
California Community Choice Association (CalCCA)

Melissa Romero
California Environmental Voters

Sam Harper
California Large Energy Consumers Association (CLECA)

Sarah Bridges
California Manufacturers & Technology Association (CMTA)

Derek Dolfie
California Municipal Utilities Association (CMUA)

Lexie Gritlefeld
California Outdoor Recreation Partnership

Neal Lauzon
California & Nevada State Association of Electrical Workers (IBEW)

Das Williams
Central Coast Community Energy

Kelly Trombley
Ceres

Greg Wade
Clean Energy Alliance

Nidhi Thakar
Clean Energy Buyers Association (CEBA)

Gina Goodhill
Clean Power Alliance

Adam Sweeney
Climate Action California

RL Miller
Climate Hawks Vote

Glen Garfunkel
Climate Reality - Silicon Valley Chapter

Hunter Stern
Coalition of California Utility Employees (CCUE)

Khara Boender
Data Center Coalition

Susan Nedell
E2

Rachel McMahon
EDF Power Solutions

Scott Farris
EDP Renewables

Cathy Cockrum Dean
Elevate California

Mona Tierney-Lloyd
Enel North America, Inc

Katelyn Roedner-Sutter
Environmental Defense Fund (EDF)

Dylan Sullivan
Google

Jan Smutny-Jones
Independent Energy Producers Association (IEPA)

Collin Smith
Leap

Paul Habib
Los Angeles Department of Water and Power (LADWP)

Stephanie Chen
MCE

Jonathan Noble
Microsoft

Victoria Rome
Natural Resources Defense Council (NRDC)
Jasson Crockett
Netflix

Jane Cirrincione
Northern California Power Agency (NCPA)

Steven Halligan
Orange County Power Authority

Melissa Cosio
Pacific Gas and Electric (PG&E)

Michael Wilding
Pacific Power

Varner Seaman
Pattern Energy

Mike Mielke
Peninsula Clean Energy

Sam Kang
Pioneer Community Energy

Pam Sporborg
Portland General Electric (PGE)

Kelsey Johnson
Rivian

Paul Lau
Sacramento Municipal Utility District (SMUD)

Patrick Welch
San Diego Community Power

Joseph Zanze
San Diego Gas and Electric (SDG&E)

Jakob Evans
Sierra Club California

Mandi McKay
Sierra Nevada Brewing

Monica V. Padilla
Silicon Valley Clean Energy (SVCE)

SUPPORT: AB 825 - (Petrie-Norris; Rivas; Becker) as amended, September 12, 2025

Ahmad Thomas
Silicon Valley Leadership Group (SVLG)

Stephanie Doyle
Solar Energy Industries Association (SEIA)

Patrick Flynn
Switchboard

Liz Forsburg Pardi
The Nature Conservancy

Daniel Barad
Union of Concerned Scientists (UCS)

Kathleen Staks
Western Freedom

Scott Miller
Western Power Trading Forum (WPTF)

Vijay Satyal
Western Resource Advocates (WRA)

Brady J. Van Engelen
Southern California Edison (SCE)

Jose Torres
TechNet

cc: The Honorable Members of the State Senate
The Honorable Members of the State Assembly
Grant Mack, Deputy Legislative Secretary, Office of Governor Gavin Newsom

SAN DIEGO COMMUNITY POWER
Staff Report - Item 11

To:	Board of Directors
From:	Karin Burns, Chief Executive Officer
Subject:	Annual Energy Usage and Voting Shares Update
Date:	October 23, 2025

Recommendation

Approve Annual Updates to Exhibit C (Annual Energy Use by Jurisdiction) and Exhibit D (Voting Shares of SDCP Members) of the SDCP Joint Powers Agreement.

Background

Under SDCP's Joint Powers Agreement ("JPA Agreement"), certain actions taken by a regular majority vote of the Board of Directors may be nullified by a "Voting Shares Vote." Section 4.11.3(b) of the JPA Agreement describes (1) how Voting Shares are determined based on Total Annual Energy Use, (2) how such figures are memorialized in Exhibits C and D of the JPA Agreement, and (3) how Exhibits C and D are updated annually:

> "Total Annual Energy" means the sum of all Parties' Annual Energy Use. The initial values for Annual Energy Use will be designated in **Exhibit C** and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year. These adjustments shall be approved by the Board. The combined voting share of all Directors representing a Party shall be based upon the annual electricity usage within the Party's jurisdiction. If a Party has two Directors, then the voting shares allocated to that Party shall be equally divided between its two Directors.
>
> The initial voting shares will be set forth in **Exhibit D**. Exhibit D shall be revised no less than annually by March 1 as necessary to account for changes in the Parties' Annual Energy Use and at such other times as necessary to account for changes in the number of Parties. Exhibit D and adjustments shall be approved by the Board.

> Notwithstanding the formula for Voting Shares set forth above, for the purposes of the Voting Shares Vote, no one Party to this Agreement shall have a Director (or Directors, as the case may be) with a Voting Share that exceeds 49%, regardless of the Party's actual annual electricity usage. If a Party would have a voting share that exceeds 49%, the excess above 49% shall be distributed among the other Parties in accordance with their relative annual electricity usage, as shown in Exhibit D.

Analysis and Discussion

Attachment A provides updates to both Exhibit C and D, per requirements described in the JPA Agreement shown above. This dataset is being updated and presented to the Board now instead of by March 1st as articulated in the JPA due to delays in receiving it from SDG&E. If Exhibit C and D are approved by the Board, these will replace the exhibits currently in the JPA Agreement. The annual energy use is based on currently available data and will be updated annually to include updated data available. A simple majority vote of the Board of Directors is required to update Exhibits C and D.

Fiscal Impact

N/A

Attachments

A: Update to Exhibit C (Annual Energy Use by Jurisdiction) and Exhibit D (Voting Shares of SDCP Members) of the SDCP Joint Powers Agreement.

ITEM 11
ATTACHMENT A

Exhibit C: Annual Energy Use by Jurisdiction

Approved October 23, 2025

Jurisdiction	Annual Energy Use (MWh)
San Diego (City)	5,493,585
San Diego County	1,532,286
Chula Vista	617,824
Encinitas	188,915
La Mesa	192,377
National City	184,235
Imperial Beach	69,472
Total	**8,278,694**

Data sources: Updated data for all Members is from 2024 historical interval data obtained from SDG&E.

Exhibit D: Voting Shares

Approved October 23, 2025

Party	Share (MWh)	Share Weight	Allocation of City of San Diego Share above 49%	Calculated Voting Share (City of SD capped at 49%)
San Diego (City)	5,493,585	66.36%		49.00%
San Diego County	1,532,286	18.51%	9.55%	28.06%
Chula Vista	617,824	7.46%	3.85%	11.31%
Encinitas	188,915	2.28%	1.18%	3.46%
La Mesa	192,377	2.32%	1.20%	3.52%
National City	184,235	2.23%	1.15%	3.37%
Imperial Beach	69,472	0.84%	0.43%	1.27%
Total	**8,278,694**	**100.0%**	**17.36%**	**100.00%**

Data sources: Updated data for all Members is from 2024 historical interval data obtained from SDG&E.

SAN DIEGO COMMUNITY POWER
Staff Report - Item 12

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:	Approve Amendment No. 5 to Agreement with Neyenesch Printers for Printing, Mailing and Postage Services to Extend the Term to December 31, 2026 and Increase the Contract Not-to-Exceed amount by $900,000 for a total Contract Not-To-Exceed amount of $2,128,218
Date:	October 23, 2025

Recommendation

Approve Amendment No. 5 to professional services agreement with Neyenesch Printers for an extended term through December 31, 2026, and increase the not-to-exceed amount by $900,000 for a revised total contract not-to-exceed amount of $2,128,218 and authorize the Chief Executive Officer to execute the contract. This amendment allows Community Power to continue meeting all of its statutory customer notification printing, postage and mailing requirements including Power Content Label and Joint Rate Mailer requirements.

Background

In November 2020, Community Power conducted an informal bidding request as outlined in our Purchasing Policy to seek a printing and mailing vendor for statutory required customer mailers. After reviewing several proposals, staff recommended moving forward with Neyenesch Printers due to their long tenure as a local family-owned business in the community and demonstrated history of delivering quality printing and mailing services.

As a result of the bidding request, Community Power contracted with Neyenesch Printers in December 2020 to conduct printing, postage and mailing services for the Phase 1 and 2 mass enrollment efforts through June 30, 2021. Since then, Neyenesch has continued to provide high-quality work and has been retained by Clean Energy Alliance (the other CCA in our region) for their own printing and mailing needs as well.

In May 2021, the Board of Directors approved Amendment No. 1, updating the not to exceed amount from $100,000 to $277,000. However, this amount inadvertently did not factor in postage costs needed to be paid to the United States Postal Service (USPS) in addition to the printing and mailing costs quoted by the vendor and these costs are substantial.

In March 2022, the Board of Directors approved Amendment No. 2, updating the not to exceed amount from $277,000 to $1,200,000 through March FY 2023 to include the postage costs needed to be paid to the United States Postal Service (USPS). With the FY 2023 budget approved by the Board in June 2022, the overall printing, mailing and postage expenditure was approved for $2,174,000 to also include all the statutory mailing requirements associated with our largest Phase 3 mass enrollment along with the Power Content Label and Joint Rate Mailer in 2022.

In August 2022, the Board of Directors approved Amendment No. 3, updating the not-to-exceed amount from $1,200,000 to $2,174,000 to match the FY 2022-23 Board approved budget for this expenditure and extended the term through June 30, 2023, to align with our fiscal year budget timeline.

In October 2022, San Diego Community Power issued a Request for Proposals (RFP) for printing, postage and mailing services in adherence with good business practice principles and in alignment with our Procurement Policy, however, only received one response from a single vendor, which was Neyenesch.

As a result of only receiving a single response to the RFP, staff requested Amendment No. 4 to be approved by the Board in May 2023 to ensure continued compliance with statutory and non-statutory printing, postage and mailing requirements. Amendment No. 4 extended the Agreement through June 2025 and decreased the not-to-exceed amount to $1.2 Million to account for the fact that Community Power had completed the bulk of mass enrollment for Phase 3 and 4 in 2022 through 2024 that required a substantial amount of statutorily required notifications to be printed and mailed to customers.

Analysis and Discussion

Neyenesch is familiar with our standard mailing and printing processes, has vast experience with the robust systems integration established through working with Community Power and Calpine (Community Power's Contact Center and Data Manager provider), and has provided our organization with high-quality work over the past several years including:

- Statutory mailing requirements associated with the Power Content Label and Joint Rate Mailer in 2021 through 2024 thus far.
- Mass enrollment phase for City of San Diego and Chula Vista in calendar year 2022, which required over 1 million cumulative pre- and post-enrollment notices to be sent out to customers.

Community Power continues to have immediate and on-going printing and postage needs, including the Power Content Label mailers that must be sent to customers no later than December 31, 2025.

Staff recommend approving Amendment No. 5 to extend the Agreement with Neyenesch for eighteen (18) months through December 2026, and to increase the amount by $900,000 for a revised not-to-exceed amount of $2,128,218 to continue the critical services this vendor provides to the organization.

Fiscal Impact

Amount of $900,000 through December 31, 2026.

Attachments

A: Amendment No. 5 to Professional Services Agreement No. 2021-02

ITEM 12
ATTACHMENT A

AMENDMENT 5
TO PROFESSIONAL SERVICES AGREEMENT NO. 2021-02
BETWEEN
SAN DIEGO COMMUNITY POWER AND NEYENESCH PRINTERS, INC.

THIS AMENDMENT NO. 5 (this "**Amendment 5**") is entered into as of this _____ by and between SAN DIEGO COMMUNITY POWER, a California joint powers agency ("SDCP") and NEYENESCH PRINTERS, INC., a California Corporation ("Consultant"). SDCP and Consultant are sometimes individually referred to herein as the "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Parties entered into that certain Professional Services Agreement between San Diego Community Power and Neyenesch Printers, Inc., dated December 3, 2020 (the "Agreement"); and

WHEREAS, the Parties amended the Agreement on July 1, 2021 (the "**Amendment 1**") to extend the term of the Agreement from June 31, 2021 to June 30, 2022 (a 1-year term extension) and increase the not-to-exceed amount to $200,000; and

WHEREAS, the Parties amended the Agreement on March 24, 2022 (the "**Amendment 2**") to extend the term of the Agreement from June 30, 2022 to June 30, 2023 (a 1-year term extension) and increase the not-to-exceed amount to $1,200,000; and

WHEREAS, the Parties amended the Agreement on August 25, 2022 (the "**Amendment 3**") to increase the not-to-exceed amount to $2,174,000; and

WHEREAS, the Parties amended the Agreement on May 25, 2023 (the "**Amendment 4**") to extend the term from June 30, 2023 to June 30, 2025 and decrease the not-to-exceed amount of the Agreement to $1,228,218; and

WHEREAS, pursuant to the Agreement, Consultant provides printing, mailing and postage services to SDCP; and

WHEREAS, the parties desire to amend the Agreement to extend term of the Agreement by one year and increase not-to-exceed amount by $900,000; and

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. Recitals. The Recitals set forth above are true and correct and arAme incorporated into the body of this Amendment as though expressly set forth herein.

2. Amendment of Section 1.2 (Term). Section 1.2 of the Agreement is amended to extend the term of the Agreement from June 30, 2025, to **December 31, 2026**.

3. Amendment of Section 3.1 (Compensation). Section 3.1 of the Agreement is amended to increase the not-to-exceed amount by $900,000 from $1,228,218 to **TWO MILLION ONE HUNDRED TWENTY-EIGHT TWO HUNDRED EIGHTEEN DOLLARS ($2,128,218)**.

4. Effect of Amendment. Except as expressly set forth in this Amendment 5, all other sections, provisions, exhibits and commitments of the Agreement remain unchanged and in full force and effect.

5. Counterparts. This Amendment may be executed in one or more counterparts, including facsimile counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts, taken together, shall constitute one and the same instrument.

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

IN WITNESS WHEREOF, the Parties have executed this Amendment 5 to the Professional Services Agreement between San Diego Community Power and Consultant, through their authorized representatives, as of the date first set forth above.

SAN DIEGO COMMUNITY POWER	**NEYENESCH PRINTERS, INC.**
_____	_____
Name: Karin Burns	Name: _____
Title: Chief Executive Officer	Title: _____
Date: _____	Date: _____

APPROVED AS TO FORM:

_____
SDCP General Counsel

SAN DIEGO COMMUNITY POWER
Staff Report – Item 13

To:	Board of Directors
From:	Dr. Eric Washington, Chief Financial Officer/Treasurer
Via:	Karin Burns, Chief Executive Officer
Subject:	Approve Non-Material Revisions to FY 2025-2026 Operating Budget, the FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan
Date:	October 23, 2025

Recommendation

Approve Non-Material Revisions to FY 2025-2026 Operating Budget, the FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan.

Background

On June 26, 2025, the Board approved Resolution No. 2025-06, adopting the FY 2025-2026 Operating Budget, the FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan, collectively the "Budget Books". The item was also presented to the Finance and Risk Management Committee on June 12, 2025.

San Diego Community Power's annual Budget Books provide the Community Power budget and also provide technical information and context on the structure, policies and processes surrounding Community Power's budget development and implementation process.

During the normal course of preparing the final document for publication, Community Power staff identified certain non-substantive errors relating to the information provided about prior year budgets. These edits do not alter the FY 2025-2026 budget approved by the Board.

Community Power staff would like to update the Budget Books to ensure consistency and clarity with prior year budgets. Board approval to make these edits will allow staff to finalize the publication to be posted to Community Power's website, ensuring public transparency.

Analysis and Discussion

During the final review of the Fiscal Year 2025–2026 Budget Books, staff identified non-material errors to the previous fiscal year figures and seek approval to revise to ensure accuracy. The updates will be made to prepare the final version for publication and fulfill Community Power's commitment to transparency.

The revisions include:

- Data Corrections: In several tables, figures from the previous fiscal year require updating as indicated below in red font. This change is necessary to replace prior period "Adopted" budget figures with the "Amended" figures to match column labeling, ensuring all historical data is accurately reflected.

    - Table 1. Operating Budget Overview (page 27)
    - Table 3. Operating Expenses by Budget Level 2 (page 30)
    - Table 19. Professional Services and Consultants by Budget Level 2 and 3 (page 53)
    - Table 21. Marketing and Outreach By Budget Level 2 and 3 (page 54)
    - Table 22. General and Administration By Budget Level 2 and 3 (page 55)
    - Table 23, Programs by Budget Level 2 and 3 (page 55)

Budget	FY24 Amended		FY25 Amended	
Line Items	**Draft**	**Final**	**Draft**	**Final**
Gross revenue	1,365.7	1,365.7	1,233.4	1,243.0
Less Uncollectible accounts	-61.4	-61.4	-54.5	-21.8
Net Operating revenue	1,304.3	1,304.3	1,177.9	1,221.2
Cost of energy	1,020.8	1,020.8	1,073.7	1,116.8
Non-Energy Cost	43.8	43.8	53.8	50.8
Subtotal Operating Expenses	1,064.6	1,064.7	1,127.5	1,167.6
Debt service	2.4	2.4	1.3	1.3
Capital Investment Program	4.7	4.6	15.2	18.2
Total Expenses	1,071.0	1,071.7	1,143.9	1,187.1
Net Position	233.3	232.6	34.0	34.1

- Organizational Update: References to the former Chief Commercial Officer, Byron Vosburg, have been updated to include “until June 1, 2025”. This ensures the document accurately reflects the agency's leadership structure during that period.

Fiscal Impact

N/A

Committee Review

At their meeting of October 16, 2025, the Finance and Risk Management Committee recommended Board approval of Non-Material Revisions to FY 2025-2026 Operating Budget, the FY 2025-2026 Capital Budget, and the FY 2026-2030 Capital Investment Plan.

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report - Item 14

To:	Board of Directors
From:	Maricela Hernandez, Clerk of the Board
Via:	Karin Burns, Chief Executive Officer
Subject:	Adoption of Resolution No. 2025-19, Approving Updated 2026 Board Meeting Schedule for Community Power
Date:	October 23, 2025

Recommendation

Adopt Resolution No. 2025-19, approving updated Community Power Board meeting schedule for 2026 and rescind Resolution No. 2025-14.

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.

At the September 25 meeting, the Board of Directors adopted Resolution No. 2025-14, approving the 2026 meeting schedule. However, the May 2026 meeting date was transposed. It should have read May 28 and not May 25. In addition, as part of the rate setting process, staff recommend that the January 2026 meeting be held on January 15 instead of the 22nd.

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 an adjustment was required. 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.

Staff are seeking approval for the meeting schedule below. Staff are also seeking to rescind Resolution No. 2025-14:

- January 15, 2026 (Third Thursday)
- February 26, 2026
- March 26, 2026
- April 23, 2026
- May 28, 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. 2025-19, establishing 2026 Board meeting schedule.

ITEM 14
ATTACHMENT A

RESOLUTION NO. 2025-19

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 15, 2026
- February 26, 2026
- March 26, 2026
- April 23, 2026
- May 28, 2026
- June 25, 2026
- August 27, 2026
- September 24, 2026
- October 22, 2026
- December 10, 2026 (Second Thursday)

Section 2. The Board rescinds Resolution No. 2025-14, in its entirety.

Section 3. 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 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 October 23, 2025.

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Terra Lawson-Remer, Chair
San Diego Community Power

ATTEST:

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

APPROVED AS TO FORM

_____
Veera Tyagi, General Counsel
San Diego Community Power

SAN DIEGO COMMUNITY POWER
Staff Report – Item 15

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 Pilot Projects
Date:	October 23, 2025

Recommendation

Receive and file an update on the Disadvantaged Communities–Single-Family Affordable Solar Homes ("DAC-SASH") Readiness Pilot Project, Commercial Application Assistance Pilot Project, and Efficient Refrigeration Pilot Project.

Background

Pilot programs were identified as one of the recommended short-term program types in the Community Power Plan ("CPP"), Community Power's five-year strategic plan for customer energy programs. Pilot programs are defined as small-scale, short-duration projects (6-18 months) that can provide Community Power and stakeholders data on program design, technology acceptance, and other helpful information for broader program delivery.

At the May 11, 2023, Community Advisory Committee meeting, staff identified initial concepts of pilot projects with the most promise for implementation and alignment with the CPP. Among these were the DAC-SASH Roof Repair Incentive and Energy Star Refrigerator/Freezer Upgrade concepts. The Board-adopted Fiscal Year ("FY") 2023-24 budget included $2 million for pilot programs in the Capital Investment Plan.

Analysis and Discussion

Over the past two years, staff have been working on the development and implementation of several pilot projects. These pilot projects include, but are not limited to:

- DAC-SASH Readiness Pilot Project,
- Commercial Application Assistance Pilot Project, and
- Efficient Refrigeration Pilot Project.

DAC-SASH Readiness Pilot Project

Background: At its February 22, 2024 meeting, the Board approved a Pilot Project Agreement with GRID Alternatives ("GRID") for roof replacements and/or repairs in connection with the Disadvantaged Communities–Single-family Solar Homes Program ("DAC-SASH"). DAC-SASH is a statewide program funded by the California Public Utilities Commission ("CPUC") and implemented by GRID beginning in September 2019. The program provides no-cost solar system installations to single-family low-income homeowners located in disadvantaged communities ("DACs") as identified by CalEnviroScreen 4.0.

A common barrier to participation in the DAC-SASH program has been the poor condition of roofs. Under existing DAC-SASH program rules, repair or replacement work is not an allowable expense, leaving otherwise eligible households unable to access the benefits of the program. To address this barrier, Community Power partnered with GRID to implement a pilot project providing no-cost roof repairs or replacements for DAC-SASH-eligible homes. Participating households would then enroll in DAC-SASH, resulting in statewide funding flowing into Community Power's Communities of Concern and enabling low-income homeowners to benefit from reduced energy bills and access to clean energy. Staff estimated that with a budget of $550,000, the pilot would reach approximately 25 homes.

Update: The DAC-SASH Readiness Pilot launched in April 2024 and operated for 15 months. During this period, Community Power and GRID collaborated with the Environmental Health Coalition ("EHC") to align with the Holistic Healthy Homes Program ("HHH") under the California Strategic Growth Council's Round 5 Transformative Climate Communities ("TCC") initiative, also known as Rooted in Comunidad, Cultivating Equity ("RICCE").

GRID, in close collaboration with EHC, conducted a multi-channel outreach campaign, including hosting four information sessions and 12 community presentations. Outreach efforts identified more than 300 eligible households. Of these, 55 submitted DAC-SASH applications; however, due to barriers such as unpermitted work, income or ownership verification gaps, and documentation challenges, only 29 applications were approved.

GRID completed 27 roof replacements or repairs at a total cost of $490,431, under budget and exceeding the target of 25 homes. The average cost per roof was $18,164. Many homes required extensive structural repairs, including replacement of rotted or termite-damaged fascia, rafter tails, and rakeboards, as well as code compliance upgrades. GRID contracted with nine local roofing firms through a competitive bid process to complete the work.

In addition, GRID conducted calculations for all participating households, resulting in an average price per watt of $10 and an average system size of 4.24 kilowatts. Although only a small number of solar systems were installed during the pilot due to external delays, GRID expects to complete solar installations for all participating households.

Based on projections, the 27 households will realize nearly $1 million in lifetime savings from the installed solar systems, averaging approximately $36,000 per household. The pilot is projected to leverage more than $858,000 in combined DAC-SASH and Self-Generation

Incentive Program ("SGIP") funding, pending installations, representing a multiplier effect of over 1.5 times the original pilot budget.

Next Steps: The DAC-SASH Readiness Pilot demonstrated the significant impact of targeted, equity-focused investments in home infrastructure. By addressing critical barriers such as roof condition, access to clean energy technologies can be expanded to households that would otherwise remain excluded.

Staff will incorporate lessons learned from this pilot into future program design and advocate for funding to support wraparound services that address essential home infrastructure needs. These services will help ensure equitable access to clean energy and associated benefits for vulnerable communities.

Commercial Application Assistance Pilot Project

Background: In the first quarter of 2024, Staff initiated development of a pilot program designed to assist key commercial customers in accessing funding available from federal, state, and local agencies, as well as utilities. Following a competitive bid process, TRC Solutions, Inc. ("TRC") was selected as the technical consultant to support the program. The Commercial Account Assistance Pilot ("CAAP") was launched in July 2024.

The CAAP was structured as a tiered, no-cost service for key commercial customers. At Level 1, participating customers received an assessment of organizational, energy, and environmental goals, along with recommendations on relevant funding programs and opportunities. Customers requiring more in-depth support could "graduate" to Level 2, which included:

- A site visit and holistic review of the customer's facilities and projects.
- A comprehensive assessment report, including engineering analysis of interval usage data.
- Recommendations for cost-effective energy upgrades, decarbonization strategies, and available funding opportunities.
- Support in navigating program requirements and completing applications.

A total of $121,850 was allocated to the CAAP to provide these services.

Outreach for the pilot was led by Community Power's Key Account Services Manager and presented at the annual Key Account Engagement Forum. Once customers expressed interest, TRC was introduced to complete the technical components of the pilot.

Update: The pilot targeted over 80 key commercial accounts and successfully engaged 20 participants. The program was designed with a goal of enrolling 30 customers in Level 1, of which 20 would progress to Level 2. Ultimately, 17 customers participated in Level 1, and 10 advanced to Level 2. Lower-than-anticipated participation was attributed to the limited scope of the target customer base, constrained outreach and marketing, and customer bandwidth

limitations. Some customers elected not to proceed beyond introductory meetings, while others were satisfied with the information provided through Level 1 support.

In total, more than 480 hours of technical support were delivered. The pilot identified:

- Over 3 million kilowatt-hours (kWh) per year in potential energy savings.
- More than $2 million in utility rebates and incentives.
- Over $12 million in non-utility funding opportunities, including the Self-Generation Incentive Program ("SGIP"), CalNEXT, and the Community Energy Reliability and Resilience Investment ("CERRI") Program.

Staff observed that customers lacking internal staff capacity to pursue program funding were among the best candidates for the pilot, as CAAP enabled them to access significant program resources that would otherwise remain unavailable. At the same time, the program also provided value to customers with well-resourced energy management teams by uncovering additional opportunities.

The Pilot demonstrated strong program viability: for every $100 spent on the pilot, customers were positioned to access approximately $122,000 in funding. In addition to these quantifiable benefits, the pilot generated qualitative value by strengthening relationships with key accounts. Customers consistently expressed appreciation for the innovative, no-cost service, which enhanced Community Power's reputation for providing exceptional customer service.

Next Steps: Given the demonstrated benefits of the pilot, Staff are preparing to transition the CAAP into a full-service offering. Program staff are collaborating with the Account Services team to issue a competitive solicitation for a qualified energy consulting firm with technical expertise in funding programs and the energy industry to support the program. Staff anticipate launching the expanded service in mid-2026.

Efficient Refrigeration Pilot Project

Background: The California Department of Food and Agriculture's **Healthy Refrigeration Grant Program** ("CDFA HRGP") funds energy-efficient refrigeration and freezer equipment for corner stores, small businesses, and nonprofits in low-income or low-food-access areas in the State to stock California-grown fresh produce, nuts, dairy, meat, eggs, and minimally processed and culturally appropriate foods. In July 2023, Staff applied for grant funds under the CDFA HRGP and in late-December 2023, Community Power was awarded a $710,000 grant from the CDFA HRGP to launch an Efficient Refrigeration Pilot Project ("Pilot").

At the January 2024 Board meeting, Staff presented an update on the Pilot and the Board approved **Resolution 2024-01** which authorized the CEO to: (1) accept, appropriate, and expend CDFA grant funds for the CDFA HRGP in an amount not to exceed $710,000; (2) execute a grant agreement with CDFA with respect to such grant funds and to negotiate and execute any amendments, extensions, or renewals of such grant agreement; and (3) take all necessary action to administer, monitor, manage, and ensure compliance with the grant

agreement and to negotiate and execute contracts with third parties to implement the grant agreement or use of grant funds.

In May 2024, Staff received and executed the grant agreement with CDFA and began preparing for the Pilot launch, including development of program materials, and initiating procurement processes for vendors necessary to implement the Pilot. In October 2024, Community Power contracted with Precision NRG to provide refrigeration equipment supplier services, and in February 2025, Community Power contracted with TRC Solutions, Inc. to provide American Society of Heating, Refrigerating, and Air-Conditioning Engineers ("ASHRAE") Level I energy assessment services.

Update: The **Efficient Refrigeration Pilot** launched in March 2025. Eligible participants can receive up to two energy-efficient refrigerators and/or freezers and an ASHRAE Level I energy assessment at no cost. To qualify for the Pilot, applicants must:

- Be an active Community Power commercial customer; and
- Operate a corner store, small business, or nonprofit that sells or donates food; and
- Have a service address located in a low-income[1] or low-food-access[2] area where the equipment is installed; and
- Currently accept, or have initiated the process to accept, EBT/SNAP/CalFresh benefits if conducting food sales.

Staff have conducted targeted outreach for the Pilot by engaging with member agency staff, elected officials, chambers of commerce, community organizations, and other regional partners, in addition to conducting direct outreach to businesses and organizations.

The Pilot is projected to serve approximately 30 participants. As of October 3, 2025, 72 interest forms have been submitted and 20 participants have been approved. Of the 20 approved participants, 14 elected to receive ASHRAE Level I energy assessments. The first equipment deliveries and energy assessments began in June 2025. Participants have consistently expressed appreciation for the Pilot to Staff.

Next Steps: Staff will continue to conduct outreach for the Pilot until its funds are fully expended. Staff are documenting implementation lessons and participant feedback to inform the San Diego Regional Energy Network ("SDREN") Efficient Refrigeration Program that is expected to launch in Q1 2026.

[1] The Pilot uses the low-income community and disadvantaged community census tracts in the California Climate Investments Priority Populations Map to determine this eligibility.

[2] Low-food-access areas include census tracts in which there are significant barriers to accessing a supermarket or large grocery store, such as a census tract where at least 500 persons or 33% of the population live more than one mile (nonrural areas) or more than 10 miles (rural areas) from a supermarket or large grocery store.

Fiscal Impact

- DAC-SASH Readiness Pilot Project: $490,431 out of the $550,000 approved by the Board; funded by CIP.
- Commercial Application Assistance Pilot Project: $121,850; funded by the CIP.
- Efficient Refrigeration Pilot Project: The $710,000 CDFA grant funding covers staff labor and vendor services necessary to implement the pilot project

Committee Review

This Item was received and filed by the Community Advisory Committee on October 9, 2025.

Strategic Plan

The pilot projects support the strategic plan goals of increasing program funding opportunities from external sources, provide best in class customer service, and increase retention and engagement of our customers.

Attachments

A: DAC-SASH Readiness Pilot Final Report prepared by GRID Alternatives
B: Commercial Application Assistance Pilot Final Report prepared by TRC Solutions, Inc

ITEM 15
ATTACHMENT A

DAC-SASH Readiness Pilot Report

GRID Alternatives San Diego

August 1, 2025





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Executive Summary

The DAC-SASH Readiness Pilot, launched in early 2024 by GRID Alternatives San Diego (GRID) in partnership with San Diego Community Power (Community Power), aimed to remove one of the largest barriers to solar access for low-income households: unsafe or aging roofs. Over 15 months, the pilot successfully supported 27 families - exceeding its original goal of 25 roof replacements - preparing them for solar installation through the Disadvantaged Communities-Single-Family Solar Homes (DAC-SASH) program.

Designed with equity at its core, the pilot originated from discussions between GRID and Community Power in 2022 and was developed throughout 2023. Drawing from GRID's 16 years of experience and building on the Transformative Climate Communities (TCC) initiative, the pilot engaged over 500 households.

Key outreach methods included community events, phone banking, canvassing, and tabling—resulting in 300 targeted contacts and 55 pre-screened participants. Ultimately, 29 homeowners were fully approved for participation, and 27 received new roofs.

Highlights from the pilot's outcomes include:

- **27 roof replacements completed** (exceeding the goal of 25)
- **$968,994.68 in combined household income** served; average income: $35,483
- **18 participants at or below 30% AMI**, 5 at or below 50% AMI, 4 at or below 80% AMI
- **Average roof cost:** $18,076; **Total DAC-SASH + SGIP leveraged funding:** $858,548
- **Projected lifetime utility bill savings:** $978,901 across 27 homes
- **Total estimated solar capacity:** 114.6 kW

The pilot also provided important lessons on the complexity of layering programs, the need for high-touch homeowner support, and the importance of flexible, equity-centered program design. Ultimately, **the pilot demonstrated how targeted roof interventions can unlock clean energy access for underserved communities.**

GRID strongly recommends expanding this pilot into a permanent or scaled initiative. With proven outreach strategies, cost-effective outcomes, and strong community demand, GRID believes the DAC-SASH Readiness model offers a replicable blueprint for equitable clean energy deployment across the region.

Pilot Overview

Pilot Origin & Design

The concept of a solar readiness pilot emerged from early conversations between GRID and Community Power in Spring 2022, as Community Power was developing its Community Power Plan. These discussions resumed in March 2023 with a renewed focus on identifying and addressing barriers to deploying solar in low-income communities. Community Power expressed interest in leveraging existing funding streams - particularly the DAC-SASH program - to overcome these barriers. Over time, both organizations began to coalesce around the idea of a solar readiness initiative.

The pilot design was informed by both anecdotal insights from GRID's 15+ years of experience and data from the Single-Family Home Rehabilitation (SHR) Program, which ran from 2019 to 2021. Funded by the City of San Diego through Community Development Block Grant (CDBG) funds and implemented in partnership with Habitat for Humanity, Rebuilding Together, and Urban Corps, SHR served over 50 families with solar and a range of home rehabilitation services. Despite disruptions from the COVID-19 pandemic, the program revealed that roof replacement was the most common and critical intervention. Cost estimates and the decision to prioritize full re-roofs over partial repairs in the DAC-SASH Readiness Pilot were directly informed by SHR outcomes.

As the concept evolved throughout 2023, the pilot was refined to align with the Holistic Healthy Homes Program (HHH) as part of the CA Strategic Growth Council's Round 5 Transformative Climate Communities (TCC) initiative, also known as Rooted in Comunidad, Cultivating Equity (RICCE) program. Community Power also wanted the readiness pilot funding to serve as leverage/match for the TCC program. This shift narrowed the geographic focus to San Diego's Historic Barrios, rather than Community Power's broader service territory.

Pilot Overview

Pilot Origin & Design cont.

- December 2023: Draft agreement prepared for GRID review
- January 2024: Agreement finalized
- February 22, 2024: Approved by Community Power's Board
- March 7, 2024: Fully executed by all parties
- April 2024: Program guidelines finalized

During this period, GRID also collaborated with the Environmental Health Coalition (EHC) to develop an outreach strategy that leveraged GRID's existing pipeline and EHC's deep community ties.

Meanwhile, Community Power funded a singular, sample pre-pilot project in National City to test the RICCE HHH concept. Completed in 2024, this project provided valuable lessons that were incorporated into the DAC-SASH Readiness Pilot—most notably, the importance of setting aside funds for minor carpentry and site preparation to facilitate solar installation.



No felt paper on the front portion of the house

Pilot Overview

Change Theory

The DAC-SASH Readiness Pilot was developed in response to a persistent and well-documented barrier: low-income homeowners in Disadvantaged Communities (DACs) are often excluded from solar and battery storage programs due to the poor condition of their roofs. Without intervention, these households are unable to access the financial and environmental benefits of clean energy.

If GRID and Community Power could identify and support these homeowners through targeted roof repairs and minor home rehabilitation, then those homes would become eligible for no-cost solar and storage installations through programs like DAC-SASH, San Diego Solar Equity Program (SDSEP), and SGIP.

This approach was grounded in GRID's prior experience with the SHR Program, which demonstrated that roof replacement was the most common and critical barrier to solar access. The pilot also drew on lessons from Community Power's HHH demonstration project in National City, which emphasized the importance of minor carpentry and site preparation.

The Readiness Pilot's short-term outcomes included:

- Enabling 27 low-income households to receive critical roof repairs
- Unlocking access to solar and storage systems for those homes
- Reducing energy bills and improving housing stability

Pilot Overview

Change Theory cont.

The long-term vision is to scale this model - integrating home rehabilitation efforts into programs enabling the installation of distributed energy resources, aligning with climate equity goals, and building a replicable framework for other communities.

By embedding the pilot within the TCC RICCE project area, the program also aimed to advance place-based equity and climate resilience in San Diego's Historic Barrios.

Inputs	Activities	Outputs	Outcomes	Impact
Funding from Community Power's Capital Investment Plan GRID's experience and staff capacity Data from SHR and HHH pilots Community partnerships (EHC, UCP) DAC-SASH program infrastructure	Identify eligible homes in DACs Conduct outreach and education Pre-screen and assess homes Coordinate roof repairs and minor carpentry Enroll in DAC-SASH and install solar & storage	27 homes received roof repairs 27 homes became solar-ready Outreach to 500+ households Community trust and engagement strengthened	Increased access to solar & storage for low-income homeowners Reduced household energy costs Improved housing safety and code compliance Strengthened community partnerships	Greater energy equity in San Diego's Historic Barrios Scalable model for solar readiness Enhanced climate resilience in frontline communities

Outreach

Outreach Overview

The outreach strategy for the DAC-SASH Readiness Pilot was designed to prioritize engagement within the TCC project area, particularly zip code 92113, aligning with the goals of the RICCE initiative. GRID, in collaboration with EHC and other community partners, implemented a multi-channel outreach campaign to identify eligible homeowners and promote participation in the pilot.

Roof Degradation



Outreach

Outreach Methods

1. Initial Planning and Strategy Development
   - GRID and EHC co-developed the outreach strategy, including branding (logo creation and website) and messaging tailored to the TCC area.
   - The campaign initially focused on households in ZIP code 92113, which overlaps significantly with the RICCE area.
   - EHC provided a pipeline of homeowners from the Portside Air Quality Improvement And Relief (PAIR) program, and GRID leveraged its existing database of past contacts.
2. Community Engagement Activities
   - Phone Banking: In December 2023, GRID and EHC conducted phone banking to approximately 300 residents from a list of 3,100 leads in TCC census tracts.
   - Partner Cross-Training: In January 2024, GRID trained partner organizations (EHC, Urban Corps of San Diego County (UCO) to support outreach for the Holistic Healthy Homes (HHH) initiative.
   - Direct Outreach:
     - Door-to-door canvassing and drive-by visits in the TCC project area from Q2 2024 - Q1 2025.
     - Presentations and tabling at community events.
     - Information sessions hosted at the Logan Heights Library and other community venues (February–June 2024).
   - Flyer Distribution: Outreach materials were distributed via mail and in-person canvassing to approximately 500 households.



Outreach

Outreach Methods cont.

3. Expanded Outreach
   - As the pilot progressed, outreach expanded beyond 92113 to include ZIP code 92102 (also part of the RICCE area) and eventually the broader Community Power service territory.
   - The focus shifted from general green infrastructure education (under HHH) to identifying homeowners in need of roof repairs who were eligible for DAC-SASH.
4. Collaborative Engagement
   - GRID and EHC continued to meet with potential clients throughout Q1 and Q2 of 2025, including dedicated canvassing days in February and March.
   - Outreach efforts were informed by ongoing collaboration and feedback from community partners, including Senior Outreach Coordinator, Clovis Honore and others involved in direct engagement.

Outreach Metrics

Total Residents Reached: ~500 households received information through various channels (email, phone, events, flyers).

Phone Banking Contacts: ~300 residents in TCC census tracts.

ZIP Codes Targeted: 92113 (primary), 92102 (expanded), and eventually all SDCP jurisdictions.

Community Events: 4 info sessions and 12 presentations held between February and June 2024.

Applications

Framing the Process

The DAC-SASH Readiness Pilot did not operate with a traditional application process. Instead, it functioned as a targeted intervention within the broader Holistic Healthy Homes (HHH) program. This added a layer of complexity: roof repairs were not offered as a standalone service, but as one component of a comprehensive green infrastructure and energy equity initiative.

As a result, participation in the pilot required residents to meet multiple layers of eligibility—not only for the DAC-SASH program, but also for the HHH framework. This multi-program alignment created additional filtration points that shaped the pool of eligible participants.

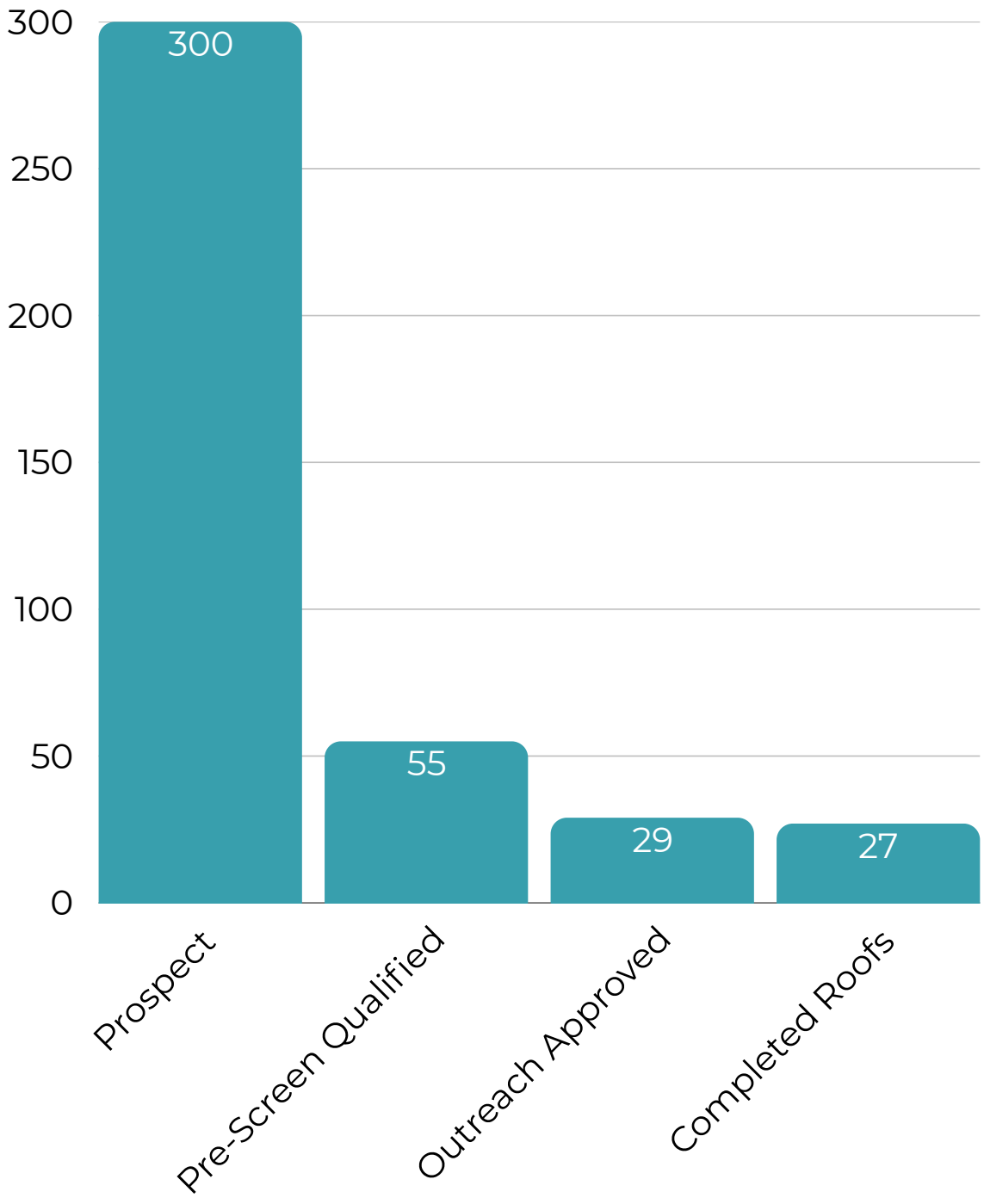
Participant Classifications

To track engagement and progress, GRID Alternatives used a tiered classification system:

- **GRID & EHC Database:** There were 3,100 homeowners in the combined databases of GRID and EHC.
- **Prospects:** There were 300 residents living within the TCC project area or broader Community Power service territory who were contacted through outreach efforts. These individuals may or may not have expressed interest or submitted documentation.
- **Pre-Screen Qualified:** This category includes 55 prospects who submitted some level of paperwork or application for DAC-SASH, were likely eligible based on income and location, and were identified as needing roof repair or replacement.
- **Outreach Approved:** Residents who met all eligibility criteria for DAC-SASH and HHH, had a site visit conducted, and were confirmed to need roof work. These 29 individuals were considered fully qualified for the pilot.
- **Completed Roofs:** We were able to successfully complete 27 roofs by June 30, 2025.

Applications

Roof Outreach Pipeline



Applications

Roof Outreach Pipeline

Out of the 300 who were contacted, 55 submitted some level of paperwork or application for DAC-SASH, were likely eligible based on income and location, and were identified as needing roof repair or replacement - putting them into the Pre-Screen Qualified category. *55 out of 300 is a relatively high ratio for this kind of outreach, demonstrating both the desire and need for this type of work*.

Our team does a great amount of case management work to move a client from Pre-Screen Qualified (55) to Outreach Approved (29). This includes making sure residents met all eligibility criteria for DAC-SASH and HHH, had a site visit conducted, and were confirmed to need roof work. The remaining 29 individuals were considered fully qualified for the Pilot.

Barriers to Full Qualification

Despite strong outreach and interest, several barriers prevented many residents from advancing through the pipeline:

- *Unpermitted Work:* Existing unpermitted construction disqualified some homes from participation.
- *Eligibility Gaps:* Some residents did not meet income, ownership, or geographic requirements.
- *Ownership Documentation:* In some cases, residents lacked formal deeds or paperwork despite being de facto homeowners.
- *Skepticism:* Some residents were hesitant to engage due to concerns about the legitimacy of free services.
- *Selective Interest:* Some residents were only interested in specific HHH services (e.g., air filtration or weatherization), and were placed on a waitlist for future offerings.

Applications

Program Adaptation / Area Pivot

When it became clear that not enough fully qualified participants could be identified within the TCC project area (ZIP codes 92113 and 92102), the pilot expanded to include the full Community Power service territory. This flexibility allowed the program to meet its participation goals while maintaining its equity-centered mission.



Completed Roofs

Income Metrics for Completed Roofs

27 homeowners received roof repairs. The highest annual income was $121,681.07 (5 people in household), the lowest was $781.00 (3 people in household), and the average was $35,483.37. The total combined annual income for the 27 recipients was $968,994.68. Eighteen incomes were at or below 30% AMI, five incomes were at or below 50% AMI, and four were at or below 80% AMI. The average household size was 2.15 people.

The pilot agreement stipulated that we complete 25 roofs, but GRID exceeded this number because the funds and the demand were there. GRID was able to keep the cost down enough to serve more families; this a great success for the community.



Completed Roofs

Zip Codes and Income: Inside and Outside the TCC Project Zone

The chart below shows all household incomes, organized by zip code. The TCC Project Area included the 92113 and 92102 homes (highlighted). As is evident from the incomes, the households inside the TCC Project Area had a higher average income than those outside the project area.

92113	92102	91950	92114	92106	92105
Min $781.00	*Min $9,389.00*	*Min $6,096.00*	*Min $17,061.00*	One home: $25,733.00	One home: $26,417.53
$7,286	$15,514.00	$9,528.00	$28,308.00		
$14,718.00	$30,240.00	$31,500.00	*Max $39,141.00*		
$15,768.00	$66,898.00	*Max $39,387.00*	**Avg $28,170**		
$22,304.40	*Max $117,432.00*	**Avg $21,627.75**			
$24,228.40	**Avg $47,894.60**				
$38,583.00					
$45,399.28					
$51,050.00					
$51,177.00					
$53,794.00					
$59,580.00					
Max $121,681.07					
Avg $38,950					

Completed Roofs

Roof Costs

In the original pilot agreement, the budget was $20,000 per roof (on average across the portfolio of projects), totaling $500,000 for 25 roofs.

GRID was able to complete 27 roofs for $490,431, with approximately $10,000 left over - this is an incredible win to serve the community in this way. The average roof cost for the 27 roofs was $18,164, with a minimum of $672 and a maximum of $38,055.

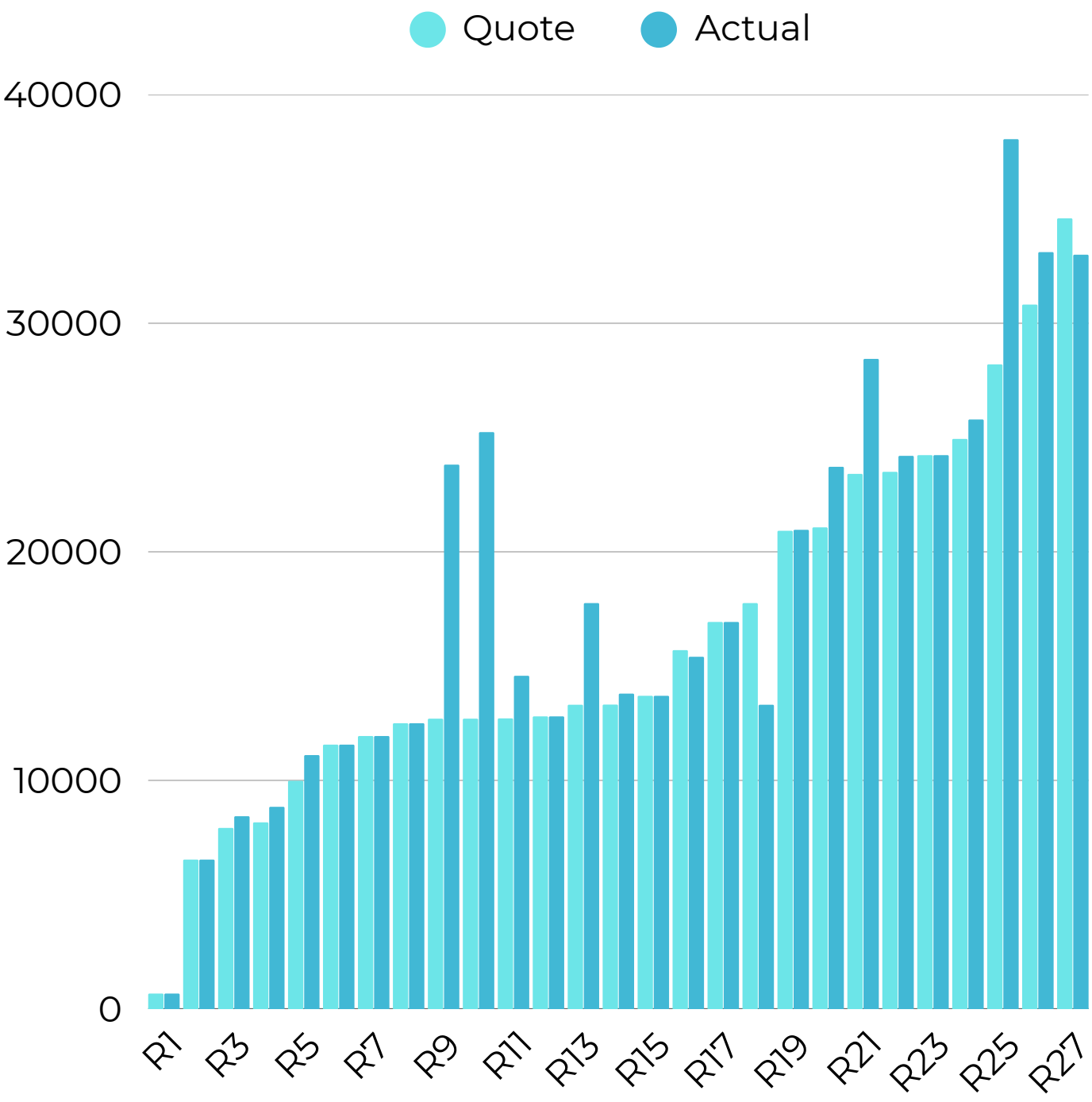
The quotes were relatively accurate, with some increases, which is normal for this type of work. 25 of 27 roof costs ended up being equal to or greater than their quote, with only one quote being $290 higher than the actual cost. The greatest increase from quote to actual was $12,539, because of wood rot, ponding water, and the entire wood decking needing replacing. Most increases were $3,000 or less.

Many of the homes required far more than a simple “remove and replace” roofing job. Projects often involved:

- Structural repairs such as replacing rotted or termite-damaged fascia, rafter tails, and rake boards
- Code compliance upgrades to meet San Diego County and State building standards
- Accessibility challenges, including homes that required materials to be hand-carried due to lack of rooftop access for boom trucks or conveyors
- Site preparation, such as tree trimming to ensure crew safety and system integrity

Completed Roofs

Roof Costs



Completed Roofs

Contractors

GRID's Home Rehabilitation Manager, John St. Pierre, developed a rigorous contractor qualification process to ensure that roofing partners could meet the unique demands of the DAC-SASH Readiness Pilot. John's deep expertise and hands-on coordination were instrumental in navigating the complexity of these projects and ensuring high-quality outcomes for participating households. A select group of roofing contractors was invited to participate in the program, including:

- Baker Roofing (CSLB License #858088 C-10 / C-46 / C-39 / C-20)
- Dana Logsdon Roofing (lic. B,C39,C46-699151)
- Roofing Specialists of San Diego (lic# 983178)
- Sunline Roofing (lic# 971708)
- D5 General Contractors (lic# 1064252)
- A & J's Professional Roofing Inc (lic#115758)
- Mr. Handyman (lic# 807495)
- Destiny Home Builders (lic# 1114506)
- Atlas Roofing (lic# 1131329)

Each contractor was invited to submit bids through a Request for Proposal (RFP) process for every eligible home. While not all contractors responded to every opportunity, selections were made based on a combination of factors including:

- Competitive pricing
- Scheduling availability
- Communication and responsiveness
- Material quality
- Technical capability, especially for complex or non-standard projects

Some contractors offered invoice discounts for check payments, while others provided volume-based pricing incentives. This flexibility helped stretch the Pilot's limited budget while maintaining quality standards.

Financial Impacts

Solar Systems

Throughout the course of the Pilot, GRID ran calculations and estimations on the following for all 27 homes:

- Cost per DC Watt (includes solar and battery storage costs)
- System Cost (includes solar, battery storage, and professional services besides roofing - e.g. electrical panel upgrades, tree trimming, code compliance)
- System Size kW DC

The **average price per DC watt was $10**, with a low of $6 and a high of $21.

The **total kW for all 27 homes was 114.6kW**.

The **average kW per home was 4.24kW** with a low of high of 1.21kW and a high of 8.35kW.

Within the timeframe of the Pilot, GRID was able to complete installations for only a few solar systems. There were many delays that stopped installation workflow:

- Significant loss of EPA funding
- Transition back and forth between EPA and TCC funding cancellations and re-budgeting
- Battery supply chain issues

GRID designed these projects based on usage/need and available incentives/rebates. GRID expects to install solar and storage on all of these homes through DAC-SASH, SGIP, or SDSEP programs in the future. Because GRID did all the calculations and projections, the team is ready to install once the barriers are removed.

Financial Impacts

Bill Savings

It is projected that the 27 homeowners will save a total of $978,901 throughout their solar system lifetimes. The average solar system lifetime savings is $36,256, with a low of $14,355 and a high of $83,388.

Leveraged Funds

A primary focus of the Readiness Pilot was to unlock access to low-income federal and state solar rebate programs. In total, $858,548 in DAC-SASH and SGIP rebates will be accessed as a result of the pilot.

The total cost for the 27 solar systems to be installed is estimated at $1,015,960, leaving a much more manageable $157,412 of gap funding needed to complete the projects.

In addition to capturing almost one million dollars in incentives and dispersing them throughout the San Diego region, the $282,745 of roofing funds spent within the TCC Project Zone is also serving as match funding for the historic $22.5M award from the CA Strategic Growth Council.



Homeowner Highlight

Powering Possibility with the Davis Family

Rose Davis, a long-time San Diego resident and respected community leader, has been a part of GRID's outreach and engagement efforts since 2016. As the founder and publisher of Indian Voices, a Native American newspaper, Rose has spent decades advocating for Indigenous communities and uplifting underrepresented voices. Despite her deep roots in the community, Rose and her family have faced **persistent housing challenges** - including a deteriorating roof and the lack of a functioning hot water heater.

For years, Rose remained in GRID's pipeline, **unable to move forward with solar installation due to the condition of her roof**. The DAC-SASH Readiness Pilot finally provided the opportunity to revisit her case and complete the critical roof work needed to make her home solar-ready. **With this barrier removed, Rose was able to enroll in the Holistic Healthy Homes (HHH) program - an essential next step for addressing her family's broader housing needs.**

Rose's story is emblematic of the Pilot's purpose: to ensure that **well established community members are not left behind in the transition to clean energy**. Her case also underscores the importance of sustained engagement, flexible funding, and holistic support for homeowners navigating complex systems.



Lessons Learned

Program Layering Creates Complexity

The pilot was embedded within the broader Holistic Healthy Homes (HHH) initiative, which added a significant layer of complexity. Roof repairs were not standalone projects—they were one piece of a larger puzzle that included DAC-SASH, SDSEP, SGIP, and other programs, each with its own guidelines, timelines, and administrative processes. This made coordination and sequencing a persistent challenge.

Partnership Dynamics and Administrative Changes

Shifting priorities within the Trump Administration, evolving scopes (e.g., what roof needs were for each home to general programmatic shifts for HHH), and changes/rollbacks in U.S. federal funding erected barriers and created uncertainty. Early conversations with Community Power were based on GRID's full pipeline of roof-challenged homes, but the focus later narrowed to the TCC area, requiring a recalibration of expectations and strategy.

The Critical Role of a Home Rehabilitation Manager

The absence of a dedicated Home Rehab Manager for the first several months of the implementation period significantly strained both the outreach and construction teams. This role, which GRID could finally onboard in January of 2025 (due to accessibility of EPA and TCC funding), is essential for navigating permitting, contractor coordination, and project timelines Until this position was filled, progress slowed and core solar & storage work was stalled.

Lessons Learned

Home Conditions Are Often Severe

Many homes were in a state of disrepair far beyond just needing new shingles. Issues like structural damage, tree overgrowth, and unpermitted work were common. Each project came with its own story and set of challenges, underscoring the need for flexible, case-by-case solutions as well as additional support for homeowners.

Clients Need High-Touch Support

Homeowners required extensive support throughout the process - from understanding eligibility to navigating paperwork and overcoming skepticism. The promise of free services was often met with disbelief, and many residents needed reassurance and repeated engagement to move forward. Furthermore, this kind of work is emotional for homeowners - to have strangers show up and begin working on their most prized possession takes a lot of hand-holding and trust-building.

Program Gaps Limit Impact

A notable gap was the lack of a Demand Response (DR) program for Community Power customers. This created a dilemma: some residents had to consider leaving Community Power to access battery incentives, undermining the goal of keeping them within the Community Power ecosystem.

Recommendations

Improving homes in San Diego communities is not just about fixing roofs or installing solar panels - it is about understanding the bigger picture. The **needs of a home are deeply connected to the lives of the people** who live there, from energy systems and weatherization to financial challenges and access to support. To truly make an impact, **programs need to take a more holistic approach** - one that brings together agencies, invests in the right people, partners with trusted community organizations, and stays flexible enough to meet real-world needs. With the backing of local governments, these efforts can go further and make a lasting difference where it matters most.

Adopt a More Holistic View of Home Needs

Future programs should take a comprehensive approach to home health and infrastructure. Roofs, solar, batteries, and weatherization are interconnected - and so are the social and economic challenges that residents face. *Programs should be designed with this full context in mind.*

Strengthen Interagency Collaboration

Agencies that hold data or provide services related to housing, permitting, or social support should be brought into the fold. Better coordination with city and county offices could streamline processes and reduce barriers for residents.

Invest in Key Roles Like Rehab Managers

Dedicated staff who can manage construction logistics, permitting, and contractor coordination are essential. *These roles should be funded and prioritized from the outset.*

Recognize and Support Community-Based Outreach

Trusted community partners like EHC played a vital role in outreach and engagement. Their involvement should be formalized and resourced to ensure sustained, culturally competent outreach.

Recommendations

Ensure Program Alignment and Flexibility

When layering multiple programs, alignment in timelines, eligibility, and documentation is critical. Where alignment is not possible, programs should build in flexibility to adapt to real-world conditions and community needs.

Leverage Local Government Support

GRID and its partners are making significant investments in local communities. City and county governments should recognize this and reciprocate with support - whether through permitting assistance, data sharing, or public endorsements.



Looking Ahead

Building on the Pilot's Momentum

The DAC-SASH Readiness Pilot has demonstrated the **transformative potential of targeted, equity-driven investments in home infrastructure**. By addressing a key barrier - roof condition - the **Pilot unlocked access to solar and storage technologies for households that would otherwise be left behind**. But this is just the beginning.

Expanding Holistic Healthy Homes (HHH)

Looking forward, GRID envisions expanding the HHH model to serve more low-income homeowners with a broader suite of services. The Pilot revealed that many homes face overlapping challenges - structural, financial, and administrative - that require a more integrated approach. A truly **holistic model** would include:

- More **thorough home assessments** and **wraparound services**
- **Streamlined coordination** across programs and agencies
- **Expanded eligibility** pathways for vulnerable homeowners
- Stronger **partnerships with local government** to align resources and reduce red tape

GRID is committed to working with Community Power and other stakeholders to scale this vision and ensure that clean energy access is not only equitable, but comprehensive.

Looking Ahead

Recommendations for Remaining Pilot Funds

As of the close of the pilot, approximately $11,000 remains unspent. GRID recommends allocating these funds strategically to reinforce the program's impact and support continued momentum:

Administrative Support for GRID and EHC: Provide additional staffing or contractor support to help close out reporting, manage follow-up with homeowners, and prepare for potential program expansion.

Tree Trimming and Site Prep: Fund additional site preparation work - such as tree trimming or debris removal - that can improve safety and reduce costs for future solar or roofing projects.



An Invitation to Collaborate

The success of this pilot was made possible through strong collaboration between GRID, Community Power, and community partners like EHC. As GRID looks to the future, Community Power is invited to continue this partnership - exploring new funding opportunities, refining program models, and co-creating solutions that meet the real needs of our communities.

GRID ALTERNATIVES San Diego



ITEM 15
ATTACHMENT B

COMMERCIAL APPLICATION PILOT ASSESSMENT FINAL REPORT



May 2025

SAN DIEGO COMMUNITY POWER

TRC

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Executive Summary

Pilot Overview

In June 2024, San Diego Community Power ("Community Power") launched the **Commercial Application Assistance Pilot** ("Pilot") to help commercial key account customers identify energy savings opportunities and connect them to utility, state, and federal funding programs. The goal of the Pilot was to increasing awareness of energy programs in the market for key accounts and access available funding to achieve the customer's goal. Community Power enlist the help of TRC Solutions, Inc to implement the Pilot. TRC was tasked with collaborating with Community Power's Key Account Services Manager to engage customers, identify pertinent funding programs, perform site visits and energy consumption analysis, make project recommendations, connect key accounts to funding programs, provide technical support, and assist customers with application submission support.

Through the Pilot, Community Power would evaluate the demand for this service offering and determine if the Pilot warranted scaling into a full program.

Pilot Achievements

During the Pilot, the following key achievements were accomplished:

- **Engaged 20 key account customers**, ensuring strong relationships and exceptional service.
- **Identified 3,040,055 kWh/year and 451,694 therms** in potential energy savings and $2,260,503 in eligible utility rebates and incentives.
- **Discovered non-utility funding opportunities totaling up to $12.2 million** from programs such as CERRI, CALeVIP, and CalNEXT.
- **Submitted three applications** and provided additional support to other customers.

Pilot Results

The Pilot was successful in delivering significant quantitative benefits to key account customers such as identifying a cumulative energy savings of 3 million kWh and over $2.2 million in utility incentives identified. The Pilot also delivered additional qualitative benefits such as fostering positive relationships between key accounts and Community Power and enhancing the engaged customer's future participation in energy programs.

TRC delivered the Pilot within the original budget allocated by Community Power. The Pilot's results indicate that scaling up to a larger program offering is viable and can achieve value for Community Power and its customers. Applying findings from TRC's lessons

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learned analysis, provided within this report, will further contribute to future program success.

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Introduction

Background

The Pilot originated to meet a need in the commercial market identified by Community Power staff concerning the availability of programs to commercial customers and the difficulty in identifying and applying to these programs.

Customers would often voice their frustration with the unique requirements for the various funding programs, the challenges in keeping track of funding program timelines such as application submission windows and deadlines, and the burdensome resources required to participate in the programs.

Community Power believed its customers were missing out on funding opportunities and developed the Pilot's framework to test the theory while simultaneously providing tangible benefits to Community Power's key accounts.

To execute on the Pilot, Community Power sought and selected a third-party implementer, TRC, via a competitive request for proposal (RFP) process. As a qualified energy consulting firm with technical expertise and knowledge of the San Diego energy industry and funding programs, TRC assisted key account customers in navigating the funding program landscape and overcoming identified barriers to obtaining program funding for energy projects. TRC possessed team members that were Certified Energy Managers (CEM) by the Association of Energy Engineers (AEE) and subject matter experts on decarbonization measures like heat pump water heaters.

Key Pilot Elements

As a novel program offering to key commercial customers, the Pilot provided a unique opportunity to gather insight on impacts, costs, and optimal program design.

Key Pilot Elements



TRC would engage Community Power key accounts and offer interested customers energy savings opportunities and connect them to utility, state, and federal funding programs, primarily through outreach and engineering efforts but including project management support.



TRC would use a tiered support structure in which customers would start in Level 1 support and 'graduate' into Level 2 support. Level 2 support would offer the customer more in-depth services and more hours of support. Engineering support would be reserved for Level 2 customers.

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Key account customers would be introduced to TRC by Community Power's point of contact.

TRC would provide Level 2 Assessments to select Level 2 customers.

TRC would track the program funding dollars identified for each participating key account and the hours TRC staff spent on each task and phase of the customer's journey. The quantitative metrics would allow for effective analysis of the program's impact and viability.

TRC and Community Power would convene for weekly or bi-weekly meetings to discuss Pilot progress, customer developments, lessons learned, and recommended Pilot adjustments. Additionally, TRC would provide monthly reports to Community Power.

TRC would maintain and utilize a customer tracking sheet and the program and funding database.

TRC would provide a final report detailing Pilot findings, figures, and recommendations to assist Community Power's evaluation of scaling up the Pilot.

Pilot Timeline

The Pilot kicked off in June 2024, and the first outreach meeting with a key account occurring on August 1, 2024.

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Methodology

Customer Recruitment

- Community Power's Key Account Services Manager recruited key accounts into the pilot.
- The Pilot was designed to target 75 leads for outreach correspondence making the customer aware of the no-cost services provided through the Pilot.
- The interested customer met with the Key Account Services Manager and TRC outreach staff as a Level 1 support recipient to understand organizational energy or environmental goals.
- At Community Power's Key Account Engagement Forum held in August 2024, key accounts were made aware of the Pilot availability for no-cost.

Marketing

There was no significant marketing component to the Pilot; however, TRC's marketing team did work with Community Power's marketing department to create a one-page informational flyer for the POC to distribute to potential participants.

Customer Support Services

The Pilot initiative targeted 81 leads, 6 more than the initial program design, and then honed in on 30 high-value accounts to maximize engagement and conversion potential for Level 1 support and 20 of those key account customers for Level 2 support based on customer responsiveness and needs, and the viability of executing a successful program application. Below are the two support services offered to customers:

Level 1 Support Services

For Level 1 support, customer received:

- Introduction meetings to discuss the customer's overall organizational goals, energy and environmental goals, and energy projects recently completed or in progress.
- Recommendations on available programs and/or funding opportunities at the utility, state, and federal program levels.
- Connections to funding program representatives.
- Opportunity to access Level 2 support and schedule site visits with the engineering team.

Level 1 support was not to exceed five hours averaged over 30 customers. Level 1 support

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was provided by TRC Outreach Staff since no energy analysis or engineering support was needed.

Table 1 shows the common funding programs identified for Level 1 customers.

Table 1. Programs Available to Customers

Utility	Federal	State
SD EnergyLink*	CERRI	CalNEXT
SD EnergyEdge	IRA	CALeVIP
Synergy Co./BES	ITAC	CEC (multiple GFOs)
Cascade Energy	NEVI	SGIP
CleaResult/HEEP		CA HVIP
SDG&E Power Your Drive		VW Mitigation Trust
SDG&E MicroGrid		Comfortably CA
SDG&E Demand Response		Midstream Water Heating

*Okapi Architecture's program closed unexpectedly in July 2024. SD EnergyLink became the utility EE program for public institutions beginning January 2025.

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Level 2 Support Services

For Level 2 support, customer received:

- Site visits by an engineer to get a holistic view of the customers' site and projects.
- Interval data analysis.
- Comprehensive Level 2 Assessment reports. These reports provide customers with valuable information such as:
    - Documentation of the participant's energy and environmental ambitions.
    - Existing energy usage, building characteristics, and equipment lists
    - Current business operations and recommendations for cost-effective energy upgrades and/or behavioral changes.
    - Energy efficiency and decarbonization opportunities; and
    - Available Federal, State, local or utility programs and funding sources that could fund those opportunities and relative incentive or funding amounts.
- Support navigating funding program participation requirements and the application process.
- Education on funding program timelines to apply for, receive, implement, and track/verify measures and/or program participation.
- Connection to market trade pros knowledgeable in the specific program(s).

Level 2 support was not to exceed 15 hours averaged over 20 customers. TRC Engineering and Outreach staff primarily performed Level 2 tasks.

Since less than 30 key account customers enrolled in the Pilot, the customers engaged received more than the designated hours of support. The Pilot uncovered that some customers needed extra hours of support in order to be successful.

Services were not limited to only energy efficiency and included electrification opportunities. Since many customers had environmental goals, measures that reduce greenhouse gas emissions (GHG), such as heat pump water heater (HPWH) upgrades were identified as well as energy efficiency measures such as LED lighting upgrades, HVAC upgrades, and building controls optimization. The measure aligned with the funding program opportunities available at the state and local level to mitigate GHG emissions.

The total budget allocated for all tasks and phases of the Pilot was **$121,850**.

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Results

During the Level 1 and Level 2 support process, several funding programs were identified that aligned with the needs of the participating customers, offering the highest funding for the most in-demand measures. Since most programs require measure installation before disbursing incentives or funding, no actual incentives were funded or projects implemented prior to the close of the Pilot.

For the key accounts listed, Table 2 displays the level of support provided, opportunities and programs identified, and the total amount of potential funding identified if projects were implemented.

Table 2. Programs & Funding Opportunities Available to Customers

Customer Name	Level of Support	Funding Program(s) Identified	Opportunities Identified	Identified Potential Funding Totals*
SD Airport	2	SD EnergyLink	Heat Pumps	$338,000
Teradata	2	CalNext, CALeVIP, SGIP, SD EnergyEdge	Cogan Plant, Electrification, EE	$1,962,000
Name withheld per confidentiality policy	2	CERRI, CALeVIP, CleaResult, CalNext, SDGE MicroGrid	Battery Storage, Electrification, Microgrid, EE	$25,973,402
Name withheld per confidentiality policy	2	SD EnergyLink CALeVIP	Heat Pumps, EV Chargers	$1,581,000
Pasha Automotive	2	SD EnergyEdge, CALeVIP VW Mitigation Trust	Electrification, EE, EV Chargers	$450,000
City of Encinitas	2	SD EnergyLink	Heat Pumps	$167,000
San Diego Unified School District (SDUSD)	1	CALeVIP	EV	$200,000
City of Chula Vista	2	SD EnergyLink	EE	$699,000

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Customer Name	Level of Support	Funding Program(s) Identified	Opportunities Identified	Identified Potential Funding Totals*
City of Imperial Beach	1	SD EnergyLink	HPWH	$30,000
Helix Charter High School	2	IRA, BES	HPWH, SRM, Exterior	$13,000
CP Kelco	1	ITAC, Cascade, SGIP, IRA	Cogen Plant	$284,000
Werfen	1	CALeVIP	EV Chargers	$250,000
City of La Mesa	1	SD EnergyLink	EE (Hot water insulation)	$10,000
			TOTALS:	**$31,957,402**

**Denotes identified funding that could be received if customers completed project(s) and/or submitted an application. Not guaranteed or denote funding actually received.*

Table 3 displays the amount of energy saving opportunities (kWh and therms) specifically identified by TRC Engineering staff that customers could realize by participating in programs, and the eligible amount of incentives that could be received if projects were implemented.

Table 3. Energy Savings & Potential Incentives Identified by TRC Engineering

Customer Name	kWh/yr Savings	Therms/yr	Eligible Incentives[1]
SD Airport EE & Electrification	1,671,000	12,000	$93,000
Teradata EE & Electrification	728,129	-1,989	$62,637
County of SD Electrification	-45,350	5,687	$27,000
City of Encinitas EE & Electrification	112,796	15,032	$166,866
City of Chula Vista Electrification	-977,636	67,270	$ 272,500
Helix Charter High EE & Electrification	210,516	1,648	$13,000
CP Kelco EE & Electrification	1,340,600	0	TBD

[1] The discrepancies between the eligible incentives recorded in the last column of Table 3 and the Identified Potential Funding Totals in Table 2 can be attributed to the additional opportunities identified by TRC's outreach staff and connected to customers through direct engagement activities. Often customers shared past reports and audits with outreach staff independent of the engineering site visit.

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Totals	**3,040,055**	**99,648**	**$635,003**

The seven key accounts that received a Level 2 Assessment Report are now equipped with an engineering level report of potential wish-list projects to inform future program engagement.

Key account participants also received a list of relevant contractors depending on their need. For example, several customers were introduced to a HPWH contractor as well as a pool cover contractor.

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Participation & Support Hours Allocated

Community Power's recruitment efforts resulted in 17 responsive key account participants. Three accounts were outreached but were unresponsive after initial contact. This is attributed to the customer getting the information they sought in those initial meetings and/or the lack of dedicated staff for the Pilot. Table 4 summarizes the participation data.

Table 4. Program Participation by Start & End Dates, 2024 – 2025

Customer Name	Status	Start Date	End Date	Notes*
Name withheld per confidentiality policy	Closed	7/9/2024	10/3/2024	Customer unresponsive to initial contact
Name withheld per confidentiality policy	Closed	7/9/2024	10/9/2024	Customer unresponsive to initial contact
Name withheld per confidentiality policy	Closed	7/9/2024	10/3/2024	Customer unresponsive to initial contact
Name withheld per confidentiality policy	Level 1	7/25/2024	2/1/2025	Unresponsive customer after initial interest
Name withheld per confidentiality policy	Level 2	7/26/2024	3/12/2025	Completed participation
Helix Charter High School	Level 2	8/29/2024	3/18/2025	Completed participation
Name withheld per confidentiality policy	Level 1	9/5/2024	10/3/2024	Customer was not eligible for any 2024 programs - completed participation
SD Airport	Level 2	9/10/2024	3/12/2025	Completed participation
Teradata	Level 2	9/11/2024	3/14/2025	Completed participation
County of San Diego	Level 2	9/26/2024	3/12/2025	Completed participation
City of Encinitas	Level 2	9/26/2024	3/13/2025	Completed participation
Pasha Automotive	Level 2	10/1/2024	3/12/2025	Completed participation
City of La Mesa	Level 1	10/4/2024	3/14/2025	Completed participation
San Diego County School District	Level 1	10/8/2024	3/13/2025	Completed participation
City of Imperial Beach	Level 1	11/1/2024	3/14/2025	Completed participation
Name withheld per confidentiality policy	Level 1	11/1/2024	2/19/2025	Unresponsive customer after initial interest
Werfen	Level 1	11/1/2024	3/1/2025	Completed participation
City of Chula Vista	Level 2	11/6/2024	3/14/2025	Completed participation
CP Kelco	Level 2	12/16/2024	3/14/2025	Completed participation
Name withheld per confidentiality policy	Level 1	10/2/2024	3/1/2025	Completed participation

**"Completed Participation" denotes participation in the Pilot. Does not mean identified projects were implemented.*

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The participation data shows that the number of participants receiving Level 1 and Level 2 support was significantly less than anticipated.

- A total of 17 participants were recruited into Level 1 support representing **57%** of the designed quantity. Thirty participants were expected.
- A total of 10 participants were moved into Level 2 support representing **50%** of the designed quantity. Twenty participants were expected.

TRC monitored the time allocated to each customer for Level 1 and Level 2 support. Customers that demonstrated higher levels of involvement were authorized to receive more hours of support. This approach facilitated the customer's progression towards successfully submitting program or funding applications. Table 5 represents the support hours provided to each customer.

Table 5. Approximate Level 1 & Level 2 Hours per Customer

Customer Name	Level of Support	Outreach Hours for Customer Meetings	Outreach (Research, Follow-Up, & Application Support; Lvl 1 & 2)	Engineering Hours (All Level 2)
SDUSD	1	1	7	0
City of Imperial Beach	1	0.5	6.5‡	0
Werfen	1	1	5	0
City of La Mesa	1	1	6	0
Name withheld per confidentiality policy	1	3	4.5	0
SD Airport	2	2.75	6.25	46.8
Teradata	2	3	16.5*	43.3
Name withheld per confidentiality policy	2	4	21.5**	0
County of San Diego	2	1	11	45.3
Pasha Automotive	2	1	11*	0
City of Encinitas	2	1	5	45.2
City of Chula Vista	2	1.5	11	27
Helix Charter High School	2	1	3.75	45.3
CP Kelco	2	1	6	76.6†
Name withheld per confidentiality policy	Closed	1	4	0
Name withheld per confidentiality policy	Closed	1	2	0

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Customer Name	Level of Support	Outreach Hours for Customer Meetings	Outreach (Research, Follow-Up, & Application Support; Lvl 1 & 2)	Engineering Hours (All Level 2)
Name withheld per confidentiality policy	Closed	1	1.5	0
Name withheld per confidentiality policy	Closed	1	0.5	0
Name withheld per confidentiality policy	Closed	1	1.5	0
Name withheld per confidentiality policy	Closed	1	1	0
Total Hours		**28.75**	**131.5**	**329.5**

* Outreach completed and submitted program applications for those (2) customers.

** Due to the complex microgrid needs of the customer, Outreach performed in-depth research, form submissions, and meetings with other programs for this customer.

‡ A one-off site visit was performed by Outreach to accommodate the customer's request to visit and discuss the many projects (some non-energy) the customer was engaged in.

† Due to the complex calculations and engineering work needed to evaluate the site's EV and solar potential, more engineering hours was need to provide Level 2 support to the customer

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Community Power allocated $121,850 to the Pilot. Table 6 below summarizes budget spend across the two levels of support between engineering and outreach:

Table 6. Estimated Hours per Task

Support Level	# of Hours	Budget Spend	% of Budget
Level 1 & 2 Outreach Support	*157 hrs*	$57,662	41%
Level 2 Engineering Support	330 hrs	$23,587	19%
TOTAL	**487 hrs**	**$81,249**	**60%**

Engineering spent over ***two times*** as much compared to outreach providing direct support to customers. Furthermore, outreach provided both Level 1 and Level 2 support directly to customers**,** whereas engineering provided Level 2 support only.

Table 7 summarizes the budget spend between Level 1 and Level 2 support.

Table 7. Spend By Support Level

Support Level	Budgeted # of Hours	Actual # of Hours	Budgeted	Actual Spend	% of Budgeted
Level 1 Support	150	102.5	$24,000	$15,700	20%
Level 2 Support	300	337	$50,000	$57,590	47%
			$88,800		

Community Power allocated $15,450 to administration, $8,000 to collaboration and outreach with the Key Account Services Manager, and $9,600 to Reporting and Evaluation. Additionally, the team tracked the average hours per task to gather insight into the resource allocation required. Table 8 separates the average hours allocated by TRC outreach and engineering staff.

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Table 8. Estimated Hours per Task

Task	Level of Support	Outreach Hours (Lv 1 & Lv 2)	Engineering Hours (Lv 2)
Initial Intro to the Pilot	1	1	0
Research Programs & Provide Program Funding Opportunities	1	4	0
Site Visits	2	0	6
Assessment Report Draft & Interval Data Analysis	2	0	13
Finalizing Level 2 Assessment Report	2	1	5
Meeting with Customer to Review Level 2 Assessment	2	1	2
Application support	2	5	0
Total Hours		**12**	**26**

It is worth noting that, on average, Level 2 engineering support required more hours than the Pilot design allocated. The total hours allocated were designed to be 15 hours total for Level 2 support to each customer, but the average hours engineering spent on Level 2 support was 26 hours per customer (6 hour overrun).

Additionally, outreach devoted some hours to Level 2 support to attend the customer meeting to review the Level 2 Assessment and offer the application support necessary to turn Level 2 Assessment findings into projects and applications. Outreach also served as a technical account manager, using the staff member's expertise and CEM certification.

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Lessons Learned

The Pilot evaluated the effectiveness and viability of a novel approach to meet an unmet market need for commercial accounts. As such, the lessons learned from executing the Pilot are critical in scaling the Pilot into a large program, should Community Power decide to move forward with a similar concept.

Unforeseen market dynamics, coupled with the challenge of designing an implementation plan when nothing like it had been done before, presented challenges, and the need to find solutions, throughout the course of the Pilot. Each recurring Pilot project meeting with TRC and Community Power included a section devoted to lessons learned, which made the entire team aware of challenges in near real time and provided the opportunity to discuss solutions. This allowed the team to adjust midstream, which was key to delivering results and achievements to Community Power and its key account customers.

Key Lessons Learned

Lesson Learned: Participation Levels Impacts

Key account customer participation in the pilot was lower than expected which impacted the overall reach and effectiveness of the pilot. Several factors, some related to pilot design and unforeseen market dynamics, contributed to participation level not hitting goal.

Challenge: Community Power's Key Account Services Manager attempted to contact 81 customer lead contacts, 6 more accounts than the original design of 75 customer lead contacts. Achieving the goal of (30) Level 1 participants would mean a 37% recruitment rate into the program. This proved to be more difficult than anticipated since there was very limited marketing support, and the Key Account Service Manager was not allocated as an FTE to the Pilot. Successful recruitment requires additional marketing and outreach resources than were available to the program.

Findings: Customer characteristics indicate two important correlations:

1. Certain customer profiles are **more likely to show interest and/or participate in the program**.
2. Certain customer profiles are **more likely maximize participation benefits**.

Customer Profiles: Most Likely to Participate

Municipal customers were more likely to participate in the Pilot. TRC and the Key Account

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Services Manager hypothesized that this is because municipal customers are more sustainability focused and place an institutional emphasis on environmental stewardship. Furthermore, with constrained budgets and many properties to oversee, municipal customers more acutely need the Pilot's services as staff bandwidth is a limiting factor in pursuing program funding and implementation.

TRC and Community Power recognized this correlation early in the Pilot, which allowed the Key Account Services Manager to focus outreach efforts on customers with a higher likelihood of participation.

The in-Pilot adjustment increased Pilot participation from (6) Level 1 participants recruited during the first three months of the Pilot to (11) Level 1 participants recruited during the next three months of the Pilot.

Customer Profiles: Most Likely to Maximize Participation Benefits

Pilot Success Stories

Teradata

Teradata is prime examples of customer profiles that are a good fit to maximize the impact of the pilot's services. The customer had staff available to evaluate programs but not enough resources to effectively navigate the requirements.

As a result of the Pilot, up to $362,637 from SGIP was identified for Teradata. Their staff was interested in applying for SGIP funding but could never get a response or "call back" from SGIP, and the customer did not have the time to track down a contact. TRC used a prior connection within SGIP to arrange a meeting with the customer wherein $1,600,000 in available funding was identified. Ultimately, the design of the customer's energy project was not a good fit for the SGIP program.

Of the (17) Level 1 Pilot participants, customers with an interest in securing program funding but who lack staff bandwidth to navigate the program landscape, often were the best candidates for the Pilot. This allowed them to achieve high levels of quantifiable program funding that would not have otherwise been known or viable to the customer. In other words, there is a *sweet spot* in available customer resources wherein the customer has staff that can investigate funding programs, but the staff does not have the bandwidth to keep track of the many programs nor pursue the funding vigorously.

The Pilot also proved advantageous for customers with robust and well-funded departments responsible for finding program funding. TRC's position in the San Diego energy market and strong connections to utilities and energy programs helped uncover program resources even for the most sophisticated Level 2 program participants.

One customer, for example, was already pursuing many of the program suggestions made in the Level 2 Assessment Reports. However, the customer was not enrolled in a traditional utility energy efficiency program at the time of first engagement. Leveraging connections

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with the local utility, the Pilot helped the customer enroll in the utility energy efficiency program, SD EnergyLink. Funding for the customer's goal of water electrification was identified, and SD EnergyLink's potential funding amount totaled up to $338,000 for their energy projects.

Challenge: The limited pool of Level 1 participants made finding viable programs for each customer challenging.

Findings: Many programs are very specific in the scope of qualifying energy projects. For some of the customers in Level 1, the programs did align with the customers' goals. Because there were so few Level 1 participants, TRC staff tried to press customer projects into certain programs that did not end up being a good fit. At other times, there were not any programs available to a customer.

TRC did not surmise that the limited participation was due to a lack of market interest or need, but it rather was due to constrained recruitment resources and a small pool of leads to target.

Lesson Learned: Delayed Savings

There were sometimes delays between providing Level 1 and Level 2 support and producing quantifiable savings, particularly in cases when the customer point of contact was not an account decisionmaker. The team pivoted to pursue the decision maker earlier in the process.

Challenge: While most customer points of contact introduced by Community Power to TRC were decision makers, in some cases the initial point of contact was not the person(s) who could make the final decisions.

For example, with one customer, TRC was initially introduced to the sustainability team at the city. While the sustainability team wanted to pursue program funding and had influence with prospective energy projects, TRC learned that it was another team that would make the ultimate decision to greenlight the energy project seeking program funding. TRC pursued engagement with that team and succeeded in making effective connections. The HPWH projects eligible for SD EnergyLink funding were ultimately greenlit although implementation was not complete when the Pilot concluded.

Findings: TRC adjusted tactics to pursue the final decisionmaker during Level 1 support *before* a customer is moved to Level 2 support and receives in-depth services like engineering site-visits and Level 2 Assessments. This approach may not be true for all participants, but it is a reliable best practice.

Understanding each customer's decision-making process is critical. Some municipalities

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have multiple decision makers. In one case, the engaged point of contact required Level 2 support before deciding to pursue funding with SD EnergyEdge while simultaneously seeking funding for HPWHs. Although TRC Pilot staff did not talk to other decision makers, the engaged point of contact coordinated with internal decision makers to secure approval for a HPWH project and program funding.

Lesson Learned: Diverse Customer Types

The breadth of customer types demanded that TRC staff become familiar with the characteristics of many customer profiles to properly serve their unique needs.

Challenge: Municipality customer goals often were very different from those of commercial customers and, even within municipalities, different regions had different sensitivities. For example, *electrification* can be a polarizing word for some customers in the San Diego region.

Findings: TRC adopted a more consultative approach, prioritizing a needs assessment before introducing electrification options.

Program & Funding Opportunities Lessons Learned

Lessons Learned: Mid-Year Start

Starting the pilot mid calendar year, coupled with the short duration of the pilot, negatively impacted the ability to identify viable programs and to assist the customers in executing applications. Furthermore, the pilot's timelines made it difficult for the pilot to claim secured funding as energy project funding programs often have a lengthy funding cycle and do not distribute the funds until after the project has been installed.

Challenge: Program timing negatively impacted the Pilot's quantifiable results in three key respects:

1. **Programs such as SDG&E's Power your Drive had already exhausted their budget for the calendar year**, which was unfortunate since most Level 1 participants were interested in EV chargers. Also, programs such as SGIP, which funds battery storage as well as other energy projects, had also exhausted their budget for battery storage projects. Several customers were interested in battery storage, but the SGIP program did not have budget to provide funding during the Pilot.

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2. **Programs that opened before customer engagement with the Pilot but still had budget required TRC and the customer to play *catch up*.** The pressing application deadlines along with the requirement that interested projects to be at least moderately developed, made some otherwise viable programs not be feasible for customers. A couple of customers experienced this when the Pilot pursued CEC and CA HVIP funding.
3. **Some programs viable to Level 1 participants did not become available to the customers until nearly the end of the Pilot**, which limited the application support TRC could offer and delayed the funding dollars that the Pilot could claim as secured.

   Programs such as SD EnergyEdge, SD EnergyLink, (electrification and EE measures), CERRI (microgrid) and CALeVIP (EV Chargers) did not become available to Pilot participants until approximately 6 months into the Pilot. These programs represent significant funding opportunities available to the customers as the resources align well with the goals of many Pilot participants, i.e. EV Chargers, Electrification, and EE measures.

Findings: Programs generally encompass four chronological phases:



TRC learned that the ideal point to intervene and engage the customer and the program is at Phase 1 of the program's cycle, the Program Opening Announcement, but that was not possible until about six months into the Pilot's duration, namely with the CERRI, SD EnergyEdge, SD EnergyLink, and CALeVIP programs. Consequently, those programs presented the greatest opportunity to secure funding for Pilot participants, yet the funding may not materialize for the customer until after Pilot closure.

An exception was CalNext Program funding for Teradata. While the chronological phases mentioned above are applicable to the CalNext funding cycle, CalNext was unique in that it had multiple rounds (three) of funding windows open during the Pilot.

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Lessons Learned: Application Services

Program applications are often difficult and time consuming to execute. For a customer to submit a compelling application that has a high likelihood of success, (applicable to competitive funding opportunities) TRC would have needed to significantly coach the customer throughout the entire application process.

Challenge: The submission of the first program application (CalNext) provided insights into the time and resource requirements for TRC to complete program applications. It also highlighted the benefit of TRC staff completing the application in some cases, despite the heavy expenditure of Pilot resources.

Findings: It was more time effective for both TRC staff and the customer if TRC completed the application themselves. This aligns with TRC's experience running programs, where most often a program account manager would complete the program applications for customers. While TRC provides such hands-on support, many other funding programs do not.

Teradata's CalNext application required TRC to complete. The application took TRC about five hours, but the application made it through two selection rounds and is still currently being considered. The funding potential is $300,000. Expertise and experience with CPUC program design was likely essential to the application's promising position. While completing an application for customers took was possible under the Pilot, it would not be feasible to do so on a large scale due to the heavy resources and time required.

Not all program applications required TRC to complete, especially non-competitive or "first come, first serve" programs. For example, CALeVIP is non-competitive but rather hinges on early application submission and following proper protocol. With CALeVIP, TRC provided interested customers with the information needed to apply, such as application submission opening data, application deadline, the program manual, and distilled key pieces of information. TRC felt this approach was sufficient application support for the CALeVIP program.

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Pilot Program Design Lessons Learned

Lessons Learned: Level 2 Support Hours

An insufficient number of support hours were allocated for each Level 2 participant.

Challenge: Fifteen (15) hours are not sufficient to provide meaningful application support in most cases.

Findings: The average support hours needed for engineering to perform a site visit and produce a Level 2 Assessment was at least (43) hours, (28) hours more than allocated per Level 2 participant according to Pilot design. This does not include the outreach Level 2 support which is necessary to convert identified opportunities to customer applications.

Regardless of customer total allocation amounts, Level 2 Assessment reports should be promoted with discernment, and the Level 2 support deliverable should not be inordinately utilized because the reports significantly deplete program resources.

Lessons Learned: Engineering Support Hours

The level of engineering support provided needs to consider the possible quantifiable benefits.

Challenge: The results of the Pilot seem to indicate that engineering support hours were over-allocated when considering the quantifiable benefits that Level 2 Assessment delivered to the customer. Additionally, Level 2 Assessments did have the qualitative benefit of impressing customers and enhancing Pilot credibility, and trust with Community Power.

Findings: To mitigate this, TRC strategically pivoted to utilizing existing reports from previous initiatives instead of site visits to deliver impactful assessments, and encourage the efficient use of engineering resources. The strategy also benefited customers by not requiring the site's staff to assist the TRC engineer during the site survey.

The team utilized program requirements, knowledge of site operations, customer wish lists, and the availability of prior reports to anticipate program participation likelihood and provide Level 2 Assessments and site visits to customers that would be more successful in their application.

This strategy reduced engineering hours spent on Level 2 support for a customer from the average of (45) hours to (27) hours. The customer provided an energy audit report from 2019 (mostly accurate since no equipment had been upgraded) that averted the need for an engineering site visit. Nonetheless, engineering spent (26) Level 2 hours supporting the

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customer. The engineering Level 2 Assessment identified $272,500 in eligible incentives, allocating (~24) hours of support, while outreach analysis of past audits identified $426,500 in eligible incentives.

Lessons Learned: Energy Consumption Data

The process for obtaining customer energy consumption data was cumbersome and delayed support to the customer.

Challenge: Requiring the customer to sign and submit the Letter of Authorization (LOA) created lull periods while also burdening the customer, Community Power's point of contact, and TRC with needing to keep track of the process.

Findings: Setting better expectations with customers upfront on energy consumption data needs and the benefits of analyzing the data will simplify the process. Coordinating with utilities could also streamline these efforts by building on their in-place systems and processes.

Lessons Learned: Engineering Support Hours

The program was designed to separate Level 1 and Level 2 hours into *support* and *deliverables*, but in practice it is difficult in some cases (especially for outreach) to quantify the difference between *support* and *deliverables*.

Challenge: The Pilot's Scope of Services outlined Professional Services Agreement (PSA) defined Level 1 *Support* as, "Consultant will engage customers via email, phone calls, and virtual meeting(s)," but was defined under *Deliverables* as, "Meetings, phone calls, and/or emails communications with customers."

Many Level 2 tasks from the PSA fit the Outreach's account manager role more than an engineering role, such as, "identifying programs, …, in-depth guidance and support to commercial customers on program participation, timelines for applying, and the feasibility of participating in the program/funding source."

Findings: Outreach had a bigger role in Level 2 Support than anticipated in the Pilot program's design as Outreach performed a necessary account manager role in the Pilot.

The clearest deliverable was the production of Level 2 Assessment reports, an engineering task.

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Lessons Learned: Partitioned Program Support

The limited pilot budget required TRC staff to be very partitioned in their support of the program. In practice, this was challenging.

Challenge: The total TRC staff hours budgeted for the Pilot was (793) hours, which equates to a **.38 FTE** (one FTE = 2,080 hours customarily). Furthermore, **.27 FTE** was specifically allocated to "Task 2: Commercial Customer Support" in the PFS's Pilot design, the task involving direct customer support.

Findings: As outreach, engineering, and project management performed most of the Pilot's tasks, only .13 FTE in total was allocated for each key TRC staff member and .09 FTE was allocated to the key personnel to directly support the customer.

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Conclusion

The pilot's results and lessons learned indicate that the concept is viable and provides benefits and value to both Community Power and its customers.

The pilot's cost to benefit ratio reflects the pilot's potential. For every ($1) dollar spent on the pilot, the customer is expected to receive ($122) dollars.

Despite the challenges and lessons learned mid-Pilot, the Pilot identified over **$14.9 million** in program funding. Additionally, the Pilot brought qualitative benefits to Community Power and its key account customers that cannot be measured with figures. Almost every customer engaged was pleased that Community Power would offer such a novel yet thoughtful program at no-cost to customers. This finding highlights the Pilot's ability to build goodwill and strengthen business relationships.

Recommendations

Should Community Power desire to scale the Pilot into a full program or customer offering, TRC makes the following recommendations for consideration:

Invigorate Customer Participation

Providing a comprehensive list of customer contact information to the implementer's outreach team will enable more direct, efficient, and vigorous customer recruitment. This approach is proven to deliver higher recruitment numbers, in TRC's experience implementing programs. This approach also enables the outreach team to immediately engage with customers and follow-up when needed, enhancing program awareness and facilitating personalized introductions while keeping the SDCP team informed and involved every step of the way.

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Expand the Program's Time Scale

Keeping the program open for a longer duration will help ensure that the program's core services align with funding programs' customary phases. Allowing future programs to identify a funding opportunity before the program either opens or receives another round of funding will greatly increase the likelihood that customers will be successful in their applications. TRC recommends at least a one-year program duration, with the program launching at the beginning of the calendar year to take advantage of new programs and new rounds of funding that often open at the beginning at that time.

Optimize Task & Personnel Allocations

Adjusting the program design to allocate more outreach hours and fewer engineering hours will increase the value of the program's resources. Refocusing the program team to be more discerning than the Pilot regarding Level 2 Assessments will allow for more effective use of the program resources. Finding qualified outreach personnel to staff the program is critical as the role requires account management and technical proficiency. Additionally, more clearly defining the difference between task *support* and task *deliverables* will enable the program manager to more efficiently allocate resources.

Increase Budget Allocation

Increasing the budget will help ensure that the program team can focus on fully supporting each customer's needs without the constraints of limited resources or competing job responsibilities. TRC recommends at least two full-time employees (FTEs) for a year-long program: (1) Outreach/Account Manager FTE, (0.5) Program Manager FTE, (0.3) Engineering FTE, and (0.2) Marketing FTE.

Expand Eligible Customer Base

Offering the program's services to additional customers beyond key accounts will improve recruitment, increase the chance that a customer's wish list project will meet the requirements of a large funding opportunity, and enrich Community Power's relationships with more customers.

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Streamline Access to Energy Usage Interval Data

Including a disclaimer in every customer service agreement that authorizes SDCP to release interval data to the third party program implementers will make interval data analysis much more viable and productive. By making the data more easily available, more customers can benefit from the recommendations the analysis informs. Many utilities in California, including in San Diego, now incorporate such a process to facilitate interval data sharing with their third party implementers.



Strengthen Marketing to Amplify Awareness

Increasing the availability of marketing support and collateral will significantly improve the program's metrics. The Pilot lacked a significant marketing component which likely contributed to the lower-than-expected recruitment numbers. By partnering with a marketing team to create targeted program awareness strategies through events, webinars, email campaigns, and marketing collateral, the outreach team can offer the market valuable Community Power resources and make the program more accessible to potential customers, driving greater engagement and recruitment.



Showcase Success through Case Studies

Developing case studies from the Pilot will highlight the program's successful outcomes, and the minimal time commitment required from customers. The case studies will provide powerful proof to customers of the program's value and showcase the key account customers, giving customers the confidence to participate because they know that the process is streamlined, efficient, and manageable.



Anticipate & Respond to Market Trends

Proactively identifying and addressing market trends will enable the team and customers to stay ahead of potential challenges. This is particularly relevant as the new Federal administration has enacted many changes within the energy industry and within the funding landscape in particular. By remaining responsive and adaptive, the team can offer timely support and innovative solutions, ultimately improving customer relationships and ensuring the program's continued success.

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Optimize Customer Tracking with CRM System

Implementing a Customer Relationship Management (CRM) system will increase tracking and reporting capabilities, allowing the team to more effectively manage customer interactions and project progress. The CRM will also enable the team to make data-driven decisions, improving customer service and supporting overall program performance.

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SAN DIEGO COMMUNITY POWER

Staff Report – Item16

To: Board of Directors

From: Jack Clark, Chief Operating Officer
Jen Lebron, Senior Director of Public Affairs
Lee Friedman, Senior Manager – Strategic Partnerships

Via: Karin Burns, Chief Executive Officer

Subject: Update on the San Diego Regional Energy Academy

Date: October 23, 2025

RECOMMENDATION

Receive and file an update on the San Diego Regional Energy Academy.

BACKGROUND

The goal of the Regional Energy Academy (Energy Academy) is to raise the energy IQ of our region's diverse community leaders and help participants understand the complexities of the electricity system and challenges facing our region.

San Diego Community Power (Community Power), in partnership with the San Diego Regional Climate Collaborative (SDRCC), the Energy Policy Initiatives Center (EPIC) and San Diego Gas & Electric (SDG&E), began meeting in the summer of 2024 with the expressed purpose to develop and design a Regional Energy Academy modeled, in part, off of the successful San Diego County Water Authority's Citizen's Water Academy.

Both SDG&E and Community Power contributed an initial $30,000 to begin the development of an Energy Academy through the establishment of an advisory board which informed the development of content and a curriculum.

With additional funding of $50,000 from Community Power, the Energy Academy hosted two cohorts (Fall 2024 and Spring 2025) for a total of 62 attendees. Responses from the attendees were overwhelmingly positive, and additional funding from both Community Power and SDG&E was allocated for future cohorts.

ANALYSIS AND DISCUSSION

The Energy Academy was originally designed to cover six modules over three days. Based on nearly unanimous feedback from the first two cohorts, a fourth day has been added to future cohorts to allow for more thorough discussion and opportunities to explore additional viewpoints.

Other feedback from the first two cohorts has also informed the design of future modules and field trips.

For the third cohort of the Energy Academy, the modules are as follows:

- Module 1: Energy Basics
- Module 2: Policy, Progress & Challenges
- Module 3: Energy Costs
- Module 4: Energy Equity
- Module 5: Climate Impacts
- Module 6: Climate Resilience

Participants will learn about core energy principles and their application and role within the California and energy landscape, learn about the nexus between energy, climate and equity, gain insights on how energy solutions can mitigate climate change and build community resilience, and be exposed to local and regional energy initiatives. Participants will hear from a diverse range of stakeholders, energy experts, University of San Diego staff and other expert guest speakers over the course of the program and take several educational field trips.

Each day will include scheduled networking opportunities, and participants will receive a certification from the Energy Academy at the conclusion of the program.

The Fall cohort of the 2025 Energy Academy launched on September 18 at San Diego Community Power's offices as the initial host site and concluded on October 16 graduating 33 participants. Initial feedback has been overwhelmingly positive, with participants highlighting the depth of material, the informative fieldtrips, and the strong networking. During the first day of the Energy Academy Karin Burns offered welcome remarks, Kenny Key, Director of Power Contracts, presented on power purchasing, and Lee Friedman, Sr. Manager of Strategic Partnerships ran an interactive game on resource adequacy.

Additionally, the first Energy Academy alumni event attracted over 30 participants for a panel on federal policy impacts on the energy industry moderated by San Diego Community Power's Associate Director of Legislative Affairs Patrick Welch.

The investment in the Energy Academy will empower leaders and policymakers of San Diego with the knowledge and tools needed to navigate the complex energy landscape. As the region moves toward ambitious renewable energy targets, it is crucial that decision-makers

understand the intricacies of electricity systems, policy challenges, and the importance of equity in energy access. The Energy Academy will help ensure that future leaders are equipped to make informed decisions that support sustainable energy solutions, promote affordability, and contribute to the resilience and well-being of San Diego.

FISCAL IMPACT

$60,000 will be allocated from the approved FY25-26 budget and will fund two (2) cohorts (Fall 2025, Spring 2026).

STRATEGIC PLAN

The Energy Academy helps meet the following Strategic Plan Goals:

Public Affairs - Develop trusted brand reputation to help drive participation in programs and support customer service and retention

1. Establish Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders
2. Increase brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings

ATTACHMENTS

N/A

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:	Fiscal Year End 2024-25 Financial Audit Progress Report Presentation
Date:	October 23, 2025

Recommendation

Receive and File Fiscal Year End 2024-25 Financial Audit Progress Report Presentation.

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 4.6.14 of the JPA specifies the Board of Directors (Board) shall arrange for an annual independent fiscal audit.

Section 5.4 of the JPA specifies the Board shall appoint a Treasurer who shall function as the combined offices of Treasurer and Auditor and shall strictly comply with the statutes related to the duties and responsibilities specified in Section 6505.5 of the Government Code. The section further specifies that the Treasurer shall cause an independent audit(s) of the finances of Community Power to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Government Code. Section 7.2.2 of the JPA additionally specifies that the Community Power Board shall contract with a certified public accountant to make an annual audit of the financial statements of Community Power, which shall be conducted in accordance with the requirements of Section 6505 of the Government Code.

On July 1, 2021, Community Power entered into a professional services agreement with Pisenti & Brinker to perform its annual audit for FY 2020-21.

On July 1, 2022, Community Power exercised an option in the professional services agreement to extend the term from June 30, 2022, to June 30, 2023, to conduct its annual audit for FY 2021-22.

Subsequently, on July 20, 2023, Community Power exercised an option in the professional services agreement to extend the term from June 30, 2023, to June 30, 2024, to conduct its annual audit for FY 2022-23.

Later, on July 30, 2024, Community Power issued an invitation to bid from qualified and experienced professionals to provide independent financial statement auditing and additional as-needed services such as assisting with the preparation and reporting of audit findings to Community Power's Board. As a result of the invitation to bid, on September 1, 2024, Community Power entered into a professional services agreement with Pisenti & Brinker to perform its annual audit for FY 2023-24.

Shortly thereafter, Pisenti & Brinker subsequently merged with several accounting firms to form Sorren CPAs P.C. (Sorren), and Sorren assumed all of Pisenti & Brinker's rights, duties, and obligations under the professional services agreement.

Finally, on September 23, 2025, Community Power executed Amendment No. 1 to the professional services agreement with Sorren to extend the professional services agreement by one year, from September 30, 2025, to September 30, 2026.

This amendment to extend the contract term was necessary to conduct Community Power's FY 2024-25 annual audit.

Sorren is a firm with extensive experience auditing CCA's throughout California, as well as other local government entities.

Analysis and Discussion

Staff prepared a presentation describing the audit process and the preliminary results from Sorren for its FY 2024-25 financial audit. The full financial audit report for FY 2024-25 is expected to be presented to the FRMC on November 13, 2025, and expected to be reviewed by the Board on November 20, 2025.

Fiscal Impact

N/A

Committee Review

At their meeting of October 16, 2025, the Finance and Risk Management Committee received and filed this item.

Strategic Plan

The FY 2024-25 financial audit supports Community Power's strategic goal for fiscal sustainability and strengthening financial controls across the agency.

Attachments

N/A

SAN DIEGO COMMUNITY POWER
Staff Report – Item 18

TO: Bord of Directors

FROM: Dr. Eric W. Washington, Chief Financial Officer/Treasurer
Jeb Spengler, Senior Strategic Finance Manager

VIA: Karin Burns, Chief Executive Officer

SUBJECT: Adopt Resolution No. 2025-20, Approving a Third Revision to the Financial Reserves Policy

DATE: October 23, 2025

Recommendation

Adopt Resolution No 2025-20, approving a third revision to the Financial Reserves Policy.

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 4.6.2 of the JPA specifies that the Community Power Board of Directors (Board) shall adopt an annual budget with a fiscal year that runs from July 1 to June 30.

Section 3.2.12 of the JPA specifies that the Community Power Board of Directors adopt rules, regulations, policies, bylaws, and procedures governing the operation of Community Power. Additionally, section 4.5.5 of the JPA states that one of the general purposes of the Board is to set policy.

Even further, section 5.10.2.c of the JPA states that one of the primary purposes of the Finance and Risk Management Committee (FRMC) is to review and recommend to the Board financial policies and procedures to ensure, among other things, “rules and regulations governing investment of surplus funds” and “selection and designation of financial institutions for deposit” of funds.

On June 24, 2021, the Board originally reviewed and approved Community Power's Financial Reserves Policy. Subsequently, on February 24, 2022, the Board approved the first revision to the Financial Reserves Policy.

On June 27, 2024, the Board reviewed and approved a second revision to the Financial Reserves Policy that updated the financial reserve goal from 90-days cash on hand to 180-days cash on hand in alignment with reserve goals set by the Board.

The Financial Reserves Policy states that staff will complete an annual review of the Financial Reserve Policy to ensure that the policy meets the needs of the organization.

Given the recent adoption of the investment policy to include the permission of certain eligible investments, staff recommend a third revision to the Financial Reserve Policy to clarify the definition of the days cash on hand metric to include certain unrestricted investments in the Reserves calculation.

Analysis and Discussion

Within Community Power's Financial Reserves Policy, the current definition of Reserves is "Net Position." Further, Community Power's current Financial Reserves Policy Guideline is to secure 180-days cash on hand. "Days Cash on Hand" is currently defined as unrestricted cash and cash equivalents x 365/(operating expenses for the current fiscal year). This definition does not explicitly include investments, even though Community Power maintains an investment portfolio in compliance with California Government Code Sections 53600 et seq. and Community Power's Investment Policy.

Rationale for Inclusion of Investments

Including investments in the definition of financial reserves aligns with best practices recommended by the Government Finance Officers Association (GFOA) and the California Debt and Investment Advisory Commission (CDIAC). These organizations emphasize that reserves should reflect all liquid and legally accessible resources available to Community Power, not just cash balances. Investments held in authorized instruments—such as the Local Agency Investment Fund (LAIF), or other permissible securities—are readily convertible to cash and serve the same purpose as traditional reserves: ensuring liquidity, stability, and fiscal resilience.

Fiscal Impact

If Community Power were to immediately invest up to the maximum amount ($75 million) allowed within LAIF, and under current market interest rates, it is anticipated that Community Power could earn approximately $125,000 per month in interest earnings over current bank money market interest rates.

Committee Review

At their meeting of October 16, 2025, the Finance and Risk Management Committee recommended Board adoption of Resolution 2025-20, approving a third revision to the Financial Reserves Policy.

Strategic Plan

This supports Community Power's strategic plan goal of building reserves to a reserve target of at least 180 days cash on hand by December 2027.

Attachments

A: Resolution 2025-20 Adopting Revisions to Financial Reserves Policy

- Exhibit A: Draft of Third Revision to the Financial Reserves Policy
- Exhibit B: Draft Redline Version of Third Revision to the Financial Reserves Policy

ITEM 18
ATTACHMENT A

RESOLUTION NO. 2025-20

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, ADOPTING A REVISED FINANCIAL RESERVES POLICY.

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, in June 2021, the Board of Directors (the "Board") approved Financial Reserves Policy F21_001, the terms of which, as amended from time to time, provide a policy framework for accumulating and maintaining reserves as part of Community Power's annual budget and rate setting processes; and

WHEREAS, in August 2025, the Board adopted Resolution No, 2025-08 establishing investment guidelines for protecting Community Power's cash reserves, deposits, and investments while producing a reasonable rate of return on investments, but are excluded from the definition for "Days Cash on Hand"; and

WHEREAS, the Board finds it necessary and prudent to ensure long-term financial stability of Community Power by maintaining adequate financial reserves; and

WHEREAS, the Board recognizes that investments held in compliance with California Government Code section 16429.1 et. seq and Community Power's Investment Policy represent a liquid and reliable source of funds that can be accessed in times of fiscal need; and

WHEREAS, this third revision to the policy to include such investments within the definition of "Days Cash On Hand" will provide clarity, transparency, and consistency in the application of Community Power's Financial Reserves Policy.

NOW THEREFORE, BE IT RESOLVED, the Board of Directors hereby amends the Financial Reserves Policy as provided in Exhibit A, attached hereto and incorporated herein, with the inclusion of investments within the definition of "Days Cash on Hand", in accordance with Government Code sections 53600 et. seq. and Community Power's Investment Policy for the purpose of calculating Financial Reserves as provided therein.

This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors of San Diego Community Power held on October 23, 2025, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Terra Lawson-Remer, Chair
Board of Directors
San Diego Community Power

ATTEST:

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

APPROVED AS TO FORM:

_____
Veera Tyagi, General Counsel
San Diego Community Power

ITEM 18
EXHIBIT A

SAN DIEGO COMMUNITY POWER

BOARD POLICY

POLICY	FINANCIAL RESERVES	ORIGINAL ADOPTION DATE:	JUNE 24, 2021
APPROVAL DATE	10/23/2025	RESOLUTION NO.	2025-20

PURPOSE AND SCOPE

San Diego Community Power (Community Power) will maintain Financial Reserves (Reserves) as described in this policy to:

- Meet Community Power's strategic objectives
- Secure, maintain, and/or improve a standalone investment grade credit rating
- Secure favorable terms with vendors, including power producers
- Satisfy working capital requirements
- Adhere to contractual covenants
- Provide funds to cover unanticipated expenditures
- Support rate stability

Policy Guidelines:
Community Power's financial reserve goal is to secure 180-days of cash on hand.

The contribution to Reserves is determined through Community Power's annual budget process as defined in the agency's Budget Policy and/or Community Power's rate setting process as defined in the agency's Rate Development Policy. To the extent Community Power is ability to meet operational expenses and maintain competitive rates, Community Power will establish rates and adopt budgets with the goal of building and maintaining Reserves at or above the 180-days of cash on hand target level.

DEFINITIONS

- **Days cash on hand:** unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes x 365 / (operating expenses for the current fiscal year)
- **Reserves:** Net position

- **Use of Reserves:** A projected or estimated reduction in the amount of reserves by the end of a fiscal year below the sum of the balance of the reserves at the commencement of the fiscal year plus the projected addition to the Reserves in the budget for the current fiscal year.

Reserve Review: Reserves and annual contributions will be reviewed on an annual basis as part of Community Power's budget process. Reserves will also be reviewed at the completion of Community Power's annual audit to reconcile the Reserve balance.

Reserve Distribution: If reserves exceed the 180-days of cash on hand target level established in this policy, the Board may authorize reserve distributions as follows.

- **Strategic Uses**: Use excess funds for capital projects, financing programs, paying down existing debt, rate reductions, or other strategic purposes.

- **Stabilization Reserve**: Use excess funds to fund a Rate Stabilization Reserve. A Stability Reserve mitigates financial and cost of energy risk due cyclical cost of energy fluctuations and rate shocks and may maintain compliance with financial covenants. The purpose of this reserve would be to provide budgetary stabilization and not to serve as an alternative funding source for new programs.

- **Programmatic Reserve**: Use excess funds to establish a contingency for programs and projects. Specifically, this Reserve could fund unforeseen and unexpected needs such as cost overruns, local leveraging or matching for external funds, or other programmatic needs as required.

Conditions for Use of Reserves

- Temporary reductions in Reserves for cash flow purposes to even out the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected during the fiscal year, and do not constitute a use of reserves. Transfers to and from Reserves to account for such temporary cash flow fluctuations is within the discretion of the CFO.

- The CEO will have the discretion to authorize the use of reserves during the fiscal year up to the lesser of 10% of the year's total budgeted costs, or $100 million, for the following purposes:
  1. Cover increases in power supply expenses due to spikes in costs and/or due to higher customer demand;
  2. Meet any margin or collateral posting requirements under energy supply contracts; and
  3. Provide resources to meet emergency expenditures.
- Any further use of reserves as necessary or desirable, must be recommended by CEO to the Board for approval of such use.
- Any use of the reserves under the CEO's authority shall be reported to the Board at the next regularly scheduled meeting.

Policy Review: Community Power staff will complete a periodic review of this Financial Reserve Policy to ensure that the policy meets the needs of the organization.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
6/24/21	ADOPTION	N/A	2020-04
02/24/2022	FIRST REVISION	N/A	F21_001
06/27/2024	SECOND REVISION	N/A	F21_001

RELATED POLICIES

Investment Policy – Resolution No. 2025-08

ITEM 18
EXHIBIT B

~~Policy Number: F21_001~~

~~Original Adoption Date: June 24, 2021~~
~~Revision Date: June 27, 2024~~

POLICY	FINANCIAL RESERVES	ORIGINAL ADOPTION DATE:	JUNE 24, 2021
APPROVAL DATE	10/23/2025	RESOLUTION NO.	2025-20

~~**Subject:** Financial Reserves Policy~~

PURPOSE AND SCOPE~~:~~

San Diego Community Power (~~SD~~Community Power) will maintain Financial Reserves (Reserves) as described in this policy to:

- Meet Community Power~~SDCP~~'s strategic objectives
- Secure, maintain, and/or improve a standalone investment grade credit rating
- Secure favorable terms with vendors, including power producers
- Satisfy working capital requirements
- Adhere to contractual covenants
- Provide funds to cover unanticipated expenditures
- Support rate stability

Policy Guidelines:

Community Power~~SDCP~~'s financial reserve goal is to secure 180-days of cash on hand.

The contribution to Reserves is determined through Community Power~~SDCP~~'s annual budget process as defined in the agency's Budget Policy and/or Community Power~~SDCP~~'s rate setting process as defined in the agency's Rate Development Policy. To the extent Community Power~~SDCP~~ is ability to meet operational expenses and maintain competitive rates, Community Power~~SDCP~~ will establish rates and adopt budgets with the goal of building and maintaining Reserves at or above the 180- days of cash on hand target level.

DEFINITIONS

- **Days cash on hand:** unrestricted cash, ~~and~~ cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes x 365 / (operating expenses for the current fiscal year)

- **Reserves:** Net position

- **Use of Reserves:** A projected or estimated reduction in the amount of reserves by the end of a fiscal year below the sum of the balance of the reserves at the commencement of the fiscal year plus the projected addition to the Reserves in the budget for the current fiscal year.

Reserve Review: Reserves and annual contributions will be reviewed on an annual basis as part of Community Power~~SDCP~~'s budget process. Reserves will also be reviewed at the completion of Community Power~~SDCP~~'s annual audit to reconcile the Reserve balance.

Reserve Distribution: If reserves exceed the 180-days of cash on hand target level established in this policy, the Board may authorize reserve distributions as follows.

- **Strategic Uses**: Use excess funds for capital projects, financing programs, paying down existing debt, rate reductions, or other strategic purposes.

- **Stabilization Reserve**: Use excess funds to fund a Rate Stabilization Reserve. A Stability Reserve mitigates financial and cost of energy risk due cyclical cost of energy fluctuations and rate shocks and may maintain compliance with financial covenants. The purpose of this reserve would be to provide budgetary stabilization and not to serve as an alternative funding source for new programs.

- **Programmatic Reserve**: Use excess funds to establish a contingency for programs and projects. Specifically, this Reserve could fund unforeseen and unexpected needs such as cost overruns, local leveraging or matching for external funds, or other programmatic needs as required.

Conditions for Use of Reserves

- Temporary reductions in Reserves for cash flow purposes to even out the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected during the fiscal year, and do not constitute a use of reserves. Transfers to and from Reserves to account for such temporary cash flow fluctuations is within the discretion of the CFO.

- The CEO will have the discretion to authorize the use of reserves during the fiscal year up to the lesser of 10% of the year's total budgeted costs, or $100 million, for the following purposes:

    1. Cover increases in power supply expenses due to spikes in costs and/or due to higher customer demand;

    2. Meet any margin or collateral posting requirements under energy supply contracts; and

    3. Provide resources to meet emergency expenditures.

- Any further use of reserves as necessary or desirable, must be recommended by CEO to the Board for approval of such use.

- Any use of the reserves under the CEO's authority shall be reported to the Board at the next regularly scheduled meeting.

Policy Review: Community Power~~SDCP~~ staff will complete a periodic review of this Financial Reserve Policy to ensure that the policy meets the needs of the organization.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
6/24/21	ADOPTION	N/A	2020-04
02/24/2022	FIRST REVISION	N/A	F21_001
06/27/2024	SECOND REVISION	N/A	F21_001

RELATED POLICIES

Investment Policy – Resolution No. 2025-08

SAN DIEGO COMMUNITY POWER
Staff Report - Item 19

To:	Board of Directors
From:	Gordon Samuel, Chief Commercial Officer Jennine Camara, Director of Portfolio Management
Via:	Karin Burns, Chief Executive Officer
Subject:	Approve Agreement with Aspen Environmental Group for Long-term Load Forecasting and Compliance Services
Date:	October 23, 2025

Recommendation

Approve the Professional Services Agreement with Aspen Environmental Group for a two-year Long-term Load Forecasting and Compliance services agreement including a not-to-exceed amount of $150,000.00 and authorize the Chief Executive Officer to execute the contract. This agreement is to develop, test, and support implementation of a customized long-term model to forecast hourly and aggregate customer demand for use in Community Power's financial and resource planning.

Background

Community Power's long-term forecast of customer demand is a critical input for the organization to meet its renewable goal of supplying customers with 100% renewable energy by 2035. The long-term load forecast enables Power Services staff to prudently plan forward procurement as cost effectively as possible, and the load forecast is a regular requirement for recurring compliance filings for all Load Serving Entities.

Community Power initially contracted for long-term load forecasting and compliance reporting services through the Energy Consulting Services Agreement with Pacific Energy Advisors (PEA) executed in May of 2020. Throughout launch and early stages, PEA provided analysis, guidance, and support in a number of areas, including load forecasting and financial modeling. The agreement in place with PEA was revisited and modified in March of 2023, and again earlier this year in March 2025, as staff takes ownership and brings in-house certain critical functions. PEA has been and continues to be an important partner to Community Power. As part of that agreement, PEA provided a satisfactory long-term forecast of

Community Power's customer demand and has provided excellent compliance support since launch. The latest Services Agreement with PEA sunsets the long-term load forecasting service in 2025.

In June 2025, Community Power issued Request for Proposal (RFP) No. 25-009 for Load Forecasting and Scheduling Coordinator Services. Aspen Environmental Group was selected for Category A Task 2 (Long-Term Load Forecasting) and Task 3 (Compliance) services from 4 shortlisted and interviewed participants (of 10 total Category A respondents).

Analysis and Discussion

The evaluation team selected Aspen for these tasks because of their specific expertise in long-term forecasting and modeling and their experience working with public agencies and CCAs. Aspen will develop a customized long-term forecasting model specifically for Community Power, provide ongoing support to run sensitivities and analysis, update methodology and provide compliance reporting support. At the conclusion of the agreement, Community Power will own the customized long-term forecasting model and will take full ownership of its ongoing maintenance and future development.

Forecasting of Community Power customer demand, or hourly loads 10-20 yrs forward, is primarily used for long term energy resource planning and financial modeling. Community Power's long-term load forecast is also a requirement for regular and recurring regulatory filings and drives various compliance requirements.

While historically a vendor-provided long-term load forecast meets day-to-day business needs, the ability to conduct specific scenario and forward analysis is limited. As Power Services continues to bring certain critical functions in-house, staff will work with Aspen to develop a customized long-term load forecasting model specific to Community Power's customer demand and service territory. The final product will be a model that can be adjusted for scenarios analysis, including variables like electrification, electric vehicles (EVs), distributed energy resource (DERs), energy efficiency (EE), and data center loads. The two-year agreement provides time for development and customization of the long-term load forecasting model, as well as support running sensitivity scenarios, model updates, and ongoing compliance reporting support. Aspen's expert experience will ensure compliance filing to the CEC, CPUC, and other agencies reflect both accuracy and regulatory alignment.

Staff and Aspen have negotiated the attached two-year Professional Services Agreement with a total not-to-exceed amount of $150,000. Hourly billing rates are fixed for the two-year term, and Aspen will bill only for the hours spent executing the scope of work subject to the project budget cap. The Agreement includes an option for Community Power to extend support services for an additional 1-year term on request, subject to not-to-exceed funds remaining.

With the sunsetting of portions of the PEA Energy Consulting Services Agreement, the function of long-term load forecasting will transition to Power Services. Community Power's demand forecast is used for longer range strategic decisions like procurement, resource adequacy, and financial scenario analysis. Aspen will first develop a customized long-term forecasting model, then provide ongoing support for staff to take full ownership of this critical function. Staff recommends approving the Agreement with Aspen Environmental Group for Long-term Load Forecasting and Compliance Services subject to a total not-to-exceed amount of $150,000.

Fiscal Impact

The costs associated with this Agreement will be subject to a not-to-exceed amount of $150,000 over the term. The costs associated with the function of Long-term load forecasting are included in the approved FY 2025-2026 operating budget. Staff expect ongoing investment in long-term load forecasting to continue to improve strategic decision-making around forward procurement of energy resources to meet customer demand.

Strategic Plan

This agreement supports two of the strategic plan goals for the Power Services team:

1. Develop a clean energy portfolio with renewable content of 100% no later than 2035, with proposed interim targets of 75% by 2027 and 85% by 2030; and
2. Prudently manage the power portfolio to minimize risk and customer costs

Attachments

A: Agreement between San Diego Community Power and Aspen Environmental Group

ITEM 19
ATTACHMENT A

SAN DIEGO COMMUNITY POWER
PROFESSIONAL SERVICES AGREEMENT
NO. 2025-63

This Professional Services Agreement (the "**Agreement**") is made and entered as of _____, 2025 (the "**Effective Date**"), by and between SAN DIEGO COMMUNITY POWER, a California joint powers authority ("**SDCP**") and ASPEN ENVIRONMENTAL GROUP, a California corporation ("**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 certain professional services required by SDCP on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing long-term load forecasting and compliance services and is familiar with the plans of SDCP.

B. SDCP desires to engage Consultant to render such professional services for long-term load forecasting and compliance as set forth in this Agreement.

AGREEMENT

1. **Scope of Services and Term.**

1.1 General Scope of Services. 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 long-term load forecasting and compliance services ("**Services**"). The Services are more particularly described in Exhibit A attached hereto, and which are stated in the proposal to SDCP. All Services 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 **November 1, 2025** to **October 31, 2027**, with the option to extend the term by one (1) year, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

2. **Fees and Payments.**

2.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit B, attached hereto. The total compensation shall not exceed **ONE HUNDRED FIFTY THOUSAND DOLLARS ($150,000)** 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.

2.2 Payment of Compensation. Consultant shall submit to SDCP a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services 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.

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

2.4 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 Services, 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 (including definition of Extra Work scope and budget).

3. **Responsibilities of Consultant.**

3.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services 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 Services 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 Services 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.

3.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Scope of Services set forth in Exhibit A attached hereto. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, SDCP shall respond to Consultant's deliverables, communications, and other project-related materials in a timely manner. Upon request of SDCP, Consultant shall provide a more detailed schedule of anticipated performance to meet the Scope of Services.

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

3.4 Substitution of Key Personnel. Consultant has represented to SDCP that certain key

personnel will perform and coordinate the Services 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 Services 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 Services, or a threat to the safety of persons or property, shall be promptly removed from performing the Services by Consultant at the request of the SDCP. The key personnel for performance of this Agreement are as follows:

Catherine Elder, Principal Associate and Practice Director
Joe Long, Senior Economist
Michael Pretto, Senior Expert

3.5 SDCP's Representative. SDCP hereby designates the Chief Executive Officer, or his 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.

3.6 Consultant's Representative. Consultant hereby designates Catherine Elder, or his or her 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 Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, 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 Services under this Agreement.

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

3.8 Standard of Care; Performance of Employees. Consultant shall perform all Services 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 Services. Consultant warrants that all employees and sub- contractors shall have sufficient skill and experience to perform the Services 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 Services, 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 Consultant's failure to comply with the standard of care provided for herein. Any employee of Consultant or its subcontractors who is determined by SDCP to be uncooperative, incompetent, a threat to the adequate or timely completion of the Services, a threat

to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to SDCP, shall be promptly removed from performing the Services by Consultant and shall not be re-employed to perform any of the Services.

3.9 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 Services, 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 Services. If 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.

3.10 Insurance.

3.10.1 Time for Compliance. Consultant shall not commence the Services 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.

3.10.2 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 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.

3.10.3 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 Services, 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 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.

3.10.4 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. The automobile liability policy shall be endorsed 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 Consultant or for which 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 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 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 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 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, 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 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 Consultant to provide complete copies of all insurance policies in effect for the duration of the Services.

(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.

3.10.5 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.

3.10.6 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) Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.10.7 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.

3.10.8 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.

3.10.9 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.

3.10.10 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, 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.

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 Services 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: Aspen Environmental Group
Attn: Neda Delmont
5020 Chesebro Rd, Suite 200
Agoura Hills, CA 91301

SDCP: San Diego Community Power
Attn: Executive Director
815 E Street, Suite 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.

(A) 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.

(B) 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.

(C) All materials and documents which were developed or prepared by 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 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.

(D) 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.

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 Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services. 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 Services, or any publicity pertaining to the Services 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 in the Services 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 Consultant's services 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 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 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 the Services.

5.11 Successors and Assigns. This Agreement shall be binding on 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 Services.

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, through their authorized representatives, as of the date first written above.

SAN DIEGO COMMUNITY POWER	**ASPEN ENVIRONMENTAL GROUP**
By : _____	By : _____
Name: Karin Burns	Name: Neda Rastegar Delmont
Title: Chief Executive Officer	Title: Chief Operating Officer

ATTEST:

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

APPROVED AS TO FORM:

_____
Veera Tyagi
SDCP General Counsel

EXHIBIT A
SCOPE OF SERVICES

For Long-Term Load Forecasting and Compliance Report Services, Consultant will develop the long-term load forecasting model as well as provide ongoing support to run the models, produce sensitivity scenarios, perform model maintenance, coordinate handoff of forecast model to staff and provide compliance reporting for the contract term.

1. **Long-Term Forecasting.** The long-term load forecasting model developed will be customized to meet SDCP's specific internal uses cases, including the ability to:

   1.1. Build forecasts using a bottom-up approach to capture the hourly granularity necessary for forecasting hourly, peak, and TOU demand cross sections by customer class.

      1.1.1. Consultant will validate the hourly forecast using a top-down annual econometric forecast.

      1.1.2. Consultant will test multiple different methodologies for each and determine the best fit for SDCP.

   1.2. Include at minimum, but not limited to, annual and long-term electric retail sales forecasts:

      1.2.1. Of Community Power customer and electric load forecasts including megawatt hours (MWh), megawatt (MW), monthly coincident peak MW, and hourly MW based on Community Power customer load profiles.

      1.2.2. Load forecast at the following granularities:

         1.2.2.1. Total load (retail and loss-adjusted load (LAL))
         1.2.2.2. load by customer class (retail and LAL)
         1.2.2.3. load by rate class (retail and LAL)
         1.2.2.4. retail on/off-peak and partial AM/PM
         1.2.2.5. wholesale on/off-peak
         1.2.2.6. coincident peak and coincident factor.

      1.2.3. Load forecasts at an hourly time granularity, with the option to aggregate up to daily and monthly levels

      1.2.4. Provided load forecasts by class rate, month, and TOU period

   1.3. Forecasting methodology will integrate multiple data sources, including:

      1.3.1. Historical hourly load and customer counts
      1.3.2. Historical normalized weather
      1.3.3. Economic and demographic drivers
      1.3.4. DER penetration, energy efficiency, and policy impacts

   1.4. Include development of load modifier forecasts for use in the sensitivity scenarios which will use a variety of different modeling techniques depending on the application.

1.4.1. Expected load modifiers include but are not limited to electrification, EVs, DERs, EE and data center loads.

1.4.2. Each of the customer class and load modifier models will be packaged into a graphical user interface (GUI) for ease of use. The GUI would allow for adjusting the model parameters to test different forecast scenarios. More specifically, this would be an executable file alongside the source code that will open up a list of options and dropdowns for scenario inputs, growth rates and assumptions.

1.5. Consultant will ensure forecast outputs align structurally with SDCP's internal financial modeling framework

1.6. Consultant will test different modeling methods for performance and application, and will highlight the pros and cons, highlight added values, and provide simplified alternatives if needed.

1.6.1. Modeling Suite will include:

Approach	**Description**
Excel-based linear regression	Simple regression model linking recent load data with weather and calendar variables
ARIMA / Time series models (Prophet)	Autoregressive Integrated Moving Average models using recent historical data
Machine Learning (XGBoost)	Uses a range of variables (weather, calendar, lagged load, etc.) with nonlinear modeling
Hybrid models	Combine statistical (e.g., regression) and ML (e.g., decision trees) components

2. <u>Support Services</u>. Long-term forecasting support services over the term of the Agreement include:

2.1. Consultant will guide collaborative model development, validation, and clear documentation for SDCP to fully own and implement the forecasting process once complete.

2.2. Consultant will develop a formal data request for SDCP to gather input data for the forecast model.

2.3. Consultant will work with SDCP's in-house load forecaster to develop the forecast and make available the data inputs.

2.4. Consultant will draft model documentation that addresses model methodology, development, a user guide, and a process for updating and maintaining the model. Consultant will also document performance statistics and limitations.

2.5. Consultant will support SDCP through General Model Maintenance, meaning updating input data and testing performance on the most recent actuals data. SDCP staff may use this opportunity to test model enhancements or perform alternative sensitivities.

2.6. Consultant will respond to ad hoc requests for additional sensitivity scenarios, subject to fee schedule and any budget caps.

3. **Compliance Reporting.** In coordination with SDCP, Consultant will provide forecast-related compliance filings to the CEC, CPUC and other agencies as required and requested by SDCP.

3.1. Consultant shall assist in preparing demand forecasts related to SDCP compliance filings.

3.1.1. As needed, prepare and submit approved compliance filings required by the CEC, CPUC, and SDG&E

3.2. Establish a compliance calendar that aligns with each agency submittal deadlines

DELIVERABLES & TIMELINE		
Anticipated Deliverable		**Anticipated Completion Date**
1	Annual and long-term forecast of Community Power customer loads.	Long-term model and forecasts provided no less than six months following agreement execution.
2	Load Forecast updates and reporting over the duration of the Services.	Long-term model maintenance and forecast support over the duration of the Services.

EXHIBIT B
COMPENSATION BILLING RATES

All services and expenses under this Agreement **shall not exceed $150,000** for the entire term of the Agreement.

A. Services, as identified in the Scope of Services (Exhibit A), shall be invoiced as follows:

1. Services shall be invoiced using hourly rates.
2. Only the hours spent executing the Scope of Services shall be invoiced.
3. The hourly rates are fixed for the initial contract term (Year 1 and Year 2).
4. The hourly rates after Year 2 will increase by 3% annually thereafter.

Hourly Rates (Year 1 and Year 2)	
Classification	**Hourly Rate**
Principal Associate	$366.00
Economist/Modeler	$192.00
Senior Consultant	$205.00
Project Controls Specialist	$157.00

B. Travel Expenses: SDCP will reimburse travel expenses, subject to the following conditions:

1. Consultant travel must be preapproved by SDCP's CEO, or their designee.
2. Consultant will only be reimbursed for costs preapproved by the SDCP CEO or their designee.
3. Receipts must be provided for costs requested for reimbursement.
4. No mark-up will be allowed.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 20

To:	Board of Directors
From:	Gordon Samuel, Chief Commercial Officer Jennine Camara, Director of Portfolio Management
Via:	Karin Burns, Chief Executive Officer
Subject:	Approve Master Agreement with Yes Energy, LLC for Short-term Load Forecasting Services
Date:	October 23, 2025

Recommendation

Approve the Master Services Agreement (MSA) with Yes Energy, LLC and service order for Short-term Load Forecasting services ("TESLA Custom Forecast"), for an initial 12-month term, and automatic annual renewals, not to exceed 5-years for Short-term Load Forecasting services, and authorize the Chief Executive Officer to execute the contract.

Background

Community Power's short-term forecast of customer demand, or hourly loads, is required for day-to-day operations and wholesale portfolio management. This weather adjusted hourly short-term forecast is submitted by Community Power's scheduling coordinator as demand bids to the CAISO's day-ahead market. Daily load forecasts are not only a CAISO requirement, but accuracy of the daily load forecast directly influences imbalance energy charges associated with the costs of serving electric load.

Community Power is currently contracted for short-term load forecasting services through the Scheduling Coordinator Services Agreement with Tenaska Power Services (TPS). Throughout launch and early stages, TPS provided Community Power with CAISO scheduling coordinator and settlement services, including daily load forecasting of aggregate customer demand. Staff are in negotiations for a modified scheduling services agreement that Power Services plans to bring forward for approval in November 2025. The current Scheduling Coordinator Agreement with TPS was executed in June 2020 and will terminate March 31, 2026, to align with the start of this MSA with Yes Energy, LLC for Short-term load forecasting services.

In June 2025, Community Power issued Request for Proposal (RFP) No. 25-009 for Load Forecasting and Scheduling Coordinator Services. Yes Energy was selected for Category A Task 1 (Short-Term Load Forecasting) services from 4 shortlisted and interviewed participants (of 10 total Category A respondents).

Analysis and Discussion

Daily forecasting of customer aggregate hourly load is required for participation in the CAISO integrated forward market and is used by Community Power's scheduling coordinator for day-ahead demands bids. The short-term forecast is necessary for day-to-day operations; it primarily relies on the most recent customer usage data available and is continuously updated to reflect the latest weather forecasts in the region. The short-term load forecast also informs Community Power's Programs team when to dispatch demand side energy resources and programs to capture the greatest benefit for customers.

While the TPS-provided short-term load forecasting services meets day-to-day business needs, the accuracy of the daily load forecast directly influences CAISO imbalance energy charges, and Community Power can benefit from working directly with a vendor that specializes in forecasting to make ongoing improvements and adjustments as conditions continuously change. Staff will work with Yes Energy to develop multiple load forecasting models reflecting total electric usage based on customer class and geographic area. The developed forecasts will be blended to produce a forecast of Community Power's aggregate hourly demand to be submitted by the scheduling coordinator daily. Short-term forecasting services include weekly forecast error reports, and regular meetings to discuss forecast performance and make model improvements to maintain forecast accuracy to Community Power's satisfaction.

Staff have negotiated the attached MSA with Yes Energy for an initial 12-month term, including automatic renewals after the initial term, not to exceed 5 years. Access to the short-term forecast will be made available to Community Power's scheduling coordinator at no additional cost, and staff will gain access to the TESLA Custom Forecast platform for continuous access to the latest load forecasts and the underlying data. The term is planned to start when the current short-term forecasting services end, and there are no additional fees for set up or ongoing maintenance.

Fiscal Impact

This Service order with Yes Energy, LLC will not exceed $422,935.00, over the maximum 5-year term. Community Power can elect to terminate after the initial 12-month term for any reason. The costs associated with the function of Short-term load forecasting services are included in the approved FY 2025-2026 operating budget. The quality and adaptability of Community Power's short-term forecast of customer demand directly impacts overall daily

CAISO operating costs. Staff expect overall improvements in short-term load forecasting accuracy to yield overall cost savings in the form of reduced imbalance charges and by informing dispatch of Community Power's customer demand-side programs to the greatest customer benefit.

Strategic Plan

This agreement supports Power Services strategic plan goal to prudently manage the power portfolio to minimize risk and customer costs.

Attachments

A: Yes Energy Services Master Agreement

ITEM 20
ATTACHMENT A

YES ENERGY

YES ENERGY SERVICES MASTER AGREEMENT

This Master Agreement ("Master Agreement" or "Agreement") is entered into between **Yes Energy, LLC**, located at 1877 Broadway, Suite 606, Boulder, CO 80302, United States ("Yes Energy") and **San Diego Community Power**, located at 815 E. Street, Ste. 12716, San Diego, CA 92112, United States ("Customer"), effective [_____], 2025 (the "Effective Date"). For purposes of this Agreement, any reference to Yes Energy shall include any wholly owned subsidiary of Yes Energy that provides Services under this Agreement.

1. Agreement Structure

1.1 *General Structure and Services.*

The purpose of this Master Agreement is to provide general terms and conditions for the license of web access to the Yes Energy products and services which Customer may order from Yes Energy (each a "Service"). The description of the Services ordered by Customer and the additional terms and conditions that apply to each Service are set forth in the individual Service Schedules ("Service Schedules"), which, upon execution by Customer shall be deemed incorporated into this Master Agreement. This Master Agreement, the applicable Service Schedules, and Service Order for the applicable Yes Energy Services are referred to as the "Agreement".

1.2 *Order of Precedence.*

In the event of an express conflict between a term of this Master Agreement and a term of any Service Schedule or Service Order, precedence will be given first to the term of the Service Order, then the Service Schedule and lastly to the Master Agreement.

1.3 *Definitions.*

a. *Reserved*

b. "Authorized User Accounts" are as defined in Section 2.3.

c. "Confidential Information" is as defined in Section 5 and on Exhibit A

d. "Customer Account" is as defined in Section 2.1(a).

e. "'Event of Default" is as defined in Section 9.

f. "Fees" are as defined in Section 3.

g. "'Initial Term" is as defined in paragraph 3 of the Service Order.

h. "Services" shall mean the services ordered by Customer and described in the Service Order and Service Schedules.

i. "Service Order" shall mean the service order attached to this Agreement and referenced in Section 2.

j. "Service Schedule" shall mean the service schedules attached to this Agreement and describing the Services ordered by Customer.

k. “Third Party Data” shall mean data accessed through the Yes Energy Software pursuant to an agreement between Customer and the third party providing such data and/or data available to Customer through an agreement between Yes Energy and a third-party data provider and accessed by Customer as part of the Services.

l. “Yes Energy Software” shall mean the computer program in object code only described on the Service Schedule(s) attached to this Agreement as well as the Yes Energy Data and Third Party Data that are delivered with the computer program. The term “Yes Energy Software” includes any corrections, bug fixes, enhancements, updates or other modifications, including custom modifications to such computer program and trade secret information including any flow charts, logic diagrams, user manuals, instructional videos and screens and other documentation.

m. “Yes Energy Data” shall mean the raw data collected by Yes Energy, the Yes Energy derived information including object relationships, and any other proprietary or trade secret information created by Yes Energy which is included in the Services and accessed by Customer via the Yes Energy Software or otherwise delivered to Customer by Yes Energy.

2. Agreement Terms

2.1 *Grant of License*. Yes Energy grants Customer, pursuant to the terms and conditions of this Agreement, a limited term, non-exclusive, nontransferable license to access and use the Yes Energy Software designated on the Service Schedule(s) attached hereto pertaining to Services ordered by Customer. Unless otherwise specified on the Service Schedule(s) or Service Order, all access shall be via a single Customer Account (“Customer Account”).

2.2 *Term of Agreement.* This Agreement shall take effect upon the Effective Date and shall remain in effect until termination of all the Service Schedules and Service Orders incorporated herein.

2.3 *Authorized Users*. Customer's access to and use of the Yes Energy Software is restricted to the number of Users or IDs (“Authorized User Accounts”) assigned to the Customer Account for each Service included in this Agreement as identified in the Service Order attached hereto. Each User or ID type assigned to a specific Service will be defined in the applicable Service Schedule.

3. Fees

3.1 *In General*. In consideration for the license granted by Yes Energy under this Agreement, Customer shall pay Yes Energy the fees as set forth in the applicable Service Order (the “Fees”).

3.2 *Payment Terms.* Except as otherwise provided in this Master Agreement or a Service Schedule or Service Order, all Fees shall be denominated in U.S. Dollars, nonrefundable, and shall be due and payable as set forth in paragraph 3.3. All amounts not paid within thirty (30) days of the due date shall bear interest at the rate of two percent (2%) per annum, or at the highest rate allowed by law, whichever is less, from the date due until paid. Failure of Customer to pay any amounts when due shall constitute sufficient cause for Yes Energy to terminate this Agreement in accordance with Section 9.

3.3 *Payment Schedule:* Except as otherwise provided in a Service Schedule or Service Order, all fees supporting this Agreement are due within thirty (30) days of invoice date. Fees for renewal terms shall be due thirty (30) days prior to the commencement of the renewal term. Notice of any proposed change in fees will be provided to Customer more than sixty (60) days prior to the end of the initial Term or any renewal Term; fees for renewal terms shall be at Yes Energy's then-current rates, or shall be subject to a standard fee increase by equal to the greater of five percent (5%) or Consumer Price Index (CPI). For the purposes of this Agreement CPI refers to the percent change in the Consumer Price Index for All Urban Consumers, U.S. City Average, as published by the Bureau of Labor Statistics of the Department of Labor, for the preceding calendar year.

3.4 *Taxes.* Customer shall, in addition to the other amounts payable under this Agreement, pay all sales, use, value added or other taxes, federal, state or otherwise, however designated (other than taxes based on Yes Energy's income), which are levied or imposed by reason of the transactions contemplated by this Agreement.

4. Ownership; Restrictions on Use.

4.1 *Title*. Customer and Yes Energy agree that Yes Energy owns all proprietary rights, including patent, copyright, trade secret, trademark and other proprietary rights, in and to the Yes Energy Software and any corrections, bug fixes, enhancements, updates or other modifications, including custom modifications, to the Yes Energy Software, whether made by Yes Energy or any third party.

4.2 *Transfers*. Except for permitted assignments under Section 10, Customer shall not sell, license, sublicense, publish, display, distribute, or otherwise transfer to a third party the Yes Energy Software or any copy thereof, in whole or in part, without Yes Energy's prior written consent. Transfers of data and relevant software settings available in the Yes Energy Software shall be permitted between Authorized User Accounts assigned to the Customer Account.

4.3 *Restrictions of Use*. Customer for itself, and its employees, contractors and agents agree the Yes Energy Software and any data accessed through the Yes Energy Software shall be used only for Customer's own internal business purposes and shall not be used to facilitate development of any commercial products or services. Customer shall not permit any parent, subsidiaries, or third parties to use the Yes Energy Software without the prior written consent of Yes Energy; provided that Customer may permit the use of the Yes Energy Software by a parent or subsidiary so long as such use is limited solely for Customer's business and not for the separate business purposes of such parent or subsidiary.

4.4 *Modifications, Reverse Engineering*. Customer agrees that only Yes Energy shall have the right to alter, maintain, enhance or otherwise modify the Yes Energy Software. Customer shall not disassemble, decompile or reverse engineer the Yes Energy Software's computer program.

5. Confidential Information

Customer agrees that the Yes Energy Software contains proprietary information, including trade secrets, know-how and other confidential information that is the exclusive property of Yes Energy. During the period this Agreement is in effect and at all times after its termination, Customer and its employees, contractors and agents shall maintain the confidentiality of this information and shall not use such information except as authorized by this Agreement. Customer shall not disclose any such proprietary information concerning the Yes Energy Software to any person not an employee or contractor of Customer without the prior written consent of Yes Energy. In addition, the parties agree to keep the terms of this Agreement confidential.

In addition, in performing Services under this Agreement, either party may make known or furnish proprietary or private information to the other not included within the Yes Energy Software and Services being provided. The party receiving such information agrees to keep such information confidential in accordance with the provisions of Exhibit A, Confidential Information. This Section and the provisions of Exhibit A, shall survive termination of this Agreement notwithstanding any provisions contained in this Agreement to the contrary.

6. Customer Representations.

6.1 Customer hereby confirms that, if applicable, it is authorized to access market participant data in the Regions covered by this Agreement as set forth on the Service Order for all Regions that require authorization for restricted data being delivered through the Services and agrees to notify Yes Energy of any change in its status in any Region.

6.2 To the extent that Customer provides information to Yes Energy that is not designated as proprietary or confidential information and therefore not subject to the provisions of Exhibit A, Customer hereby represents and warrants that it has the full right and authority to provide such information and further represents that such information does not infringe on the proprietary rights of any third party.

6.3 Customer will not knowingly use Yes Energy Software or data accessed via Yes Energy Software for an illegal or non-legitimate purpose or in violation of any ISO or governmental, law, rule or regulation.

7. No Consequential Damages/Limitation on Recovery

Neither party shall be liable to the other for indirect, special, incidental, exemplary or consequential damages (including, without limitation, lost profits) related to this Agreement or resulting from Customer's use or inability to use the Software, arising from any cause of action whatsoever, including contract, warranty, strict liability, or negligence, even if said party has been notified of the possibility of such damages. Except for liability arising from a party's gross negligence, willful misconduct, or the indemnifications obligations under Section 8, each party's aggregate liability under this Agreement shall not exceed the amounts paid by Customer to Yes Energy under this Agreement during the twelve (12) months prior to the date such claim arose. Notwithstanding the foregoing, liability for breach of a party's confidentiality obligations shall be limited to two (2) times the amounts paid by Customer to Yes Energy under this Agreement during the twelve (12) months prior to the date such claim arose. In addition, the parties acknowledge and agree that Yes Energy does not guarantee the outcome of any investment decisions and shall not be liable to Customer or any persons or entities permitted to use the Services under paragraph 4.3 for any loss that it may suffer by reason of any investment decision or other action taken or omitted by Customer or such permitted entities based on its use of the Yes Energy Software or Services. Further, the parties agree that the any data accessed pursuant to this Agreement is provided as a research and reference tool. It is understood that Yes Energy makes no representations, warranties, express or implied, with respect to such data, including the Yes Energy Data and/or the Third-Party Data concerning its accuracy, completeness, merchantability or fitness for a particular purpose.

8. Indemnification

8.1 Each party ("Indemnifying Party") shall defend, hold harmless and indemnify the other party ("Indemnified Party") from and against any third-party claims, actions, damages, expenses (including reasonable attorneys' fees), and loss of or damage to any property, to the extent arising out of:

a. the Indemnifying Party's material breach of this Agreement, including but not limited to, confidentiality obligations;

b. the Indemnifying Party's gross negligence or willful misconduct;

c. any data breach or unauthorized access to Confidential Information caused by the Indemnifying Party's failure to maintain reasonable security measures; or

d. infringement of any intellectual property rights, including but not limited to, U.S. copyright or patent, by the Indemnifying Party's software, services, or deliverables.

e. Additionally, Customer shall defend, hold harmless and indemnify Yes Energy against any third-party claims, actions, damages, expenses (including reasonable attorneys' fees), and loss of or damage to any property, to the extent that such claims, actions, etc. are caused by use of Services included in this Agreement by Customer or any party authorized under paragraph 4.3.

8.2 The Indemnified Party shall promptly notify the Indemnifying Party of any such claim and cooperate in the defense. The Indemnifying Party shall have control of the defense and settlement of the claim, provided that no settlement shall impose any obligation or liability on the Indemnified Party without its prior written consent.

8.3 Yes Energy shall indemnify and hold harmless Customer from and against any third-party claims, including reasonable legal fees and expenses, based upon infringement of any United States copyright or patent by the Yes Energy Software. Customer agrees to notify Yes Energy of any such claim promptly in writing and to allow Yes Energy to control the proceedings. Customer agrees to cooperate fully with Yes Energy during such proceedings. Yes Energy shall defend and settle at its sole expense all proceedings arising out of the foregoing. In the event of such infringement, Yes Energy shall take such actions as are required to avoid the infringement, including, but not limited to, replacing, in whole or in part, the Yes Energy Software with a substantially compatible and functionally equivalent computer program or modifying the Yes Energy Software. The parties expressly agree that the indemnity provided in this paragraph shall not include an indemnity for infringement by any Third-Party Data accessed through the Yes Energy Software.

9. Termination

9.1 *Termination For Default.* Each party shall have the right to terminate this Agreement and/or any applicable Service Schedules and the license granted herein upon the occurrence of the following events (an "Event of Default"):

a. In the event the other party breaches any provision of this Agreement; or

b. In the event the other party (i) terminates or suspends its business, (ii) becomes subject to any bankruptcy or insolvency proceeding under Federal or state statute; or other applicable law, (iii) becomes insolvent or subject to direct control by a trustee, receiver or similar authority, or (iv) has wound up or liquidated, voluntarily or otherwise.

9.2 *Notice and Opportunity to Cure*. Upon the occurrence of an Event of Default, a party shall deliver to the defaulting party a Notice of Intent to Terminate that identifies in detail the Event of Default. If the Event of Default remains uncured for thirty (30) days, the party may terminate this Agreement and the license granted herein by delivering to the defaulting party a Notice of Termination that identifies the effective date of the termination, which date shall not be less than thirty (30) days after the date of delivery of the Notice of Intent to Terminate.

9.3 *Procedure*. Within ten (10) days after termination of the license, Customer shall no longer retain access to the Software or be entitled to any of the Services included in this Agreement and all applicable Service Schedules. In the event of a termination by Customer under 9.1 for a default by Yes Energy, Customer shall be entitled to a pro rata refund of any Fees paid for the period after the termination date.

9.4 *Termination at Will.*

a. Customer may terminate this Agreement without cause upon written notice to Yes Energy no less than thirty (30) days prior to the start date of the next Term Year, and such termination shall be effective as of the start date of the next Term Year. Yes Energy shall not terminate this Agreement except as pursuant to items 9.1(a) or 9.1(b).

b. In the event of termination by Customer pursuant to item 9.4(a), Customer shall, as Yes Energy's sole right and remedy; (i) pay Yes Energy for services performed up to the date of termination, and (ii) not be entitled to offset or refund any fees paid to Yes Energy prior to the date of termination except as provided for in item 9.3.

10. Assignment

Customer shall not assign or otherwise transfer this Agreement to anyone without Yes Energy's prior written consent, which consent will not unreasonably be withheld; *provided, however*, that Customer shall be permitted to assign this Agreement to an affiliate that takes over Customer's business operations, and; *provided, further*, that a change of control of Customer shall not be deemed to be a prohibited assignment hereunder.

11. Notices

All notices issued hereunder by either party shall be made in writing and shall be delivered by certified United States mail, postage prepaid, return receipt requested or by electronic mail to the addresses provided by the parties. The effective date of notice shall be the date of delivery to the addressee or office of addressee, whichever occurs earlier.

12. General Provisions.

Yes Energy shall not be liable to Customer for any failure or delay caused by events beyond Yes Energy's reasonable control despite the exercise of commercially reasonable efforts, and without fault or negligence by Yes Energy. This Agreement shall be construed and enforced according to and shall be governed by the laws of the State of California without recourse to its conflicts of law provisions. This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof, and supersedes any other agreement between the parties hereto, whether written or oral. This Agreement may not be amended except by writing executed by a duly authorized representative of Customer and Yes Energy. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed and delivered shall be deemed an original but all of which shall constitute but one and the same instrument. This Agreement may be executed and delivered by facsimile transmission, electronic mail or other electronic signature. Any person or party causing a signed copy of this Agreement to be transmitted by facsimile device or electronic mail to any other person or party shall be deemed to have executed and delivered an original counterpart of this Agreement; and, further,

shall be deemed to have agreed, upon request made by any other party hereto, to execute a further original counterpart of this Agreement manually, and to deliver such manually executed counterpart to the party making such request.

13. Mediation.

The parties shall first attempt to resolve any dispute arising under this Agreement through informal discussions between senior representatives. If the dispute is not resolved within thirty (30) days, either party may initiate mediation with a mutually agreed-upon mediator located in California. If mediation is unsuccessful, the parties may pursue any remedies available at law or in equity. Nothing in this section shall prevent either party from seeking injunctive relief or other equitable remedies at any time.

Intending to be legally bound, the parties hereto have caused this Agreement to be duly executed by its legally authorized representative, effective as of the date first written above.

SAN DIEGO COMMUNITY POWER	**YES ENERGY LLC**
Signature:	Signature:
Name: Karin Burns	Name:
Title: Chief Executive Officer	Title:
Date:	Date:

YES ENERGY

EXHIBIT A
CONFIDENTIAL INFORMATION

A. For the purposes of this Exhibit A, the parties agree that "Confidential Information" shall be deemed to include only that information which (i) is transmitted in writing or other tangible form and clearly marked as "Confidential," (ii) if first transmitted orally, is stated to be confidential or proprietary at the time of disclosure and is promptly reduced to writing and marked as "Confidential", or (iii) is Customer information uploaded by Customer onto a Yes Energy platform.

B. Notwithstanding Paragraph A of this Exhibit A, Confidential Information shall not include any information that: (i) is already known to the receiving party at the time of its disclosure; (ii) is or becomes publicly known through no wrongful act of receiving party; (iii) is received from a third party free to disclose it to receiving party; (iv) is independently developed by receiving party; (v) is communicated to a third party with the express written consent of the disclosing party or (vi) is lawfully required to be disclosed to any governmental agency or is otherwise required to be disclosed by law, provided that before making such disclosure receiving party shall give disclosing party an adequate opportunity to interpose an objection or take action to assure confidential handling of such information.

C. For a period of one (1) year from the date of disclosure to receiving party, the receiving party shall not disclose any Confidential Information it receives from disclosing party to any person or entity except employees of receiving party and its agents and representatives who have a need to know and who have been informed of receiving party's obligations under this Exhibit A. Receiving party shall use the same degree of care to avoid disclosure of such Confidential Information as receiving party affords its own confidential information of like importance. To the extent any Confidential Information is deemed to be a trade secret by the disclosing party, as identified by disclosing party, the receiving party shall not discuss or disclose such Confidential Information for as long as the applicable statute of limitations.

D. All Confidential Information disclosed under this Exhibit A in tangible form (including, without limitation, information incorporated in computer software or held in electronic storage media) shall be and remain property of the disclosing party. Upon request, Confidential Information shall be promptly returned or destroyed. Notwithstanding the foregoing, the receiving party may retain data or records in electronic form containing Confidential Information for the purposes of backup or recovery, so long as (i) such data or records are not accessible in the ordinary course of business and are not accessed except as required for backup or recovery purposes and (ii) to the extent such data or records are restored or otherwise become accessible, they are permanently deleted. The rights and obligations of the parties under this Exhibit A shall survive any such return of Confidential Information.

E. The parties agree that, in the event of a breach or threatened breach of the terms of this Exhibit A, the disclosing party shall be entitled to an injunction prohibiting any such breach. Any such relief shall be in addition to and not in lieu of any appropriate relief in the way of money damages.

YES ENERGY

Schedule 11b
TESLA Custom Forecast

A. **TESLA Custom Forecast ("TESLA Custom")** is a set of data generated using mathematical models constructed by Yes Energy using Customer Data for the exclusive use of Customer.

"Customer Data" is data that originates with and is the sole property of Customer and which is provided to Yes Energy for the sole purpose of supporting the provision of the TESLACustom services. The data is confidential to Customer and includes but is not limited to:

- Observed demand data
- Observed or forecast weather data
- Observed or forecast data regarding the number or type of end-use customers served by Customer

B. Customer shall be granted access to **TESLA Custom** in accordance with the terms and conditions of this Agreement.

1. The terms for use and support of TESLA Custom services are described as:

    a. The TESLA Custom services shall consist of access to those custom forecasts and modules in the Yes Energy online TESLAWeb product suite which have been created by Yes Energy in accordance with a work order agreed to by the parties and identified on the Service Order, including any enhancements made to TESLAWeb during the Term of the Agreement. In addition, Customer may request that access to the PMCF services also be provided via API and/or FTP site.

    b. Standard TESLA Custom support services which include basic technical assistance to help Customer understand access to, and basic structure and use of TESLA Custom.

2. Additional Terms Applicable to TESLA Custom Forecast services are as follows:

    a. Customer acknowledges that Yes Energy will not deliver any installation copies or instances of any PMF software as part of the Services. Upon termination of this Agreement, Customer's right and license to use TESLA Custom shall terminate. Customer is responsible for maintaining, backing up, and storing its own copies of all data, reports, and/or other deliverables received from Yes Energy during the Term of this Agreement.

    b. Yes Energy retains all ownership and intellectual property rights to PMF, and to any mathematical models, software, proprietary data models, and trade secrets developed by Yes Energy related to TESLA Custom; provided, however, that the Customer Data and TESLA Custom Forecasts, created by Yes Energy solely for Customer shall be and remain the property of Customer.

By execution below, Customer and Yes Energy agree to incorporate the terms of this Service Schedule into the Agreement between the parties.

[SIGNATURES ON THE FOLLOWING PAGE]

SAN DIEGO COMMUNITY POWER	YES ENERGY LLC
Signature:_____	Signature:_____
Name: Karin Burns	Name: Isaac Velander
Title: Chief Executive Officer	Title: Chief Product Officer
Date: _____	Date: _____

[SCHEDULE 11b TESLA CUSTOM FORECAST SIGNATURE PAGE]

YES ENERGY

Yes Energy Service Order

This Service Order is entered into between **Yes Energy, LLC** located at 1877 Broadway, Suite 606, Boulder, CO 80302 ("Yes Energy") and **San Diego Community Power** located at 815 E. Street, Ste. 12716, San Diego, CA 92112, United States ("Customer"), dated as of [_____], 2025 and is subject to the terms and conditions of the Master Agreement, dated [_____], 2025 (the "Master Agreement") entered into between the Parties. By executive this Service Order, Customer expressly agrees that the terms and conditions of the Master Agreement shall supersede any terms and conditions contained in any purchase order submitted by Customer to Yes Energy. All capitalized or abbreviated terms not otherwise defined herein shall have the same meaning as in the Master Agreement.

1. **Products and Services:** The license granted in this Agreement includes the Services for which Customer has executed a Service Schedule**.** The Fees and number of Authorized User Accounts for each Service are included in the Service Order Tables attached hereto and may be modified from time to time as provided in this Service Order. The Services Customer is entitled to access may be increased upon execution by Customer of the appropriate Service Schedule.

2. **Regions:** The license granted in this Agreement entitles Customer to the Regions listed in Service Order Tables attached hereto.

3. **Term**: The start date of the Services identified in this Service Order will be 4/1/2026 and will terminate on 3/31/2027. The Term shall automatically renew for additional Terms of one (1) year each, but not to exceed a total of five (5) years for all Terms under this Agreement, collectively, unless either party notifies the other of its intent to terminate sixty (60) days prior to the end of the then effective Term.

4. **Modifications to Service Order**:
   a. **Authorized User Accounts.** The number of Authorized User Accounts for the Services as identified in the Service Order Tables may be increased by providing written notification to Yes Energy including the name and address of each additional user when required, and paying the required fee. The parties agree that such notification and payment shall be deemed an amendment to this Service Order and shall bind the parties to all the terms and conditions hereof.

   b. **Regions.** The regions that Customer is entitled to access as identified in the Service Order Tables may be increased by providing written notification to Yes Energy including the names of the additional regions, and paying the required fee, as applicable. The parties agree that such notification and payment shall be deemed an amendment to this Service Order and shall bind the parties to all the terms and conditions hereof.

   c. **Term.** The Term of this Agreement may be extended by providing written notification to Yes Energy and paying the required fee. The parties agree that such notification and payment shall be deemed an amendment to this Service Order and shall bind the parties to all the terms and conditions hereof.

Intending to be legally bound, the parties hereto have caused this Service Order to be duly executed effective as of the date first written above.

[SIGNATURES ON THE FOLLOWING PAGE]

SAN DIEGO COMMUNITY POWER	**YES ENERGY LLC**
Signature:	Signature:
Name: Karin Burns	Name:
Title: Chief Executive Officer	Title:
Date:	Date:

[YES ENERGY SERVICE ORDER SIGNATURE PAGE]

YES ENERGY

Service Order Tables for San Diego Community Power

Term Effective Dates: 4/1/2026 to 3/31/2027
Term Length: 12 Months

Table 1. Customer Ordered Yes Energy Products and Services Effective 4/1/2026

Product Name	Quantity	Total Annual Fees	Start Date	End Date
TESLA Forecasting Custom Solution Custom	1	$72,000.00	4/1/2026	3/31/2027

Additional Terms:

See **EXHIBIT B SCOPE OF WORK** attached hereto

Customer may add Long Term Forecasting Services during the 4/1/2026 to 3/31/2027 period for an additional annual fee of $13,000; provided that if Customer adds such Long Term Forecasting Services during a subsequent renewal Term, annual fees will escalate by no more than 5% per annum.

No additional fees will be assessed for set-up or ongoing maintenance associated with TESLA Custom Forecast services or for access for Customer's scheduling coordinator.

All currency amounts are in U.S. Dollars. Fees do not include sales tax, which Yes Energy will calculate, collect, and remit at the time of invoice, where applicable based on the billing address provided to Yes Energy.

YES ENERGY

EXHIBIT B
SCOPE OF WORK

Yes Energy shall provide Customer ("Community Power" or "SDCP") demand and load forecasting services that include, but are not limited to, the following:

A. TASK 1: Short-Term Load Forecasting Services

Yes Energy shall provide Community Power with load forecasting services, including, but not limited to, the following:

1. Short-term (Daily) forecast of Community Power hourly loads.

1.1. Each day, Yes Energy will generate an hourly weather adjusted fourteen (14) day load forecast using historic consumption data for Community Power.

1.1.1. Yes Energy will provide a web-based GUI and data delivery via API as options for SDCP access to forecasting data.

1.1.2. Yes Energy will make the fourteen (14) day forecast available to Community Power's designated scheduling agent in a mutually acceptable format for day-ahead scheduling

1.2. Yes Energy shall coordinate with Community Power's in-house load forecaster and scheduling agent to develop the forecast and make available the data inputs.

1.2.1. Yes Energy will hold multiple GUI training session for SDCP users to understand the Yes Energy interface, and to walk through how SDCP can integrate forecasting data into internal applications.

1.3. The load forecast represents expected aggregate energy consumption at the load aggregation point where Community Power submits daily demand bids.

1.3.1. Yes Energy will develop load forecasting models for the five customer classes of the SDCP territory. The forecasting models will yield two independent load forecasts, that will be blended together to yield a third "official" load forecast. The accuracy of the "official" load forecast is expected to outpace component forecasts. If the accuracy of the "official" load forecast does not out outpace component forecasts, Yes Energy will meet with SDCP to propose and develop solutions.

1.3.2. Yes Energy will provide minimum of three load forecasts across each of the customer classes in SDCP's geographic footprint and will blend forecasts

1.4. The load forecast shall reflect weather forecasts from a minimum of four weather stations in San Diego County.

1.4.1. At minimum, the load forecast will incorporate data from the sites: KSAN, KCRQ, KSDM, and KRNM.

1.5. Note that Community Power does not have access to real-time supervisory contract and data acquisition ("SCADA") data and the provider will be required to use a combination of estimated settlement quality meter data ("ESQMD", T+8), actual settlement quality meter data ("ASQMD", T+48).

1.5.1. Yes Energy will hold training sessions for SDCP users to understand the Yes Energy interface, and support automation of SDCP's SQMD load data inputs into the forecasting model.

1.5.2. Yes Energy will ensure the model is 'ingesting' new SDCP SQMD load data automatically and continuously. Any downtime can significantly impact the accuracy of SDCP's daily load forecast, Yes Energy will immediately notify SDCP of any downtime and work to resolve any data feed issues in less than 24-hrs from discovery.

1.6. The Consultant will provide weekly forecast error reports, including explanations and corrective actions for significant forecast deviations.

1.6.1. Yes Energy will have regular meetings to discuss performance and make model improvements to maintain forecast accuracy to SDCP's satisfaction.

1.7. Methodology: The load forecast model/tool will leverage customer load data, weather data, and other data sources to produce an accurate hourly forecast of Community Power aggregate load.

TASK 1 DELIVERABLES & TIMELINE		
Anticipated Deliverable		**Anticipated Completion Date**
1	Daily forecast of Community Power hourly loads: Generate an hourly weather-adjusted 14-day load forecast using historic consumption data	Daily
2	Weekly forecast error report that includes explanations and corrective actions for significant forecast deviations.	Weekly
3	Ensure Community Power reports and data inputs/outputs are operational for Community Power's third-party scheduling agent.	Prior to load forecasting start date.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 21

To: Board of Directors

From: Gordon Samuel, Chief Commercial Officer
Kenny Key, Director of Power Contracts

Via: Karin Burns, Chief Executive Officer

Subject: Approve First Amendment to the Voluntary Allocation Market Offer confirmation with San Diego Gas and Electric Company

Date: October 23, 2025

Recommendation

Approve the proposed First Amendment to the Voluntary Allocation Market Offer confirmation with San Diego Gas and Electric Company and authorize the Chief Executive Officer to execute the agreement.

Background

Upon formation, San Diego Community Power (Community Power), was offered a portfolio of long term renewable assets from San Diego Gas and Electric Company (SDG&E) as part of the Voluntary Allocation Market Offer (VAMO). The original VAMO agreement was entered into on December 20, 2021. That agreement specified deliveries from 2022-2033.

However, the California Public Utilities Commission ("CPUC") in Decision 21-05-030, issued May 21, 2021, mandated that VAMO sellers offer Buyer, among others, a voluntary allocation of a portion of Power Charge Indifference Adjustment ("PCIA") eligible Renewable Portfolio Standard ("RPS") generation from Seller's portfolio through the end of the term of the longest contract in the particular PCIA vintage. Thus, the parties were required to extend the VAMO contract beyond the 2033 date.

Analysis and Discussion

Staff negotiated the attached First Amendment to the VAMO contract. The amendment simply extends the Delivery Period from "midnight on December 31, 2033" to "the date Seller

no longer receives Product from any of the contracts in the Project, unless this Agreement is terminated earlier in accordance with the terms of this Agreement".

Following board approval of this amendment, SDG&E will need to submit a request for CPUC approval which must happen by May 31, 2026.

Fiscal Impact

The pricing of the VAMO contract is confidential, but the long-term purchase of renewable attributes will provide Community Power with significant value and cost certainty over the term of this Agreement.

Strategic Plan

This item impacts two of the Power Service strategic plan goals (1) prudently manage the power portfolio to minimize risk and customer costs and (2) develop a clean energy portfolio with renewable content of 100% no later than 2035.

Attachments

A: First Amendment to VAMO Agreement

ITEM 21
ATTACHMENT A

FIRST AMENDMENT TO THE EEI AGREEMENT CONFIRMATION BETWEEN SAN DIEGO GAS & ELECTRIC COMPANY AND SAN DIEGO COMMUNITY POWER

This FIRST AMENDMENT TO THE EEI AGREEMENT CONFIRMATION BETWEEN SAN DIEGO GAS & ELECTRIC COMPANY AND SAN DIEGO COMMUNITY POWER (the "**First Amendment**") is made and entered into as of October [ ], 2025 (the "**Effective Date**"), by and between San Diego Gas & Electric Company ("**Seller**" or "**SDG&E**") and San Diego Community Power ("**Buyer**" or "**SDCP**"), each individually a "Party" and together the "Parties". All capitalized terms used in this First Amendment, but not defined herein shall have the meanings ascribed to such terms in the Master Agreement or the Confirmation (as defined below).

RECITALS

WHEREAS, the Parties previously entered into that certain EEI Master Power Purchase and Sale Agreement, dated as of December 20, 2021 (the "**Master Agreement**") and the EEI Agreement Confirmation Between SDG&E and SDCP for the Long-term Allocation of Bundled Renewable Energy Credits, dated as of December 20, 2021 (the "**Confirmation**").

WHEREAS, the California Public Utilities Commission ("**CPUC**") Decision ("D.") 21-05-030, issued May 21, 2021, offered Buyer, among others, a voluntary allocation of a portion of Power Charge Indifference Adjustment ("**PCIA**") eligible Renewable Portfolio Standard ("**RPS**") generation from Seller's portfolio through the end of the term of the longest contract in the particular PCIA vintage.

WHEREAS, the Parties hereto desire to amend the Confirmation as provided herein.

NOW THEREFORE, for and in consideration of the agreements herein made and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Effectiveness.

   Within ninety (90) days after the Effective Date, Seller shall submit a request for CPUC approval, with the appropriate tier designation, of this First Amendment. The effectiveness of this First Amendment is conditioned upon Seller having obtained final and non-appealable CPUC Amendment Approval no later than May 31, 2026 (the "**Approval Deadline**"). Prior to the Approval Deadline, should the CPUC issue an order approving this First Amendment with conditions or modifications that materially alter the commercial aspects of this First Amendment, the Parties agree to (a) use good faith efforts to renegotiate this First Amendment and (b) file the amended First Amendment with the CPUC seeking approval thereof. If, no later than the earlier of (i) sixty (60) days after such order or (ii) the Approval Deadline, no agreement is reached, either Party may terminate this First Amendment upon delivery of Notice to the other Party. For purpose of this First

Amendment, "CPUC Amendment Approval" shall mean a final, non-appealable order approving this First Amendment in its entirety issued by the CPUC.

2. Amendment.

   The definition of "Delivery Period" in Article 1 of the Confirmation is hereby amended by deleting the phrase beginning in the third line "midnight on December 31, 2033" and replacing it with the phrase "the date Seller no longer receives Product from any of the contracts in the Project, unless this Agreement is terminated earlier in accordance with the terms of this Agreement".

3. Miscellaneous.

   a. No Other Modification. Except as modified and amended herein, all other terms and conditions of the Confirmation shall remain unchanged and in full force and effect.

   b. Agreement. This First Amendment shall be subject to all of the terms and conditions of the Master Agreement, as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

[*Signatures appear on the next page*]

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be duly executed as of the date first written above.

SAN DIEGO COMMUNITY POWER, a California joint powers authority	SAN DIEGO GAS & ELECTRIC COMPANY, a California corporation
By: _____	By: _____
Name: Karin Burns	Name:
Title: Chief Executive Officer	Title:
ATTEST:	APPROVED AS TO LEGAL FORM:
_____	_____
Maricela Hernandez Community Power Secretary/Clerk of the Board of Directors	Veera Tyagi Community Power General Counsel

SAN DIEGO COMMUNITY POWER
Staff Report – Item 22

TO: Board of Directors

FROM: Gordon Samuel, Chief Commercial Officer
Kenny Key, Director of Power Contracts

VIA: Karin Burns, Chief Executive Officer

SUBJECT: Approve Amended and Restated Energy Storage Service Agreement for the Chula Vista Energy Center 2 Project

DATE: October 23, 2025

Recommendation

Approve the proposed 15-year Amended and Restated Energy Storage Service Agreement with Chula Vista Energy Center 2, LLC for a 49.7 MW/ 198.8 MWh, 4-hour battery energy storage facility and authorize the Chief Executive Officer to execute the agreement.

Background

As San Diego Community Power (Community Power) strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term contracts of at least 10 years in duration are integral components of its portfolio. Long-term contracts provide renewable generation and clean energy storage facility developers with a certain revenue stream against which they can finance up-front capital requirements, so each long-term contract that Community Power signs with a developing facility will underpin a new, incremental project. In addition, long-term contracts lock in energy and capacity 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.

In D.21-06-025, the California Public Utilities Commission (CPUC) required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation and storage facilities that will achieve commercial operation during 2023 through 2026. Further, Decision 23-02-040 allowed LSEs to contract long-lead time resources, including long duration storage, with commercial operations out into 2028 to meet its resource adequacy requirements.

The proposed A&R Energy Storage Service Agreement (ESSA) is for capacity, energy arbitrage and ancillary services benefits from a 49.7 MW/ 198.8 MWh, 4-hour battery energy storage facility, the Chula Vista Energy Center 2 project ("CVEC2"), being developed by Wellhead Electric Company, Inc. ("Wellhead"). The original ESSA originated from an offer Community Power received in late 2023 via its 2023 Request for Information for projects seeking to apply to the CAISO Transmission Planning Process in 2024. Community Power engaged with Wellhead after short-listing the project to work on ESSA terms.

The SDCP board approved the original ESSA at the January 18, 2024 board meeting. However, after such approval, changes to the tariff structure left the project financially unviable as contracted. Staff worked with Wellhead to adjust the ESSA to remain viable and reached terms mutually agreeable to both parties.

Analysis and Discussion

Staff negotiated the attached full toll ESSA for the purchase of capacity, energy arbitrage and ancillary services from the CVEC2 project, which is a standalone battery storage project to be developed in San Diego County by Wellhead.

As previously reviewed with the Ad Hoc Energy Contracts Working Group, the ESSA provides for a Guaranteed Commercial Operations Date of June 1, 2026 and provides critical local resource adequacy for Community Power's portfolio.

Below is additional information regarding Wellhead and the revised ESSA.

Background on Wellhead:

- Since 1985, Wellhead has been involved in the development, construction, completion, and/or operation of twenty gas fired generation facilities (including four CHP), one landfill gas generation facility, several hybrid and energy storage projects, and multiple solar PV projects. Wellhead and/or its affiliates currently own and/or operate eleven generating projects totaling over 525 MW.
- Notable recent projects from Wellhead include:
    - Stanton Battery Energy Storage Project ("SBES"):
        - Commercial in 2023, SBES consists of a 68.8 MW, 4-Hour battery energy storage system ("BESS").
    - Fresno Energy Storage 1 ("FES1"):
        - Commercial in 2023, FES1 consists of a 16 MW, 1-Hour BESS, hybridized with an existing gas turbine.
    - Stanton Energy Reliability Center ("SERC"):
        - Commercial in 2020, SERC consists of a 98 MW, hybrid electric gas turbine. This project includes two GE LM6000 Gas Turbines and two ~10 MW, ½-Hour BESS's. The gas turbines and BESS's were integrated with Wellhead's patented EGT hybrid control system.

Contract Overview – Chula Vista Energy Center 2

- Project: 49.7 MW/198.8 MWh (4-hour) lithium-ion battery energy system
- Project location: San Diego County, California
- Guaranteed commercial operation date: June 1, 2026
- Contract term: 15 years
- Pricing: Fixed capacity price adjusted for availability and verified capacity
- Community Power would receive financial compensation in the event of seller's failure to successfully achieve certain development milestones as well as seller's failure to meet guaranteed efficiency rates once the project is operational.

Revisions to Board Approved ESSA:

- Increased capacity price
- Increased number of daily cycles available to SDCP
- Modifications to the scheduling coordinator functions
- Updated for slice of day resource adequacy requirements

Community Benefits:

- Wellhead is committed to using union labor at the project and has entered into a Project Labor Agreement and a Maintenance Labor Agreement.
- Project development will bring approximately 130 clean-energy jobs throughout construction and will be staffed during operations by Wellhead's 6-person San Diego area O&M staff.
- Project is located in a disadvantaged community and will help displace local and regional gas-fired generation in peak hours and fewer renewable curtailments will occur.
- Wellhead is providing approximately $200,000 in community benefits which include:
    - Donations and scholarships to local elementary and high schools for VEX robotic and CTE construction programs
    - Scholarships focusing on the areas of Science, Technology, Engineering and Math
    - Donations to programs sponsored by the San Diego County local building trades
    - Substantial contribution to the Community Investment Fund
- Annual Property Tax revenues of nearly $800,000 for schools and city services
    - Approx. $350,000 per year for schools
    - Approx. $185,000 per year for the Chula Vista General Fund

Committee Review

The ECWG approved the shortlisting of the CVEC2 project in December of 2023. Further, the ECWG approve the revised ESSA in June of 2025.

Fiscal Impact

The competitive capacity pricing of the ESSA is confidential, but the long-term purchase of capacity, energy arbitration, and ancillary services will provide Community Power with significant value and cost certainty over the term of this ESSA.

Strategic Plan

This item impacts two of the Power Service strategic plan goals (1) prudently manage the power portfolio to minimize risk and customer costs and (2) develop local renewable and clean energy capacity.

Attachments

A: Amended and Restated Energy Storage Service Agreement for the Chula Vista Energy Center 2 project

ITEM 22
ATTACHMENT A

AMENDED AND RESTATED

ENERGY STORAGE SERVICE AGREEMENT

COVER SHEET

Seller: Chula Vista Energy Center 2, LLC ("**Seller**")

Buyer: San Diego Community Power, a California joint powers authority ("**Buyer**")

Description of Facility: A 49.7 MW-AC/198.8 MWh battery energy storage facility, located in San Diego County, in the State of California, as further described in Exhibit A.

Milestones:

Milestone	Date for Completion
Evidence of Site Control	[redacted]
Executed Interconnection Agreement	[redacted]
Guaranteed Construction Start Date	January 15, 2026
Transmission Plan Deliverability Allocation Obtained	[redacted]
In-Service Date (back-feed)	[redacted]
Initial Synchronization/Commencement of Trial Operations	[redacted]
Guaranteed Commercial Operation Date	[redacted]
Initial Showing Month	August 1, 2026

Delivery Term: 15 Contract Years

Guaranteed Capacity: 49.7 MW-AC at four (4) hours of continuous discharge

Dedicated Interconnection Capacity: 49.7 MW

Guaranteed Availability: [redacted]

Guaranteed Efficiency Rate:

Contract Year	Guaranteed Efficiency Rate

1 – 15	[redacted]

Minimum Efficiency Rate: [redacted]

Contract Price:

Contract Year	Contract Price
1 – 15	[redacted]

[redacted]

Product:

- ☒ Buyer Discharging Energy
- ☒ Buyer Charging Energy
- ☒ Installed Capacity and Effective Capacity
- ☒ Ancillary Services

☒ Capacity Attributes

Scheduling Coordinator: Wellhead Power eXchange, LLC (pursuant to and subject to Exhibit D)

Security Amount:

Development Security: [redacted]

Performance Security: [redacted]

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AMENDED AND RESTATED

ENERGY STORAGE SERVICE AGREEMENT

This Amended and Restated Energy Storage Service Agreement ("**Agreement**") is entered into as of [ ], 2025 (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, the Parties entered into that certain Energy Storage Service Agreement, dated as of _____, 2024 (the "**Original ESSA**"); and

WHEREAS, the Parties hereby agree to amend, restate, replace and supersede the terms of the Original ESSA as provided herein; and

WHEREAS, Seller intends to develop, design, 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 3.7(c).

"**Administrative NQC Reduction**" means a reduction in the maximum achievable Net Qualifying Capacity of the Facility due to (a) a reduction that has been generally applied to resources materially similar to the Facility in terms of type, market and operational characteristics (including those characteristics specified in the CPUC Master Resource Database), including any methodology that incorporates fleet averages or other average outage rates, or (b) a reduction that is specifically applied based on the operational characteristics of the Facility (e.g. any changes with respect to storage duration requirements) to the extent such reduction is not caused by Seller's failure to meet its obligations under this Agreement.

"**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" (including, with correlative meanings, the terms "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. Notwithstanding the foregoing, the Parties hereby agree and acknowledge that with respect to Buyer the public entities designated as members or participants under the Joint Powers Agreement creating Buyer shall not constitute or otherwise be deemed an "Affiliate" for purposes of this Agreement.

"**Agreement**" has the meaning set forth in the Preamble and includes the Cover Sheet and any Exhibits, schedules and any written supplements hereto.

"**Alternative Dispatch**" has the meaning set forth in Section 4.6(b).

"**Ancillary Services**" means frequency regulation, spinning reserve, non-spinning reserve, regulation up, regulation down, voltage support, and any other ancillary services, in each case that the Facility is capable of providing consistent with the Operating Restrictions set forth in Exhibit Q, as each is defined in the CAISO Tariff.

"**Automated Dispatch System**" or "**ADS**" has the meaning set forth in the CAISO Tariff.

"**Automatic Generation Control**" or "**AGC**" has the meaning set forth in the CAISO Tariff.

"**Availability Adjustment**" has the meaning set forth in Exhibit C.

"**Availability Notice**" has the meaning set forth in Section 4.10.

"**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 whole MWs, that is mechanically available to charge and discharge Energy and provide Ancillary Services.

"**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.

"**Battery Charging Factor**" means a fraction, the numerator of which is the amount of Charging Energy absorbed by the Facility after the first five (5) hours of the charging phase of the applicable Capacity Test, and the denominator of which is the Effective Capacity.

"**Battery Discharging Factor**" means one (1) minus a fraction, the numerator of which is the amount of Discharging Energy discharged during the first four (4) hours of the discharging phase of the applicable Capacity Test, and the denominator of which is the Effective Capacity.

"**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. local time for the Party sending a Notice, or payment, or performing a specified action.

"**Buyer**" has the meaning set forth on the Cover Sheet.

"**Buyer Charging Energy**" means Charging Energy received pursuant to a Charging Notice.

"**Buyer Default**" means a failure by Buyer to perform Buyer's obligations hereunder, and includes an Event of Default of Buyer.

"**Buyer Discharging Energy**" means all Discharging Energy delivered pursuant to a Discharging Notice.

"**Buyer Dispatched Test**" has the meaning in Section 4.4(c).

"**Buyer's Indemnified Parties**" has the meaning set forth in Section 16.1(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 Charging Energy and Discharging Energy delivered to or from the Delivery Point.

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

"**CAISO Certification**" means the certification and testing requirements for a storage unit set forth in the CAISO Tariff that are applicable to the Facility, including certification and testing for all applicable Ancillary Services, PMAX, and PMIN.

"**CAISO Charges Invoice**" has the meaning set forth in clause (e) of Exhibit D.

"**CAISO Dispatch**" means any Charging Notice or Discharging Notice given by the CAISO to the Facility, whether through ADS, AGC or any successor communication protocol, communicating an Ancillary Service Award (as defined in the CAISO Tariff) or directing the Facility to charge or discharge at a specific MW rate for a specified period of time or amount of MWh.

"**CAISO Grid**" has the same meaning as "CAISO Controlled Grid" 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, as the same may be amended or modified from time-to-time and approved by FERC.

"**Capacity Attribute**" means any current or future defined characteristic, certificate, tag, credit, or accounting construct associated with the ability of the Facility to charge, discharge and deliver to the Delivery Point at a particular moment and that can be purchased, sold or conveyed under CAISO or CPUC market rules, including Resource Adequacy Benefits.

"**Capacity Damages**" has the meaning set forth in Section 6 of Exhibit B.

"**Capacity Test**" or "**CT**" means any test or retest of the Facility to establish the Installed Capacity, Effective Capacity, or Efficiency Rate or any other test conducted pursuant to Exhibit O.

"**CEQA**" means the California Environmental Quality Act.

"**Change in SC Effective Date**" has the meaning set forth in clause (a) of Exhibit D.

"**Change of Control**" means a transaction or series of transactions where Wellhead Electric Company, WPower LLC, WPower Management Corporation or an Affiliate thereof which directly or indirectly have the power to control the management and policies of Seller prior to such transaction or series of transactions, ceases to directly or indirectly have the power to control the management and policies of Seller as a result of such transaction or series of transactions; *provided* that to the extent any of the foregoing entities cease to directly or indirectly continue to control the management and policies of Seller to accommodate any cash equity or tax equity transaction, such a change shall not constitute a Change of Control.

"**Charging Energy**" means the Energy delivered to the Facility, as measured at the Facility Metering Point by the Facility Meter, as such meter readings are adjusted by the CAISO for any applicable Electrical Losses and Station Use. All Charging Energy shall be used solely to charge the Facility.

"**Charging Notice**" means the operating instruction, and any subsequent updates, given by Buyer, the Facility SC or the CAISO, directing the Facility to charge at a specific MW rate for a specified period of time or to a specified Stored Energy Level; *provided*, any such operating instruction shall be in accordance with the Operating Restrictions and the CAISO Tariff. For avoidance of doubt, any charging instructions made in connection with Seller's Dispatch Rights shall not be considered a Charging Notice. Any instruction to charge the Facility pursuant to a Buyer Dispatched Test shall be considered a Charging Notice.

"**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 Capacity Test**" means the Capacity Test conducted in connection with Commercial Operation of the Facility, including any additional Capacity Test for additional capacity installed after the Commercial Operation Date pursuant to Section 6 of Exhibit B.

"**Commercial Operation Date**" or "**COD**" has the meaning set forth in Exhibit B.

"**Commercial Operation Delay Damages**" means an amount equal to (a) the Development Security amount required hereunder, divided by (b) [redacted]

"**Communications Protocols**" means certain Operating Restrictions developed by the Parties pursuant to Exhibit Q that involve procedures and protocols regarding communication with respect to the operation of the Facility pursuant to this Agreement.

"**Compliance Actions**" has the meaning set forth in Section 3.7(a).

"**Compliance Expenditure Cap**" has the meaning set forth in Section 3.7.

"**Confidential Information**" has the meaning set forth in Section 18.1.

"**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(a).

"**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, breakage, recapture, prepayment and other similar third-party transaction costs and expenses reasonably incurred by such Party either in terminating or repaying any arrangement pursuant to which it has hedged its obligations or entering into new arrangements (including any such hedging arrangements) which replace the Agreement; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with terminating the Agreement.

"**Cover Sheet**" means the cover sheet to this Agreement, which is incorporated into this Agreement.

"**CPM Soft Offer Cap**" has the meaning set forth in the CAISO Tariff.

"**CPUC**" means the California Public Utilities Commission, or any successor entity performing similar functions.

"**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.

"**Cure Plan**" has the meaning set forth in Section 11.1(b)(iii).

"**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 Charging Energy or Discharging Energy for the following reasons: (i) any System Emergency, (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, or (iii) for any other reason;

(b) a curtailment ordered by the Transmission 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, (ii) any warning, forecast or anticipation of conditions or situations that jeopardize the Transmission Provider's electric system integrity or the integrity of other systems to which the Transmission Provider is connected, or (iii) any public safety power shutoff or equivalent curtailment to address wildfire or related risks;

(c) a curtailment ordered by CAISO or the Transmission Provider due to a Transmission System Outage; or

(d) a curtailment in accordance with Seller's obligations or limitations under its Interconnection Agreement with the Transmission Provider or distribution operator.

"**Daily Delay Damages**" means an amount equal to (a) the Development Security amount required hereunder, divided by (b) [redacted]

"**Damage Payment**" means the amount to be paid by the Defaulting Party to the Non-Defaulting Party after a Terminated Transaction occurring prior to the Commercial Operation Date, in a dollar amount set forth in Section 11.3(a).

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

"**Day-Ahead Schedule**" has the meaning set forth in the CAISO Tariff.

"**Deemed Delivered RA**" means for the applicable Showing Month the amount of Net Qualifying Capacity expressed in MW that the Facility would have delivered to the Delivery Point, but for (i) a Force Majeure Event, and/or (ii) Planned Outages permitted by the terms of this Agreement to the extent such Planned Outages reduce the maximum achievable Net Qualifying Capacity of the Facility.

"**Dedicated Interconnection Capacity**" means an instantaneous amount of Charging Energy, Buyer Charging Energy, Buyer Discharging Energy and/or Discharging Energy, as

applicable, that is permitted to be delivered from and/or to the Delivery Point under Seller's Interconnection Agreement, in the amount of MWs as set forth on the Cover Sheet.

"**Defaulting Party**" has the meaning set forth in Section 11.1(a).

"**Delivered RA**" means the sum of (a) the Net Qualifying Capacity of the Facility for such month able to be shown on Buyer's monthly or annual Resource Adequacy Plan to the CAISO and CPUC and counted as Resource Adequacy Capacity by both the CAISO and CPUC, (b) Deemed Delivered RA and (c) Replacement RA.

"**Deliverability**" has the meaning set forth in the CAISO Tariff.

"Deliverability Allocation Date" means the date on which Seller notifies Buyer that CAISO has confirmed to Seller's reasonable satisfaction that the Facility has been allocated Deliverability which is sufficient, in Seller's reasonable judgment, to finance and construct the Facility, but which is no less than 49.7 MW.

"Deliverability Status" means the receipt and designation by CAISO of either Interim Deliverability Status or Full Capacity Deliverability Status with no contingencies.

"**Delivery Point**" means the PNode assigned to the Facility by the CAISO.

"**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.

"**Development Security**" means (a) cash or (b) a Letter of Credit in the amount set forth on the Cover Sheet.

"**Discharging Energy**" means all Energy delivered from the Facility to the Delivery Point during any Settlement Interval or Settlement Period, as measured at the Facility Metering Point by the Facility Meter, as such meter readings are adjusted by the CAISO for Station Use and Electrical Losses to the Delivery Point.

"**Discharging Notice**" means the operating instruction, and any subsequent updates, given by Buyer, the Facility's SC or the CAISO, directing the Facility to discharge Discharging Energy at a specific MW rate for a specified period of time or to a specified Stored Energy Level; *provided*, any such operating instruction or updates shall be in accordance with the Operating Restrictions and the CAISO Tariff. For avoidance of doubt, any discharging instructions made in connection with Seller's Dispatch Rights shall not be considered a Discharging Notice. Any instruction to discharge the Facility pursuant to a Buyer Dispatched Test shall be considered a Discharging Notice.

"**Disclosing Party**" has the meaning set forth in Section 18.2.

"**Dispatch Notice**" means any Charging Notice, Discharging Notice and any subsequent updates thereto, given by the CAISO or Buyer to Seller or the Facility SC, directing the Facility to charge or discharge Energy at a specific MWh rate, for a specified period of time, and/or to a specified Stored Energy Level; *provided*, any such operating instruction or updates shall be in accordance with the Operating Restrictions. For avoidance of doubt, any instructions made in connection with Seller's Dispatch Rights shall not be considered a Dispatch Notice.

"**Early Termination Date**" has the meaning set forth in Section 11.2(a).

"**Effective Capacity**" means the lesser of (a) PMAX, and (b) maximum dependable operating capacity of the Facility to discharge Energy for four (4) hours of continuous discharge, as measured in MW at the Delivery Point (i.e., measured at the Facility Meter and adjusted for Electrical Losses to the Delivery Point to the extent such Electrical Losses are not already reflected in the Facility Meter measurements) as determined pursuant to the most recent Capacity Test (including the Commercial Operation Capacity Test), and as evidenced by a certificate substantially in the form attached as Exhibit I hereto, in either case (a) or (b) up to but not in excess of (i) the Guaranteed Capacity (with respect to a Commercial Operation Capacity Test) or (ii) the Installed Capacity (with respect to any other Capacity Test).

"**Effective Date**" has the meaning set forth in the Preamble.

"**Effective Flexible Capacity**" or "**EFC**" has the meaning set forth in the CAISO Tariff.

"**Efficiency Rate**" means the tested rate calculated pursuant to Sections II.I(2) and III(A) of Exhibit O by dividing Discharging Energy by Charging Energy.

"**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 Delivery Point and the Facility Metering Point associated with delivery of Charging Energy, and (b) between the Facility Metering Point and the Delivery Point associated with delivery of Discharging Energy.

"**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 electrical energy, measured in kilowatt-hours, megawatt-hours, or multiple units thereof.

"**Energy Management System**" or "**EMS**" means the Facility's energy management system.

"**Energy Tolling Period**" has the meaning set forth in Section 2.2.

"**Energy Tolling Resource**" means the Facility is being operated in a manner in which Seller will make available, charge and discharge, deliver, and sell electricity therefrom to Buyer when and as the Facility is available, subject to the terms and conditions of this Agreement, including the Operating Restrictions.

"**Environmental Cost**" means costs incurred in connection with acquiring and maintaining all environmental permits and licenses for the Facility, and the Facility's compliance with all applicable environmental laws, rules and regulations, including capital costs for pollution mitigation or installation of emissions control equipment required to permit or license the Facility, all operating and maintenance costs for operation of pollution mitigation or control equipment, costs of permit maintenance fees and emission fees as applicable, the costs of all Emission Reduction Credits or Marketable Emission Trading Credits required by any applicable environmental laws, rules, regulations, and permits to operate the Facility, and the costs associated with the disposal and clean-up of hazardous substances introduced to the Site, and the decontamination or remediation, on or off the Site, necessitated by the introduction of such hazardous substances on the Site.

"**Event of Default**" has the meaning set forth in Section 11.1.

"**Excused Event**" has the meaning set forth in Exhibit P.

"**Extension Term**" has the meaning set forth in Section 2.1(b).

"**Facility**" means the energy storage facility described on the Cover Sheet and in Exhibit A, located at the Site and including the Energy Management System and mechanical equipment and associated facilities and equipment required to deliver Product (but excluding any Shared Facilities), as such storage facility may be expanded or otherwise modified from time to time in accordance with the terms hereof.

"**Facility Meter**" means a 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 Charging Energy delivered to the Facility Metering Point and the amount of Discharging Energy discharged from the Facility at the Facility Metering Point to the Delivery 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(s) of the Facility Meter shown in Exhibit R.

"**Facility SC**" means (i) as of the Effective Date, Wellhead Power Exchange, LLC, or (ii) if Buyer has revoked its selection of Seller as the responsible Party for Scheduling Coordinator Services in accordance with Exhibit D, then, either Buyer or Buyer's designee acting as the Facility's Scheduling Coordinator.

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

"**Flexible Capacity**" has the meaning set forth in the CAISO Tariff.

"**Flexible Capacity Category**" has the meaning set forth in the CAISO Tariff.

"**Flexible RAR**" means the flexible capacity requirements established for load-serving entities by the CAISO pursuant to the CAISO Tariff, the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority.

"**Force Majeure Event**" has the meaning set forth in Section 10.1.

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

"**Gains**" means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner. Factors used in determining the economic benefit to a 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 comparable transactions at liquid trading hubs (e.g., NP-15), all of which should be calculated for the remaining Contract Term, and include the value of Capacity Attributes.

"**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 and CPUC; *provided*, "Governmental Authority" shall not in any event include any Party.

"**Guaranteed Availability**" means the minimum guaranteed Monthly Capacity Availability of the Facility in each month of the Delivery Term, as set forth on the Cover Sheet.

"**Guaranteed Capacity**" means the maximum dependable operating capability of the Facility to discharge electric energy, as measured in MW AC at the Delivery Point for four (4) hours of continuous discharge, as set forth on the Cover Sheet.

"**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 Efficiency Rate**" means the guaranteed Efficiency Rate of the Facility in each Contract Year of the Delivery Term, as set forth on the Cover Sheet.

"**Guaranteed RA Amount**" means the Qualifying Capacity of the Facility based upon the Effective Capacity, as determined by the CPUC, *minus* Administrative NQC Reduction in the applicable Showing Month.

"**Guarantor**" means, with respect to Seller, any Person that (a) does not already have any material credit exposure to Buyer under any other agreements, guarantees, or other arrangements at the time its Guaranty is issued, (b) is an Affiliate of Seller, or other third party reasonably acceptable to Buyer, (c) has a Credit Rating [redacted], (d) has a tangible net worth of at least [redacted] (e) is incorporated or organized in a jurisdiction of the United States and is in good standing in such jurisdiction, and (f) executes and delivers a Guaranty for the benefit of Buyer.

"**Guaranty**" means a guaranty from a Guarantor provided for the benefit of Buyer substantially in the form attached as Exhibit L.

"**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 Charging Energy or Discharging Energy, as applicable, deviates from the amount of Scheduled Energy.

"**Indemnified Party**" shall mean (i) Buyer, with respect to all third-party claims, demands, losses, liabilities, penalties, and expenses arising out of, resulting from, or caused by the circumstances described in Section 16.1(a), and (ii) Seller, with respect to all third-party claims, demands, losses, liabilities, penalties, and expenses arising out of, resulting from, or caused by the circumstances described in Section 16.1(b).

"**Indemnifying Party**" shall mean (i) Seller, with respect to all third-party claims, demands, losses, liabilities, penalties, and expenses arising out of, resulting from, or caused by the circumstances described in Section 16.1(a), and (ii) Buyer, with respect to all third-party claims, demands, losses, liabilities, penalties, and expenses arising out of, resulting from, or caused by the circumstances described in Section 16.1(b).

"**Initial Showing Month**" means August 2026; *provided however*, if the Guaranteed Commercial Operation Date is extended as set forth in Exhibit B, the Initial Showing Month shall be the first month following the Commercial Operation Date that the Facility SC is capable of including the Resource Adequacy Benefits from the Facility on a Supply Plan.

"**Initial Synchronization**" means the commencement of Trial Operations (as defined in the CAISO Tariff).

"**Installed Capacity**" means the lesser of (a) PMAX, and (b) maximum dependable operating capacity of the Facility to discharge Energy for four (4) hours of continuous discharge, as measured in MW AC at the Facility Meter Point by the Facility Meter and adjusted for Electrical Losses to the Delivery Point (to the extent such Electrical Losses are not already reflected in the Facility Meter measurements), that achieves Commercial Operation, as evidenced by a certificate substantially in the form attached as Exhibit I hereto, as such capacity may be adjusted pursuant to Section 6 of Exhibit B, but in either case (a) or (b) up to but not in excess of the Guaranteed Capacity.

"**Insurable Force Majeure Event**" means any Force Majeure Event which results in direct, physical loss to the Facility.

"**Interim Deliverability Notice**" has the meaning set forth in Section 3.3(d).

"**Interim Deliverability Period**" has the meaning set forth in Section 3.3(d).

"**Interim Deliverability Status**" has the meaning set forth in the CAISO Tariff.

"**Inter-SC Trade**" has the meaning set forth in the CAISO Tariff.

"**Interconnection Agreement**" means the interconnection agreement(s) entered into by Seller or a Seller Affiliate pursuant to which the Facility will be interconnected with the Transmission System, providing for interconnection capacity available or allocable to the Facility 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.

"**Interconnection Delay**" has the meaning set forth in Section 4 of Exhibit B.

"**Interconnection Facilities**" means the interconnection facilities, control and protective devices and metering facilities required to connect the Facility with the Transmission System in accordance with the Interconnection Agreement.

"**Interconnection Point**" has the meaning set forth in Exhibit A.

"**Interest Rate**" has the meaning set forth in Section 8.2.

"**ITC**" means the investment tax credit established pursuant to Section 48 or other applicable provisions of the United States Internal Revenue Code of 1986.

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

"**Joint Powers Agreement**" means that certain Joint Powers Agreement dated 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.

"**kWh**" means a kilowatt-hour measured in alternating current, unless expressly stated in terms of direct current.

"**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, letter of credit, 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 Person 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, pass-through lease or leveraged leasing structure) with respect to the Facility.

"**Letter(s) of Credit**" means one or more irrevocable, standby letters of credit issued by (i) Zions Bancorporation, N.A or (ii) The Bank of Nova Scotia, New York Agency or (iii) a U.S. commercial bank or a foreign bank with a U.S. branch with such bank (a) 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 or (b) being reasonably acceptable to Buyer, in a form substantially similar to the letter of credit set forth in Exhibit K. To the extent Seller's preferred standby letter of credit issuer requests reasonable changes to the form of Exhibit K, Buyer will endeavor to accommodate such requested changes in good faith.

"**Licensed Professional Engineer**" means an independent, professional engineer selected by Seller and reasonably acceptable to Buyer, licensed in the State of California.

"**Local Capacity Area Resource**" has the meaning set forth in the CAISO Tariff.

"**Local RAR**" means the local Resource Adequacy Requirements established for load-serving entities by the CAISO pursuant to the CAISO Tariff, the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority. "Local RAR" may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.

"**Losses**" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner. Factors used in determining economic loss to a 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 comparable transactions at liquid trading hubs (e.g., NP-15), all of which should be calculated for the remaining Contract Term and must include the value of Capacity Attributes.

"**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.

"**Maximum Charging Capacity**" means the highest level at which the Facility may be charged, expressed in MW and as set forth in Exhibit Q.

"**Maximum Discharging Capacity**" means the highest level at which the Facility may be discharged, expressed in MW and as set forth in Exhibit Q.

"**Milestones**" means the development activities for significant permitting, interconnection, and construction milestones set forth on the Cover Sheet.

"**Minimum Efficiency Rate**" means the percentage specified on the Cover Sheet.

"**Monthly Capacity Availability**" has the meaning set forth in Exhibit P.

"**Monthly Capacity Payment**" means the payment required to be made by Buyer to Seller each month of the Delivery Term as compensation for the Product, as calculated in accordance with Exhibit C.

"**Moody's**" means Moody's Investors Service, Inc., or its successor.

"Must Offer Obligations" means the obligations to offer the Net Qualifying Capacity in order to satisfy Resource Adequacy Requirements, including under Section 40.6 of the CAISO Tariff.

"**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.

"**NERC**" means the North American Electric Reliability Corporation, or any successor entity performing similar functions.

"**Net Qualifying Capacity**" or "**NQC**" has the meaning set forth in the CAISO Tariff.

"**Network Upgrades**" has the meaning set forth in the CAISO Tariff.

"**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).

"**Notification Deadline**" in respect of a Showing Month shall be fifteen (15) Business Days before the relevant deadlines for the corresponding RA Compliance Showings for such Showing Month.

"**NP-15**" means the Existing Zone Generation Trading Hub for Existing Zone region NP15 as set forth in the CAISO Tariff.

"**Operating Procedures**" has the meaning set forth in the CAISO Tariff.

"**Operating Restrictions**" means those restrictions, rules, requirements, and procedures set forth in Exhibit Q.

"**Original ESSA**" has the meaning set forth in the Recitals.

"**Outage Schedule**" has the meaning set forth in Section 4.12(a)(i).

"**Partial Deliverability Amount**" has the meaning set forth in Section 3.3(d)(iii).

"**Party**" has the meaning set forth in the Preamble.

"**Performance Security**" means (i) cash or (ii) a Letter of Credit or (iii) a Guaranty in the amount set forth on the Cover Sheet.

"**Permitted Transferee**" means (i) any Affiliate of Seller or (ii) any entity that satisfies, or is controlled by another Person that satisfies, the following requirements:

(a) A tangible net worth or assets under management of not less than [redacted] or a Credit Rating of at least [redacted] and

(b) At least two (2) years of experience in the ownership and operations of energy generation or storage 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 4.12(a).

"**PMAX**" means the applicable CAISO-certified maximum operating level of the Facility.

"**PMIN**" means the applicable CAISO-certified minimum 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 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.

"Pre-Deliverability Period" has the meaning set forth in Section 2.2(b).

"**Product**" has the meaning set forth on the Cover Sheet.

"**Progress Report**" means a progress report including the items set forth in Exhibit E.

"**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 energy storage facilities in the Western United States, and (b) any of the practices, methods and acts which, in the exercise of reasonable judgment 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 energy storage facilities in the Western United States. Prudent Operating Practice shall include 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.

"**Qualifying Capacity**" has the meaning set forth in the CAISO Tariff.

"**RA Compliance Showing**" means the (a) System RAR compliance or advisory showings (or similar or successor showings) and (b) Flexible RAR compliance or advisory showings (or similar successor showings), in each case, an entity is required to make to the CAISO pursuant to the CAISO Tariff, to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the Resource Adequacy Rulings, or to any Governmental Authority.

"**RA Deficiency Amount**" means the liquidated damages payment that Seller shall pay to Buyer for an applicable RA Shortfall Month, as calculated in accordance with Section 3.5(b).

"**RA Guarantee Date**" means [redacted]

"**RA Penalties**" means the RA penalties assessed against load serving entities by the CPUC for RA deficiencies that are not replaced or cured, as established by the CPUC in the Resource Adequacy Rulings and subsequently incorporated into the annual Filing Guide for System, Local and Flexible Resource Adequacy Compliance Filings that is issued by the CPUC Energy Division, or any replacement or successor documentation established by the CPUC Energy Division to reflect RA penalties that are established by the CPUC and assessed against load serving entities for RA deficiencies; provided, that RA Penalties shall not include any CPUC penalty multipliers resulting from Buyer's prior or aggregate RA deficiencies.

"**RA Shortfall Amount**" shall be determined by calculating the difference of the Guaranteed RA Amount *minus* the Delivered RA in the applicable Showing Month; *provided*, if the CPUC adopts another methodology for calculating a load serving entity's procurement deficiencies in Resource Adequacy Benefits for purposes of the Resource Adequacy Requirements, the Parties shall cooperate in good faith to amend this definition to conform to such new methodology in order to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this definition as of the Effective Date. If the result of the calculation is a negative number, the RA Shortfall Amount shall be deemed to be zero MW for such Showing Month.

"**RA Shortfall Month**" means any Showing Month during the Delivery Term, commencing with the Showing Month that contains the RA Guarantee Date, during which there is an RA Shortfall Amount [redacted]

"**Real-Time Market**" has the meaning set forth in the CAISO Tariff.

"**Receiving Party**" has the meaning set forth in Section 18.2.

"**Reliability Network Upgrades**" has the meaning set forth in the CAISO Tariff.

"**Remedial Action Plan**" has the meaning set forth in Section 2.4.

"**Replacement RA**" means Resource Adequacy Benefits from a Resource Adequacy Resource (as defined in the CAISO Tariff), if any, (a) equivalent in all respects to those that would have been provided by the Facility under the RA resource counting rules established by the CPUC, CAISO or other Governmental Body with jurisdiction with respect to the applicable Showing Month in which a RA Deficiency Amount is due to Buyer, including, as applicable, the same Slice-of-Day (as defined in the Resource Adequacy Rulings), generation profile and related characteristics, and any successor criteria applicable to the Facility, and any Local RAR, unless Buyer consents, such consent not to be unreasonably withheld, conditioned or delayed, to accept Replacement RA from another facility that provides non-equivalent Resource Adequacy Benefits,

and (b) located within the CAISO Balancing Authority Area. [redacted]

"**Replacement RA Unit**" means the thermal generating facility with CAISO resource ID OTAY_6_PLX2.

"**Requested Confidential Information**" has the meaning set forth in Section 18.2.

"**Resource Adequacy Benefits**" means the rights and privileges attached to the Facility that satisfy any entity's Resource Adequacy Requirements, as those obligations are set forth in any applicable decision or final guidance document issued by a Governmental Authority, including the Resource Adequacy Rulings, or the CAISO Tariff, and shall include Flexible Capacity, and any local, zonal or otherwise locational attributes associated with the Facility.

"Resource Adequacy Capacity" or **"RA Capacity"** has the meaning set forth in the CAISO Tariff.

"**Resource Adequacy Requirements**" or "**RAR**" means the resource adequacy requirements applicable to an entity as established by the CAISO pursuant to the CAISO Tariff, by the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority.

"**Resource Adequacy Resource**" has the meaning set forth in the CAISO Tariff.

"**Resource Adequacy Rulings**" means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-06-063, 16-06-045, 17-06-027, 18-06-030, 18-06-031, 19-02-022, 19-06-026, 19-10-021, 20-01-004, 20-03-016, 20-06-002, 20-06-031, 20-06-028, 20-12-006 and any other existing or subsequent ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by the CPUC or the CAISO, however described, as such decisions, rulings, Laws, rules or regulations may be amended or modified from time-to-time throughout the Contract Term.

"**S&P**" means the Standard & Poor's Financial Services, LLC (a subsidiary of S&P Global Inc.) or its successor.

"**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 the Facility SC.

"**Schedule**" has the meaning set forth in the CAISO Tariff, and "**Scheduled**" and "**Scheduling**" have a corollary meaning.

"**Scheduled Energy**" means the Charging Energy schedule or Discharging Energy schedule, as applicable, that clears under the applicable CAISO market based on the final Day-Ahead Schedule, FMM Schedule (as defined in the CAISO Tariff), and/or any other financially binding Schedule, market instruction or CAISO 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.

"**Scheduling Coordinator Services**" has the meaning set forth in clause (c) of Exhibit D.

"**Security Interest**" has the meaning set forth in Section 8.9.

"**Seller**" has the meaning set forth on the Cover Sheet.

"**Seller Dispatch**" has the meaning set forth in Section 4.9(k).

"**Seller's Dispatch Rights**" has the meaning set forth in Section 4.9(k).

"**Seller's Indemnified Parties**" has the meaning set forth in Section 16.1(b).

"**Seller Initiated Test**" has the meaning set forth in Section 4.4(c).

"**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 the Non-Defaulting Party's Gains exceed its Costs and Losses, then the Settlement Amount shall be zero dollars ($0). The Settlement Amount does not include consequential, incidental, punitive, exemplary or indirect or business interruption damages.

"**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 Charging Energy and Discharging Energy to and from the Delivery Point to the Facility (which is excluded from Shared Facilities) that are used in common with third parties or by Seller for electric generation or storage facilities owned by Seller or its Affiliates other than the Facility.

"**Showing Month**" shall be a calendar month of the Delivery Term, commencing with the Showing Month that contains the RA Guarantee Date, that is the subject of a RA Compliance Showing, as set forth in the Resource Adequacy Rulings and outlined in the CAISO Tariff. For illustrative purposes only, pursuant to the CAISO Tariff and Resource Adequacy Rulings in effect

as of the Effective Date, the monthly RA Compliance Showing made in June is for the Showing Month of August.

"**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, Seller or 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.

"**State of Charge**" or "**SOC**" means the ratio of (a) the Stored Energy Level of the Facility to (b) the Effective Capacity multiplied by four (4) hours, expressed as a percentage.

"**Station Use**" has the meaning defined by the retail energy provider or the distribution service provider's tariff.

"**Stored Energy Level**" means, at a particular time, the amount of electric Energy in the Facility available to be discharged to the Delivery Point as Discharging Energy, expressed in MWh.

"**Subsequent Purchaser**" means the purchaser or recipient of Product from Buyer in any conveyance, re-sale or remarketing of Product by Buyer.

"**Supplementary Capacity Test Protocol**" has the meaning set forth in Exhibit O.

"**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 Transmission Provider, automatic or immediate action to (i) prevent or limit harm to or loss of life or property, (ii) prevent loss of transmission facilities or generation supply in the immediate vicinity of the Facility, or (iii) to preserve Transmission System reliability.

"**System RAR**" means the Resource Adequacy Requirements established for load-serving entities by the CAISO pursuant to the CAISO Tariff, the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority, but excluding local and Flexible RAR. "System RAR" may also be known as system area reliability, system resource adequacy, system resource adequacy procurement requirements, or system capacity requirement in other regulatory proceedings or legislative actions.

"**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 Credits**" means any (i) federal production tax credit, depreciation benefit, tax deduction and/or investment tax credit, including the ITC, specific to investments in renewable energy facilities and/or energy storage facilities and (ii) any refundable credit, grant, or other cash payment in lieu of an incentive described in clause (i).

"**Terminated Transaction**" has the meaning set forth in Section 11.2(a).

"**Termination Payment**" has the meaning set forth in Section 11.3(b).

"**Throughput**" means, for a day or Contract Year (as the context dictates), the cumulative amount of Discharging Energy from the Facility for such time period.

"**Transmission Provider**" means any entity that owns, operates and maintains transmission or distribution lines and associated facilities and/or has entitlements to use certain transmission or distribution lines and associated facilities for the purpose of transmitting or transporting the Discharging Energy from the Delivery Point.

"**Transmission System**" means the transmission facilities operated by the CAISO, now or hereafter in existence, which provide energy transmission service downstream from the Delivery Point.

"**Transmission System Outage**" means an outage on the Transmission System, other than a System Emergency, that is not caused by Seller's actions or inactions and that prevents (i) Buyer or the CAISO (as applicable) from receiving Discharging Energy onto the Transmission System or (ii) Seller from receiving Charging Energy at the Delivery Point or delivering Discharging Energy to the Delivery Point.

"**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.

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 shall mean 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;

(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) the expression "and/or" when used as a conjunction shall connote "any or all of";

(l) words, phrases or expressions not otherwise defined herein that (i) have a generally accepted 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 and any contract term extension provisions set forth herein ("**Contract Term**"); *provided*, Buyer's obligations to pay for or accept any Product are subject to Seller's completion of the conditions precedent pursuant to Section 2.3.

(b) Delivery Term Extension. Provided that Seller reasonably believes that the Facility can perform its obligations under this Agreement for an additional five (5) years after the Contract Term, Buyer may, in its sole discretion, elect to extend the Contract Term for an additional five (5) year period ("Extension Term"). Within ninety (90) days prior to the conclusion of the Delivery Term, Buyer shall provide Seller written notice of Buyer's decision on whether to extend the Delivery Term. The Parties shall cooperate in good faith to make only those changes to this Agreement that are necessary to reflect the extension of the Delivery Term. All other terms and conditions of this Agreement, including Contract Price, shall remain in effect during the Extension Term.

(c) Survival. 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 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 audit rights shall remain in full force and effect for three (3) years following the termination of this Agreement.



2.3 **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 and Efficiency Rate on the Commercial Operation Date;

(b) Seller has executed an Interconnection Agreement with the Transmission Provider, which shall be in full force and effect and a copy of the Interconnection Agreement delivered to Buyer;

(c) Seller has provided Buyer with (i) a copy of written notice (or other evidence reasonably acceptable to Buyer) from CAISO that the Facility has achieved Interim Deliverability Status or Full Capacity Deliverability Status in the amount of the Guaranteed Capacity; or (ii) notice that the Facility will be operated as an Energy Tolling Resource pursuant to Section 2.2;

(d) A Participating Generator Agreement and a Meter Service Agreement between Seller and CAISO shall have been executed and delivered and be in full force and effect, and a copy of each such agreement delivered to Buyer;

(e) Seller has obtained CAISO Certification for the Facility;

(f) The Facility has successfully completed all testing required by Prudent Operating Practice or any requirement of Law to commence operations of the Facility;

(g) All applicable regulatory authorizations, approvals and permits for the commencement of operation of the Facility have been obtained 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;

(h) Seller has Site Control;

(i) Seller has delivered the Performance Security to Buyer in accordance with Section 8.8;

(j) Insurance requirements for the Facility have been met, with evidence provided in writing to Buyer, in accordance with Section 17.1; and

(f) Seller has paid Buyer for all amounts owing under this Agreement as of the Commercial Operation Date, if any, including Daily Delay Damages and Commercial Operation Delay Damages.

2.4 **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 shall be available to hold regularly scheduled meetings between representatives of Buyer and Seller to review such monthly 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 by Seller. Seller is solely responsible for the design and construction of the Facility, including the location of the Site, the Facility layout, and the selection and procurement of the equipment comprising the Facility.

2.5 **Remedial Action Plan**. If Seller misses a Milestone by more than sixty (60) days, except as the result of Force Majeure Event, Buyer Default, or any failure of the Facility SC if the Facility SC is the Scheduling Coordinator for the Facility, Seller shall submit to Buyer, within ten (10) Business Days of the end of such sixty (60)-day period following such 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, if known (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 subsequent Milestones by the Guaranteed Commercial Operation Date or June 1, 2027 (as applicable, pursuant to Section 2(d) of Exhibit B); *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 Commercial Operation by the Guaranteed Commercial Operation Date or June 1, 2027 (as applicable, pursuant to Section 2(d) of Exhibit B), 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.

2.6 **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, including, without limitation, Seller's delivery of an Availability Notice for the Commercial Operation Date, and Buyer's delivery of a Dispatch Notice and nominating and scheduling the Facility for the Commercial Operation Date, 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 **Product**. Subject to the terms and conditions of this Agreement, during the Delivery Term, Buyer shall have the exclusive right to the Effective Capacity and all Product associated therewith. Seller shall operate the Facility and make available, charge and discharge, deliver, and sell the Product therefrom to Buyer when and as the Facility is available, subject to

the terms and conditions of this Agreement, including the Operating Restrictions. 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 storage capacity, Energy, Ancillary Services or Capacity Attributes from any other energy storage 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 **Discharging Energy**. Subject to the terms and conditions of this Agreement, Seller commits to make available the Discharging Energy to Buyer during the Delivery Term, and Buyer shall have the exclusive rights to all such Discharging Energy, subject to the Operating Restrictions and Seller's Dispatch Rights (if applicable). Title to and risk of loss related to Buyer Discharging Energy shall pass and transfer from Seller to Buyer at the Delivery Point.

3.3 **Capacity Attributes**. Seller shall request Full Capacity Deliverability Status for the Facility's Guaranteed Capacity in the CAISO generator interconnection process. As between Buyer and Seller, Seller shall be responsible for the cost and installation of any Network Upgrades associated with obtaining such Full Capacity Deliverability Status.

(a) Throughout the Delivery Term, Seller grants, pledges, assigns and otherwise commits to Buyer all available Capacity Attributes from the Facility.

(b) Throughout the Delivery Term and subject to Sections 2.2, 3.3(d) and 3.7, Seller shall maintain Interim Deliverability Status or Full Capacity Deliverability Status for the Facility from the CAISO and shall perform all commercially reasonable actions necessary to ensure that the Facility qualifies to provide Resource Adequacy Benefits, including Flexible Capacity, to Buyer. Throughout the Delivery Term and subject to Section 3.7, Seller hereby covenants and agrees to use commercially reasonable efforts to transfer all available Resource Adequacy Benefits from the Facility to Buyer.

(c) For the duration of the Delivery Term, and subject to Section 3.7, Seller shall take all commercially reasonable actions, including complying with all applicable registration and reporting requirements, and execute all documents or instruments necessary to enable Buyer to use all of the Capacity Attributes committed by Seller to Buyer pursuant to this Agreement.

(d) The Parties acknowledge and agree that Seller will need to obtain Interim Deliverability Status from the CAISO on a yearly basis until such time as certain network upgrades (which may include certain transmission plan upgrades) are completed that will allow the Facility to achieve Full Capacity Deliverability Status (such time period, the "**Interim Deliverability Period**"). Beginning in the year prior to the first year of expected Commercial Operation and continuing throughout the Interim Deliverability Period, Seller shall provide Buyer with Notice no later than August 1 of each year as to whether it has obtained Interim Deliverability for all or any portion of the Guaranteed Capacity for the following calendar year ("**Interim Deliverability Notice**"); provided however, if CAISO has not provided notice to Seller by August 1, Seller shall provide the Interim Deliverability Notice to Buyer within two (2) Business Days of receipt of notice from CAISO of the deliverability status of the Facility.

(i) If Seller confirms in an Interim Deliverability Notice that the CAISO has granted Interim Deliverability Status to the Facility in the amount of the Guaranteed Capacity for the following calendar year, then the Contract Price for such year shall be as set forth on the Cover Sheet.

(ii) If Seller confirms in an Interim Deliverability Notice that the CAISO has not granted Interim Deliverability Status to the Facility in the amount of the Guaranteed Capacity for the following calendar year, Seller shall have the right to provide Replacement RA in the amount of any shortfall and up to but not exceeding the Guaranteed Capacity for each of the Showing Months in such year and, if such Replacement RA is fully provided, the Contract Price for such following year shall be as set forth on the Cover Sheet. Seller shall provide Notice to Buyer by no later than August 1 of each year during the Interim Deliverability Period of the amount of Replacement RA to be provided by Seller for each Showing Month of the following calendar year. Seller may offer Replacement RA to Buyer after August 1 for the following calendar year; provided however, acceptance of such offer shall be at Buyer's sole discretion.

(iii) If Seller confirms in an Interim Deliverability Notice that the CAISO has not granted Interim Deliverability Status to the Facility in the full amount of the Guaranteed Capacity for the following calendar year and Seller does not fully provide Replacement RA for such year, then the Facility will be designated as an Energy Tolling Resource for such year. During any calendar year in which the Facility is an Energy Tolling Resource, (A) Buyer will only show the Facility in its yearly or any monthly Supply Plan showings in an amount equal to the number of MW of Facility NQC (inclusive of the quantity of Replacement RA provided, if any) that Seller is able to provide to Buyer for the applicable monthly Supply Plan, if any (the "**Partial Deliverability Amount**"); [redacted] (C) the Parties shall agree upon any technical or operational changes necessary to allow Buyer to operate the Facility as an Energy Tolling Resource for such year; and (D) Seller shall not be deemed to be in default or otherwise in violation of this Agreement solely as the result of the CAISO not granting Interim Deliverability Status to the Facility in the amount of the Guaranteed Capacity for such year.

(iv) Notwithstanding Sections 3.3(d)(ii) and (iii), if CAISO has not granted Interim Deliverability Status to the Facility for 2029, commencing on January 1, 2029 to the first Showing Month that Buyer can show the Facility on its monthly supply plan, Seller shall provide Replacement RA to Buyer in the amount of the Guaranteed Capacity from the Replacement RA Unit which Replacement RA shall equal the full NQC of the Replacement RA Unit and be included in the calculation of Delivered RA in an amount equal to the Guaranteed Capacity. If Seller provides such Replacement RA to Buyer in the amount of the Guaranteed Capacity from the Replacement RA Unit, the Contract Price shall be as set forth

on the Cover Sheet. For the avoidance of doubt, the Replacement RA Unit's Replacement RA shall be deemed to be equal to the NQC MW's that the Facility would have qualified for if the Facility was granted Full Capacity Deliverability Status or Interim Deliverability Status. Shortfalls in Replacement RA from the Replacement RA Unit shall be included in the calculation of RA Shortfall Amount for the applicable month and Section 3.5 shall apply to such shortfalls.

3.4 **Ancillary Services**.

(a) Ancillary Services. Buyer shall have the exclusive rights to all Ancillary Services that the Facility is capable of providing during the Delivery Term consistent with the Operating Restrictions, with characteristics and quantities determined in accordance with the CAISO Tariff. Seller shall operate and maintain the Facility throughout the Delivery Term so as to be able to provide Ancillary Services in accordance with the specifications set forth in the Facility's initial CAISO Certification associated with the Effective Capacity. Upon Buyer's reasonable request, Seller shall submit the Facility for additional CAISO Certification so that the Facility may provide additional Ancillary Services that the Facility is, at the relevant time, actually physically capable of providing consistent with the definition of Ancillary Services herein and without modification of the Facility, provided that Buyer has agreed to reimburse Seller for any material costs Seller incurs in connection with conducting such additional CAISO Certification.

3.5 **Resource Adequacy Failure**.

[redacted]

3.6 **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. If the CAISO or CPUC develops a centralized capacity market, Buyer shall have the exclusive right to offer, bid, or otherwise submit

the Capacity Attributes for re-sale into such market, and Buyer shall retain and receive all revenues from such re-sale. 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 3.6, Seller shall be liable to Buyer for the amounts Seller would have owed Buyer under this Agreement if Buyer had not resold the Product.

3.7 **Compliance Expenditure Cap**. If a change in Laws occurring after the Effective Date has increased Seller's cost to comply with Seller's obligations under this Agreement with respect to obtaining, maintaining, conveying or effectuating Buyer's use of Capacity Attributes, then the Parties agree that the maximum aggregate amount of costs and expenses Seller shall be required to bear during the Contract Term to comply with all of such obligations shall be capped at [redacted] of Guaranteed Capacity ("**Compliance Expenditure Cap**").

(a) Any actions required for Seller to comply with its obligations set forth in the first paragraph above, the cost of which will be included in the Compliance Expenditure Cap, shall be referred to collectively as the "**Compliance Actions**." For clarity, Compliance Actions shall not require Seller to install any additional MW or MWh of energy storage capacity, or otherwise alter the physical design or configuration of the Facility in any material manner.

(b) 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.

(c) 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 (1) agree to reimburse Seller for all or some portion of the costs that exceed the Compliance Expenditure Cap (such Buyer-agreed upon costs, the "**Accepted Compliance Costs**"), or (2) waive Seller's obligation to take such Compliance Actions, or any part thereof for which Buyer has not agreed to reimburse Seller.

(d) 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 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.

(e) If (x) Buyer does not respond to a Notice given by Seller under this Section 3.7 within sixty (60) days after Buyer's receipt of same, (y) Buyer does not pay, or refuses to pay, the compliance costs specified in the Notice that are in excess of the Compliance Expenditure Cap, or (z) it is not possible for Seller to achieve compliance with this Agreement or a change in Law through the payment or incurrence of costs, then in each case (i) Seller shall have no further obligation to take, and no liability for any failure to take, the Compliance Actions specified in the Notice for the remainder of the Contract Term and Seller shall not be deemed to be in breach or default hereunder, (ii) Seller shall not owe any damages that would have otherwise been due

hereunder arising from or attributable to any failure to take such Compliance Actions specified in the Notice, and (iii) Buyer shall continue to pay Seller under this Agreement for the remainder of the Contract Term without any reduction in payments as if all such Compliance Actions were taken.

ARTICLE 4
OBLIGATIONS AND DELIVERIES

4.1 **Delivery**. Subject to the provisions of this Agreement, including Section 4.9(a), commencing on the Commercial Operation Date 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; *provided*, that the Parties acknowledge and agree that Capacity Attributes shall be deemed supplied and delivered by Seller once the Facility SC includes the Capacity Attributes on a Supply Plan or at Buyer's direction does not include the Capacity Attributes or a portion thereof on a Supply Plan. Seller shall be responsible for paying or satisfying when due any costs or charges imposed in connection with the delivery of Discharging Energy to the Delivery Point, including any operation and maintenance charges imposed on Seller by the Transmission 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 Buyer Charging Energy to the Delivery Point (including the cost of Buyer Charging Energy itself) and delivery of Buyer Discharging Energy at and after the Delivery Point, including without limitation transmission costs and transmission line losses and imbalance charges. The Buyer Charging Energy and Buyer Discharging Energy will be scheduled to the CAISO by Buyer in accordance with Exhibit D.

4.2 **Interconnection**. Seller shall be responsible for all costs of interconnecting the Facility to the Interconnection Point. During the Delivery Term, Seller shall have and maintain interconnection capacity available or allocable to the Facility that is no less than the Dedicated Interconnection Capacity throughout the Delivery Term.

4.3 **Storage Availability and Efficiency**.

(a) During the Delivery Term, the Facility shall maintain a Monthly Capacity Availability during each month of no less than the Guaranteed Availability, which Monthly Capacity Availability shall be calculated in accordance with Exhibit P. If the Monthly Capacity Availability during any month is less than the Guaranteed Availability, then Buyer's Monthly Capacity Payment shall be calculated by reference to the Availability Adjustment (as determined in accordance with Exhibit C).

(b) During the Delivery Term, the Facility shall maintain an Efficiency Rate of no less than Guaranteed Efficiency Rate, which Efficiency Rate shall be calculated in accordance with a Capacity Test conducted pursuant to Exhibit O. If the Efficiency Rate during any month is less than the Guaranteed Efficiency Rate, Seller shall owe liquidated damages pursuant to Exhibit C.

4.4 **Facility Testing**.

(a) Capacity Tests. Prior to the Commercial Operation Date, Seller shall schedule and complete a Commercial Operation Capacity Test in accordance with Exhibit O. Thereafter, Seller and Buyer shall have the right to run additional Capacity Tests in accordance with Exhibit O.

(i) Buyer shall have the right to send one or more representative(s) to witness all Capacity Tests. Alternatively, to the extent that any Capacity Tests are done remotely, and no representatives are needed on site, Seller shall arrange for both Parties to have access to all data and other information arising out of such tests.

(ii) Following each Capacity Test, Seller shall submit a testing report in accordance with Exhibit O. If the actual capacity or efficiency rate determined pursuant to a Capacity Test varies from the then-current Effective Capacity and/or Efficiency Rate, as applicable, then the actual capacity and/or efficiency rate determined pursuant to such Capacity Test shall become the new Effective Capacity and/or Efficiency Rate, as applicable, at the beginning of the day following the completion of the test for all purposes under this Agreement until a revised Effective Capacity and/or Efficiency Rate, as applicable, is determined pursuant to a subsequent Capacity Test.

(b) Additional Testing. Seller shall conduct such additional testing as necessary to ensure the Facility is functioning properly and the Facility is able to respond to Dispatch Notices pursuant to Section 4.6(b).

(c) Any testing of the Facility requested by Buyer after the Commercial Operation Capacity Tests, and all required annual tests pursuant to Section B of the section headed "Capacity Test Notice and Frequency" in Exhibit O, shall be deemed Buyer-instructed dispatches of the Facility ("**Buyer Dispatched Test**"). Any test of the Facility that is not a Buyer Dispatched Test, including all tests conducted prior to Commercial Operation, any Commercial Operation Capacity Test, any Capacity Test conducted if the Effective Capacity immediately prior to such Capacity Test is below seventy percent (70%) of the Installed Capacity, any test required by CAISO (including any test required to obtain or maintain CAISO Certification), and other Seller-requested discretionary tests or dispatches, at times and for durations reasonably agreed to by Buyer, that Seller deems necessary for purposes of reliably operating or maintaining the Facility or for re-performing a required test within a reasonable number of days of the initial required test (considering the circumstances that led to the need for a retest) shall be deemed a "**Seller Initiated Test**".

(i) For any Seller Initiated Test other than a Capacity Test required by Exhibit O for which there is a stated notice requirement, Seller shall notify Buyer no later than twenty-four (24) hours prior thereto (or any shorter period reasonably acceptable to Buyer consistent with Prudent Operating Practices).

(ii) No Dispatch Notices shall be issued during any Seller Initiated Test. Dispatch Notices may be issued during a Buyer Dispatched Test as reasonably necessary to implement the applicable test. The Facility shall be deemed unavailable during any Seller Initiated Test. Any Buyer Dispatched Test shall be deemed an Excused Event for the purposes of calculating the Monthly Capacity Availability.

4.5 **Testing Costs and Revenues**.

(a) Buyer shall be responsible for paying for all Charging Energy and shall be entitled to all CAISO revenues associated with a Buyer Dispatched Test. Seller shall be responsible for paying for all Energy to charge the Facility and shall be entitled to all CAISO revenues associated with a Seller Initiated Test. Buyer shall pay to Seller, in the month following Buyer's receipt of such CAISO revenues and otherwise in accordance with Exhibit C, all applicable CAISO revenues received by Buyer and associated with the discharge Energy associated with such Seller Initiated Test.

(b) Buyer shall be responsible for all costs, expenses and fees payable or reimbursable to its representative(s) witnessing any Facility test.

(c) Except as set forth in Sections 4.5(a) and (b), all other costs of any testing of the Facility shall be borne by Seller.

4.6 **Facility Operations**.

(a) Seller shall operate the Facility in accordance with Prudent Operating Practices.

(b) During the Delivery Term, Seller shall maintain SCADA Systems, communications links, and other equipment necessary to receive automated Dispatch Notices 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. During any period during which the Facility is not capable of receiving or implementing Automated Dispatches, Seller shall implement back-up procedures consistent with the CAISO Tariff and CAISO protocols to enable Seller to receive and implement non-automated Dispatch Notices ("**Alternative Dispatches**").

(c) Seller shall maintain a daily operations log for the Facility which shall include but not be limited to information on Energy charging and discharging, electricity consumption and efficiency (if 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 4.6(c) shall be provided to Buyer within fifteen (15) days of Buyer's request.

(d) Seller shall maintain accurate records with respect to all Capacity Tests.

(e) Seller shall maintain and make available to Buyer upon request records, including logbooks, demonstrating that the Facility is operated in accordance with Prudent Operating Practices. Seller shall comply with all reporting requirements and upon request permit on-site audits, investigations, tests and inspections permitted or required under any Prudent Operating Practices.

4.7 **Dispatch Notices**. Buyer shall have the right to dispatch the Facility seven (7) days per week and twenty-four (24) hours per day (including holidays), by providing Dispatch Notices, subject to availability of the Facility and the requirements and limitations set forth in this Agreement, including the Operating Restrictions. Subject to the Operating Restrictions, each Dispatch Notice shall be effective unless and until such Dispatch Notice is modified by the CAISO, Buyer or the Facility SC. If Automated Dispatches are not possible for reasons beyond Buyer's control, Alternative Dispatches may be provided pursuant to Section 4.6(b).

4.8 **Facility Unavailability to Receive Dispatch Notices**. To the extent the Facility is unable to receive or respond to Dispatch Notices either through Automated Dispatches or Alternative Dispatches during any Settlement Interval or Settlement Period, then as an exclusive remedy, the time period corresponding to such Settlement Interval or Settlement Period shall be deemed unavailable for purposes of calculating the Monthly Capacity Availability except to the extent that the Facility is unable to receive or respond to Dispatch Notices due to an Excused Event or any circumstances at the high-voltage side of the Delivery Point or beyond that point.

4.9 **Energy Management**.

(a) Charging Generally. Upon receipt of a valid Charging Notice, Seller shall take all commercially reasonable action necessary to deliver the Charging Energy to the Facility from the Delivery Point. Seller shall maintain, repair or replace equipment in Seller's possession or control used to deliver the Charging Energy from the Delivery Point to the Facility. Except as otherwise expressly set forth in this Agreement, Buyer shall be responsible for paying all costs and charges of delivering the Buyer Charging Energy to the Delivery Point, including all CAISO costs and charges associated with Buyer Charging Energy.

(b) Charging Notices. Buyer shall have the right to direct Seller to charge the Facility seven (7) days per week and twenty-four (24) hours per day (including holidays) during the Delivery Term, by causing Charging Notices to be issued, subject to availability of the Facility and the requirements and limitations set forth in this Agreement, including the Operating Restrictions. Each Charging Notice issued by Buyer in accordance with this Agreement shall be effective unless and until Buyer, the Facility SC or CAISO modifies such Charging Notice by providing Seller and the Facility SC with an updated Charging Notice. Buyer shall be responsible for issuing all Charging Notices necessary or required in connection with the Must Offer Obligations and all CAISO charges and penalties for failing to comply with the Must Offer Obligation.

(c) No Unauthorized Charging. Seller shall not charge the Facility during the Delivery Term other than (i) pursuant to a valid Charging Notice (it being understood that Seller may adjust a Charging Notice to the extent necessary to maintain compliance with the Operating Restrictions), (ii) in connection with a Seller Initiated Test (including Facility maintenance or a Capacity Test), (iii) pursuant to a notice from the Transmission Provider or Governmental Authority, or (iv) in connection with Seller's Dispatch Rights (if applicable). If, during the Delivery Term, Seller charges the Facility (i) to a Stored Energy Level greater than the Stored Energy Level provided for in a Charging Notice (except as allowed by Seller's Dispatch Rights, if applicable), or (ii) in violation of the first sentence of this Section 4.9(c), then (i) Seller shall pay to Buyer all Energy costs associated with such charging of the Facility, and (ii) Buyer shall be

entitled to discharge such Energy and shall be entitled to all of the benefits (including Product) associated with such discharge. If, during the Delivery Term, and only if Seller is the Facility SC, Seller charges the Facility as allowed pursuant to Seller's Dispatch Rights, then (x) Seller shall be responsible for all Energy costs associated with such charging of the Facility, and (y) Seller shall be entitled to discharge such Energy and shall be entitled to any and all revenues associated with such discharge.

(d) Discharging Notices. Buyer shall have the right to direct Seller to discharge the Facility seven (7) days per week and twenty-four (24) hours per day (including holidays) during the Delivery Term, by causing Discharging Notices to be issued, subject to availability of the Facility and the requirements and limitations set forth in this Agreement, including the Operating Restrictions. Each Discharging Notice issued in accordance with this Agreement shall be effective unless and until Buyer, the Facility SC or the CAISO modifies such Discharging Notice by providing Seller and the Facility SC with an updated Discharging Notice. Buyer shall be responsible for issuing all Discharging Notices necessary or required in connection with the Must Offer Obligations and all CAISO charges and penalties for failing to comply with the Must Offer Obligation unless such CAISO charges and penalties arise from a Seller Dispatch (if applicable).

(e) No Unauthorized Discharging. Seller shall not discharge the Facility during the Delivery Term other than (i) pursuant to a valid Discharging Notice (it being understood that Seller may adjust a Discharging Notice to the extent necessary to maintain compliance with the Operating Restrictions), (ii) in connection with a Seller Initiated Test (including Facility maintenance or a Storage Capacity Test), (iii) pursuant to a notice from the Transmission Provider or Governmental Authority, or (iv) as allowed pursuant to Seller's Dispatch Rights (if applicable).

(f) Unauthorized Charges and Discharges. If Seller or any third party charges, discharges or otherwise uses the Facility other than as permitted hereunder, or as is expressly addressed in this Section 4.9, it shall be a breach by Seller and Seller shall hold Buyer harmless from, and indemnify Buyer against, all actual costs or losses associated therewith, and be responsible to Buyer for any damages arising therefrom, and, if Seller fails to implement procedures reasonably acceptable to Buyer to prevent any further occurrences of the same, then the failure to implement such procedures shall be an Event of Default under Article 11. Seller shall have no obligation to comply with and shall have no liability arising out of any failure or refusal to comply with any Notice, instrument, order, Charging Notice or Discharging Notice that is inconsistent with the Operating Restrictions.

(g) CAISO Dispatches. During the Delivery Term, CAISO Dispatches shall have priority over any Charging Notice or Discharging Notice issued by Buyer or the Facility SC, as applicable, and Seller shall have no liability for violation of this Section 4.9 or any Charging Notice or Discharging Notice if and to the extent such violation is caused by Seller's compliance with any CAISO Dispatch. During any time interval during the Delivery Term in which the Facility is capable of responding to a CAISO Dispatch, but the Facility deviates from a CAISO Dispatch or Seller negligently or intentionally fails to accurately communicate to Buyer the Facility's availability, Seller shall be responsible for all CAISO charges and penalties resulting from such deviations (in addition to any Buyer remedy related to overcharging of the Facility as set forth in Section 4.9(c)).

(h) Pre-Commercial Operation Date Period. Prior to the Guaranteed Commercial Operation Date, Buyer shall have no rights to issue or cause to be issued Charging Notices or Discharging Notices, and Seller shall have exclusive rights to (i) charge and discharge the Facility and (ii) sell any and all available Resource Adequacy Benefits to a third party; *provided* that prior to selling Resource Adequacy Benefits pursuant to this Section 4.9(h) to any third party, Seller shall provide Buyer with a written offer to sell such Resource Adequacy Benefits to Buyer on the same terms and conditions that Seller would offer to a third party. If Buyer fails to accept such offer within ten (10) Business Days of receipt of such offer, Seller shall have the right to market and sell such Resource Adequacy Benefits to a third party. Notwithstanding any other provision of this Agreement, if Seller is able to sell Resource Adequacy Benefits prior to the Guaranteed Commercial Operation Date, the RA Guarantee Date shall be June 1, 2026.

(i) Curtailments. Notwithstanding anything in this Agreement to the contrary, during any Settlement Interval, Curtailment Orders applicable to such Settlement Interval shall have priority over any Dispatch Notices applicable to such Settlement Interval, and Seller shall have no liability for violation of this Agreement or any Dispatch Notice if and to the extent such violation is caused by Seller's compliance with any Curtailment Order or other instruction or direction from a Governmental Authority or the Transmission Provider. Buyer shall have the right, but not the obligation, to provide Seller with updated Dispatch Notices during any Curtailment Order, subject to availability of the Facility and the requirements and limitations set forth in this Agreement, including the Operating Restrictions.

(j) Station Use. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge (i) Seller is responsible for providing all Energy to serve Station Use (including paying the cost of any Energy used to serve Station Use during periods in which the Facility is not charging or discharging pursuant to a Charging Notice or Discharging Notice), (ii) Energy supplied from Charging Energy or Discharging Energy during periods in which the Facility is charging or discharging pursuant to a Charging Notice or Discharging Notice shall not be considered Station Use, (iii) Station Use may be supplied over the same circuit as Charging Energy and Discharging Energy, and (iv) Seller shall indemnify and hold harmless Buyer from any and all costs, penalties or charges for Energy supplied for Station Use by any means other than retail service from the applicable utility, and shall take any additional measures to ensure Station Use (other than that supplied from Charging Energy or Discharging Energy as provided in clause (ii) or over the same circuit as Charging Energy and Discharging Energy as provided in clause (iii)) is supplied by the applicable utility's retail service if necessary to avoid any such costs, penalties or charges.

(k) Seller's Dispatch Rights. Notwithstanding anything to the contrary in this Agreement, and provided that Buyer has elected Seller as the Facility SC and only in such case, Seller shall have the right to charge or discharge the Facility (a "**Seller Dispatch**") (i) in an amount not to exceed (x) 10,000 kwh per day and (y) twenty-seven (27) cycles during the Delivery Term and (ii) only during any period for which Buyer has not provided either a Charging Notice or Discharging Notice (such rights, "**Seller's Dispatch Rights**"). Seller's Dispatch Rights are subject to, and shall not interfere with, Buyer's right to the Product. To the extent that a Seller Dispatch conflicts with a Buyer Charging Notice, Buyer Discharging Notice or CAISO Dispatch, such Buyer Notice or CAISO Dispatch shall take priority. Should a Seller Dispatch prevent Buyer from

receiving any Product, Seller shall reimburse Buyer for any lost revenues for the period during which Buyer was prevented from receiving the Product.

4.10 **Capacity Availability Notice**.

(a) 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 the SC (if applicable) a non-binding forecast of the hourly expected Available Capacity for each day of the following month in a form substantially similar to Exhibit F ("**Monthly Forecast**").

(b) During the Delivery Term, no later than two (2) Business Days before each schedule day for the Day-Ahead Market in accordance with CAISO scheduling practices, Seller shall provide Buyer and the SC (if applicable) with an hourly schedule of the Available Capacity that the Facility is expected to have for each hour of such schedule day (the "**Availability Notice**"). Seller shall provide Availability Notices (including updated Availability Notices) using the form attached in Exhibit G, or other form as reasonably requested by Buyer, by (in order of preference) electronic mail or telephonically to Buyer personnel or its Scheduling Coordinator designated to receive such communications.

(c) Seller shall notify Buyer and the SC (if applicable) as soon as practicable with an updated Monthly Forecast and Availability Notice, as applicable, if the Available Capacity of the Facility changes or is expected to change after Buyer's receipt of a Monthly Forecast or Availability Notice. Seller shall accommodate Buyer's reasonable requests for changes in the time of delivery of Availability Notices.

4.11 **Excess Installed Capacity**. It is acknowledged that Seller has the right and option in its discretion to install capacity in excess of the Guaranteed Capacity as back-up for the Installed Capacity and Effective Capacity. For all purposes of this Agreement, the amount of Installed Capacity or Effective Capacity shall never be deemed to exceed the Guaranteed Capacity, and (for the avoidance of doubt) Buyer shall have no rights to instruct Seller to (i) charge or discharge the Facility at an instantaneous rate (in MW) in excess of the Effective Capacity or (ii) charge the Facility to a level (in MWh) in excess of the Effective Capacity multiplied by four (4) hours.

4.12 **Outages**

(a) Planned Outages.

(i) No later than January 15, April 15, July 15 and October 15 of each Contract Year, and at least sixty (60) days prior to the Commercial Operation Date, Seller shall submit to Buyer Seller's schedule of proposed Planned Outages ("**Outage Schedule**") for the following twelve (12)-month period in a form reasonably agreed to by Buyer. Seller shall endeavor to limit Planned Outages to periods of the day when Seller does not reasonably believe the Facility will be dispatched. Within twenty (20) Business 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 reasonable 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 for the Facility, as a Resource Adequacy Resource that is subject to the Availability Standards, to qualify for an "Approved Maintenance Outage" under the CAISO Tariff and Seller shall reimburse Buyer for any cost Buyer incurs in connection therewith (including replacement Capacity Attributes as required by the CAISO). For avoidance of doubt, if the CAISO requires substitution RA in order for the Outage to be an Approved Maintenance Outage, then Seller may procure such substitution RA from a third party and Buyer or the Facility SC, if applicable, will cooperate to allow Seller to make use of such substitution RA. 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, no Planned Outages of the Facility shall be scheduled or planned from each June 1 through October 31 during the Delivery Term, unless approved by Buyer in writing in its sole discretion. In the event Seller has a previously Planned Outage that becomes coincident with a System Emergency, Seller shall make all reasonable efforts to reschedule such Planned Outage.

(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 and the Facility SC no later than ten (10) minutes following Seller becoming aware of 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 and the Facility SC as required by the CAISO Tariff within twenty (20) minutes of the Unplanned Outage. Seller shall communicate to Buyer and the Facility SC 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.

ARTICLE 5
TAXES, GOVERNMENTAL COSTS

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 (other than withholding or other Taxes imposed on Buyer's income, revenue, receipts or employees). 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 withholding or other Taxes imposed on Seller's income, revenue, receipts or employees) or on Buyer Charging Energy prior to its delivery to Seller. 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. In the event any sale of Product hereunder is exempt from or not subject to any particular Tax, Buyer shall provide Seller with all necessary documentation to evidence such exemption or exclusion within thirty (30) days after the date Buyer makes such claim. Buyer shall indemnify, defend, and hold Seller harmless from any liability with respect to Taxes for which Buyer is responsible hereunder and from which Buyer claims it is exempt.

5.2 **Cooperation**. Each Party shall use commercially 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*, 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
MAINTENANCE AND REPAIR OF THE FACILITY

6.1 **Maintenance of the Facility**.

(a) Seller shall, as between Seller and Buyer, be solely responsible for the operation, inspection, maintenance and repair of the Facility, and any portion thereof, 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. Nothing herein shall limit Seller's right to replace or augment existing batteries and other equipment to maintain the capacity of the Facility.

(b) Seller shall promptly make all necessary repairs to 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 (and, at a minimum, the Guaranteed Availability and the Guaranteed Efficiency Rate).

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, reasonable action to prevent such damage or injury and shall give Buyer's emergency contact identified in Exhibit N Notice of such condition. Such action may include disconnecting and removing all or a portion of the Facility or suspending the supply of Discharging 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 Transmission Provider, Seller's Affiliates, and/or third parties. Seller agrees that any agreements regarding Shared Facilities (i) shall permit Seller to perform or satisfy, and shall not purport to limit, Seller's obligations hereunder, (ii) shall provide for separate metering of the Facility; (iii) shall not reduce the interconnection capacity under the Interconnection Agreement available for the Facility's sole use below the Dedicated Interconnection Capacity; (iv) 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 ID; and (iv) shall provide that any curtailment or restriction of Shared Facility capacity not attributable to a specific project or projects shall be allocated to all generating or storage facilities utilizing the Shared Facilities based on their pro rata allocation of the Shared Facility capacity prior to such curtailment or reduction. Seller shall not, and shall not permit any Affiliate to, allocate to other Persons a share of the total interconnection capacity under the Interconnection Agreements in excess of an amount equal to the total interconnection capacity under the Interconnection Agreements minus the Dedicated Interconnection Capacity.

ARTICLE 7
METERING

7.1 **Metering**. Seller shall measure the amount of Charging Energy and Discharging Energy using the Facility Meter. The Facility Meter will be operated pursuant to applicable CAISO-approved calculation methodologies and maintained at Seller's cost. 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. The Facility Meter shall be kept under seal, such seals to be broken only when the Facility Meter is 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 Facility 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. Seller and Buyer shall cooperate to allow both Parties to retrieve the meter reads from the CAISO Market Results Interface - Settlements (MRI-S) web and/or directly from the CAISO meter(s) at the Facility.

7.2 **Meter Verification**. Seller shall use commercially reasonable efforts to request permission from CAISO to 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 Facility 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 Facility Meter inaccuracy commenced (if such evidence exists, then such date will be used to adjust prior invoices), then the invoices covering the period of time since the last Facility Meter test shall be adjusted for the amount of the inaccuracy on the assumption that the inaccuracy persisted during one-half of such period if such adjustments are accepted by CAISO; *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 for Product within ten (10) days after the end of the prior monthly delivery period. Each invoice shall reflect (a) 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 Buyer Charging Energy, Buyer Discharging Energy, and the amount of Replacement RA delivered to Buyer (if any) and (ii) Seller's records of metered data, including data showing a calculation of the Monthly Capacity Payment and other relevant data for the prior month; and (b) be in a format reasonably specified by Buyer, covering the Product 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 of Monthly Capacity Payments for Product by wire transfer or ACH payment to the bank account provided on each monthly invoice. Buyer shall pay undisputed invoice amounts within thirty (30) days 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 an annual Interest Rate equal to the prime rate 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 two (2) years or as otherwise required by Law. Upon fifteen (15) days' Notice to the other Party, either Party shall be granted reasonable 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 **Payment Adjustments; Billing Errors**. Payment adjustments shall be made if Buyer or Seller discovers there have been good faith inaccuracies in invoicing that are not otherwise disputed under Section 8.5 or an adjustment to an amount previously invoiced or paid is required due to a correction of data by the CAISO, or there is determined to have been a Facility Meter inaccuracy sufficient to require a payment adjustment. 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 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 thirty (30) 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 P, 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 (a) deliver the Development Security to Buyer in an amount equal to the amount set forth for the Development Security on the Cover Sheet within thirty (30) days of the Effective Date. Seller shall maintain the Development Security in full force and effect until Buyer is required

to return such Development Security hereunder. Within five (5) Business Days following any draw by Buyer on the Development Security, Seller shall replenish the amount drawn such that the Development Security is restored to the applicable amount; [redacted] 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. If requested by Seller, Buyer shall from time to time reasonably cooperate with Seller to enable Seller to exchange one permitted form of Development Security for another permitted form.

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. If the Performance Security is not in the form of cash or Letter of Credit, it shall be substantially in the form of Guaranty set forth in Exhibit L. Seller shall maintain the Performance Security in full force and effect, and Seller shall within five (5) Business Days 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 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 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 (or other instrument) that meets the requirements set forth in the definition of Performance Security. If requested by Seller, Buyer shall from time to time reasonably cooperate with Seller to enable Seller to exchange one permitted form of Performance Security for another permitted form. If the Development Security was posted as a Letter of Credit, then Buyer shall reasonably cooperate with Seller to amend or modify such Letter of Credit so that such Letter of Credit satisfies the requirements of the Performance Security.

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 any cash collateral posted as the Development Security or Performance Security 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 and continuation 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 remaining after such obligations are satisfied in full.

8.10 **Financial Statements**. In the event a Guaranty is provided as Performance Security in lieu of cash or a Letter of Credit, Seller shall provide to Buyer, or cause the Guarantor to provide to Buyer, unaudited quarterly and annual audited financial statements of the Guarantor (including a balance sheet and statements of income and cash flows), all prepared in accordance with generally accepted accounting principles in the United States, consistently applied.

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) at the time indicated by the time stamp upon delivery and, if after 5 pm, on the next Business Day; or (d) if delivered in person, upon receipt by the receiving Party. Notwithstanding the foregoing, 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 Majeure Event may include an act of God or the elements, such as flooding, lightning, hurricanes, tornadoes, or ice storms; explosion; fire; volcanic eruption; flood; epidemic; pandemic; 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), except to the extent caused by a Force Majeure Event; (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 that disables physical or electrical facilities necessary to transfer funds to the payee party; (iv) a Curtailment Order, except to such extent such Curtailment Order is caused by a Force Majeure Event; (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) 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, except to the extent any work stoppage is caused by a Force Majeure Event; (vii) any equipment failure except if such equipment failure is caused by a Force Majeure Event; (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 an extension under this Agreement; or (ix) any action or inaction by any third party, including Transmission Provider, that delays or prevents the approval, construction or placement in service of any Interconnection Facilities or Network Upgrades, except to the extent caused by a Force Majeure Event.

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 or delayed from performing its obligations hereunder in whole or in part due to a Force Majeure Event. The Party rendered unable (or delayed) to fulfill any obligation by reason of a Force Majeure Event shall take commercially reasonable actions necessary to remove such inability or delay with due speed and diligence. Nothing herein shall be construed as permitting that Party to continue to fail to perform or delay 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 a Party to make any payments due hereunder unless the cause of such inability is an event that would otherwise constitute a Force Majeure Event as described above that disables physical or electrical facilities necessary to transfer funds to the payee Party, or (b) subject to Section 5 of Exhibit B, suspend or excuse the obligation of Seller to achieve Construction Start by the Guaranteed Construction Start Date or Commercial Operation by the Guaranteed Commercial Operation Date, beyond the extensions provided in Section 4 or Section 2(d) of Exhibit B, as applicable, or (c) limit Buyer's right to declare an Event of Default pursuant to Section 11.1(b)(ii) after all applicable extensions of the Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date (or June 1, 2027, if applicable) and receive a Damage Payment upon exercise of Buyer's remedies pursuant to Section 11.2.

10.3 **Notice**. Within four (4) Business Days of the claiming Party's awareness of the impact of Force Majeure Event, the claiming Party shall provide the other Party with oral notice of the Force Majeure Event, and within two (2) weeks of the claiming Party's awareness of the impact of the 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 a Force Majeure Event claim as to all periods prior to the delivery of a timely Notice solely if Buyer is materially and adversely impacted by such failure. 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.



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, 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);

(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) failure to provide Capacity Attributes, the exclusive remedies for which are set forth in Section 3.5, (B) failures related to the Monthly Capacity Availability that do not trigger the provisions of Section 11.1(b)(iii), the exclusive remedies for which are set forth in Exhibit C and Exhibit P, and (C) failure to maintain the Guaranteed Efficiency Rate that does not trigger the provisions of Section 11.1(b)(iv), the exclusive remedies for which are set forth in Exhibit C), 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 commercially reasonable 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 that was not discharged by the Facility;

(ii) the failure by Seller to (A) achieve Construction Start on or before the Guaranteed Construction Start Date, as such date may be extended by Seller's payment of Daily Delay Damages pursuant to Section 1(b) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B, or (B) achieve Commercial Operation on or before (x) the Guaranteed Commercial Operation Date, as such date may be extended pursuant to Section 2(a) of Exhibit B, Section 2(c) of Exhibit B and/or a Development Cure Period pursuant to Section 4 of Exhibit B, or (y) if the Guaranteed Commercial Operation Date has been extended by the maximum days allowed under this Agreement (which may not exceed one hundred eighty (180) days), June 1, 2027;

(iii) if, in any Contract Year, the simple average of the Monthly Capacity Availability for such Contract Year is [redacted] and Seller fails to (x) 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 of the simple average of the Monthly Capacity Availability calculations for such Contract Year [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 (y) complete such Cure Plan in all material respects as set forth therein, including within the timeframe set forth therein;

(iv) if, Seller fails to maintain an average Efficiency Rate equal to or greater than the Minimum Efficiency Rate over a rolling twelve (12) month period;

(v) if not remedied within ten (10) days after Notice thereof, the failure by Seller to deliver a Remedial Action Plan required under Section 2.4 that demonstrates a reasonable plan for completing the Facility by the Guaranteed Commercial Operation Date, or June 1, 2027, as applicable;

(vi) 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;

(vii) if Seller fails to maintain an Effective Capacity [redacted] of the Installed Capacity for more than three hundred sixty (360) consecutive days;

(viii) failure by Seller to satisfy the collateral requirements pursuant to Sections 8.7 or 8.8 within ten (10) Business Days after Notice from Buyer, including the failure to replenish the Performance Security amount in accordance with this Agreement in the event Buyer draws against it for any reason other than to satisfy a Termination Payment;

(ix) 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 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;

(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 twenty (20) 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, in each case 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 or 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 remedy for any Terminated Transaction and the Event of Default related thereto.

Notwithstanding the foregoing, in the event that a Seller Event of Default occurs under Section 11.1(b)(ii), and Buyer as the Non-Defaulting Party does not establish any Early Termination Date within thirty (30) days following the occurrence of such Seller Event of Default, then Seller may in its sole discretion terminate this Agreement upon written Notice to Buyer that designates an Early Termination Date, and Buyer shall be entitled to the remedies set forth in this Section 11.2 subject to the limitations set forth in Article 12.

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 retain all Daily Delay Damages and Commercial Operation Delay Damages paid prior to the Termination Date and 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 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 (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.



11.7 **Rights And Remedies Are Cumulative**. Except where liquidated damages or other remedy are explicitly provided as the exclusive remedy herein, 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, (D) RESULTING FROM A PARTY'S WILLFUL MISCONDUCT, OR (E) CONSTITUTING LOST OR FOREGONE TAX CREDITS, 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 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. THE VALUE OF ANY TAX CREDITS, DETERMINED ON AN AFTER-TAX BASIS, LOST DUE TO BUYER'S DEFAULT (WHICH SELLER HAS NOT BEEN ABLE TO MITIGATE AFTER USE OF REASONABLE EFFORTS) AND AMOUNTS DUE IN CONNECTION WITH THE RECAPTURE OF ANY RENEWABLE ENERGY INCENTIVES, IF ANY, SHALL BE DEEMED TO BE DIRECT DAMAGES. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, INCLUDING UNDER SECTIONS 2.2(c), 3.5, 4.3, 11.2 AND 11.3, AND AS PROVIDED IN EXHIBIT B, and EXHIBIT C, 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; COVENANTS

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 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, except where such failure does not have a material adverse effect on Seller's performance under this Agreement. The execution, delivery and performance of this Agreement by Seller has been duly authorized by all necessary limited liability company 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) Neither Seller nor its Affiliates have received written notice from or been advised in writing by any existing supplier or service provider that the disease designated COVID-19 or the related virus designated SARS-CoV-2 have caused, or are reasonably likely to cause, a delay in the construction of the Facility or the delivery of materials necessary to complete the Facility, in each case that would cause the Commercial Operation Date to be later than the Guaranteed Commercial Operation Date.

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 its jurisdiction. 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.

(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, including but not limited to community choice aggregation, the Joint Powers Act, competitive bidding, public notice, open meetings, election, referendum, or prior appropriation requirements, 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, (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.

(f) Buyer cannot assert sovereign immunity as a defense to the enforcement of its obligations under this Agreement.

(g) Buyer is a "local public entity" as defined in Section 900.4 of the Government Code of the State of California.

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 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 **Seller's Covenants**. Seller covenants that commencing on the Effective Date and continuing throughout the Contract Term:

(a) Compliance with Laws. To the extent applicable to Seller or the Facility, Seller shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, including, without limitation those related to employment discrimination and prevailing wage, non-discrimination and non-preference; conflict of interest; environmentally preferable procurement; single serving bottled water; gifts; and disqualification of former employees. Seller shall not discriminate against any employee or applicant for employment on the basis of the fact or perception of that person's race, color, religion, ancestry, national origin, age, sex (including pregnancy, childbirth or related medical conditions), legally protected medical condition, family care status, veteran status, sexual orientation, gender identity, transgender status, domestic partner status, marital status, physical or mental disability, or AIDS/HIV status.

(b) Seller shall obtain and maintain any and all permits and approvals necessary for the construction and operation of the Facility, including without limitation,

environmental clearance under CEQA or other environmental law, as applicable, from the local jurisdiction where the Facility is or will be constructed.

13.5 **Site Control**. Seller shall maintain Site Control throughout the Delivery Term.

13.6 **Prevailing Wage**. Seller shall use commercially reasonable efforts to ensure that all employees hired by Seller, and its contractors and subcontractors, that will perform construction work or provide services at the Site related to construction of the Facility are paid wages at rates not less than those prevailing for workers performing similar work in the locality as provided by applicable California law, if any ("**Prevailing Wage Requirement**"). Nothing herein shall require Seller, its contractors and subcontractors to comply with, or assume liability created by other inapplicable provisions of any California labor laws. Buyer agrees that Seller's obligations under this Section 13.6 will be satisfied, as one of many means or methods, upon the execution of a project labor agreement related to construction of the Facility.

13.7 **Workforce Development**. Seller acknowledges that Buyer will, from time to time, request voluntary disclosure of Seller's certification status with the CPUC 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. Seller may, without Buyer's consent, assign this Agreement to any Person as part of a tax equity transaction or otherwise, provided that such Person must be subject to management control by the same Person(s) that had the power to control the management and policies of Seller. 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. 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 without the consent of Buyer. In connection with any financing or refinancing of the Facility, Buyer shall in good faith work with Seller and Lender to agree upon a consent to collateral assignment of this Agreement ("**Collateral Assignment Agreement**"), which shall be substantially in the form of Exhibit T. Seller shall pay Buyer's reasonable expenses, including attorneys' fees, incurred to provide consents, estoppels, or other required documentation in

connection with Seller's financing or refinancing of the Facility. Other than the Collateral Assignment Agreement, Buyer shall 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 this Agreement.

14.3 **Permitted Assignment**.

(a) 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:

(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 or refinance all or any portion of the Facility or the Interconnection Facilities or the Shared Facilities (1) utilizing tax equity investment, and/or (2) 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.

14.5 **Buyer Financing Assignment**. Buyer may assign this Agreement to a financing entity that will pre-pay all of Buyer's payment obligations under this Agreement with Seller's prior

written consent, which consent shall not be unreasonably withheld, delayed or conditioned; *provided* that Seller has reasonably determined that the terms and conditions of such pre-payment arrangements are satisfactory to Seller and its Lenders and do not adversely affect Seller or its arrangements with Lenders in any material respect.

ARTICLE 15
DISPUTE RESOLUTION

15.1 **Governing Law**. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of Law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. Subject to Section 15.2, the Parties agree that any suit, action or other legal proceeding by or against any party (or its affiliates or designees) with respect to or arising out of this Agreement shall be brought in the federal courts of the United States or the courts of the State of California sitting in the County of San Diego, California.

15.2 **Dispute Resolution**. In the event of any dispute arising under this Agreement, within ten (10) days following the receipt of a Notice from either Party identifying such dispute, the Parties shall meet, negotiate and attempt, in good faith, to resolve the dispute quickly and informally without significant legal costs. If the Parties are unable to resolve a dispute arising hereunder within thirty (30) days after Notice of the dispute, the Parties may pursue all remedies available to them at Law in or equity.

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) Seller agrees to indemnify, defend and hold harmless Buyer and its Affiliates, directors, officers, attorneys, employees, representatives and agents (collectively, the "**Buyer's Indemnified Parties**") from and against all third-party claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees and expert witness fees), howsoever described, to the extent arising out of, resulting from, or caused by (i) Seller's breach of this Agreement (including inaccuracy of any Seller representation of warranty made hereunder), (ii) a violation of applicable Laws by Seller or its Affiliates, including but not limited to violations of any laws in constructing or operating the Facility, or (iii) negligent or willful misconduct by Seller or its Affiliates, directors, officers, employees, or agents.

(b) Buyer agrees to indemnify, defend and hold harmless Seller and its Affiliates, directors, officers, attorneys, employees, representatives and agents (collectively, the "**Seller's Indemnified Parties**") from and against all third-party claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees and expert witness fees),

howsoever described, to the extent arising out of, resulting from, or caused by (i) Buyer's breach of this Agreement (including inaccuracy of any representation of warranty made hereunder), (ii) a violation of applicable Laws by Buyer or its Affiliates, or (iii) negligent or willful misconduct of Buyer or its Affiliates, its directors, officers, employees, or agents.

(c) 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.

(d) 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 own sole negligence, intentional acts or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligation 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 an 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 for the associated reasonable legal costs and expenses, 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*, 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 Seller's obligations under this Agreement and including Buyer as an additional insured. 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 an 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) Umbrella Liability Insurance. Seller shall maintain or cause to be maintained an umbrella liability policy with a limit of liability of [redacted] per occurrence and in the aggregate. Such insurance shall be in excess of the General Liability, Employer's Liability, and Business Auto Insurance coverages. Seller may choose any combination of primary, excess or umbrella liability policies to meet the insurance limits required under Sections 17.1(a), 17.1(b) and 17.1(d) above.

(g) 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.

(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

business interruption coverage in an amount equal to twelve (12) months of expected revenue from this Agreement.

(i) Subcontractor Insurance. Seller shall make commercially reasonable efforts to 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 (i)(i) and (i)(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(i).

(j) 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. To the extent commercially and reasonably available, 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; provided that to the extent any such notices of modification are not commercially and reasonably available, Seller shall provide Buyer at least thirty (30) days prior Notice 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 worker's 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; and (iv) information that the recipient independently developed without a violation of this Agreement.

18.2 **Duty to Maintain Confidentiality**. The Party receiving Confidential Information (the "**Receiving Party**") from the other Party (the "**Disclosing Party**") shall not disclose Confidential Information to a third party (other than the Party's members, employees, actual or potential lenders or investors, counsel, accountants, contractors, vendors, 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 comply with any applicable Law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding applicable to such Party or any of its Affiliates; *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.

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 (Government Code Section 6250 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.

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.

18.3 **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.

18.4 **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)) or investors or purchasers (including tax credit buyers), so long as such Person to whom Confidential Information is disclosed agrees in writing to be bound by confidentiality provisions that are at least as restrictive as this Article 18 to the same extent as if it were a Party.

18.5 **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.

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**. Except as otherwise explicitly permitted herein, this Agreement may only be amended, modified or supplemented by an instrument in writing executed by duly authorized representatives of Seller and Buyer; *provided*, 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) and/or, to the extent set forth herein or in any Collateral Assignment Agreement, 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 "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 applicable 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 (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Each Party shall solely be responsible for all its debts, obligations and liabilities accruing and arising out of this Agreement, and neither Party shall have any rights and shall not make any claims, take any actions or assert any remedies against the other Party's constituent members, or the officers, directors, advisors, contractors, consultants or employees of the other Party, 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 **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 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.

19.13 **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.

[Signatures on following page]

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

CHULA VISTA ENERGY CENTER 2, LLC

By: _____
Name: _____
Title: _____

SAN DIEGO COMMUNITY POWER

By: _____
Name: _____
Title: _____

EXHIBIT A

FACILITY DESCRIPTION

Site Name: Chula Vista Energy Center 2

Site includes all or some of the following APNs: [redacted]

County: San Diego County

CEQA Lead Agency: City of Chula Vista

Zip Code: 91911

Latitude and Longitude: [redacted]

Facility Description: Battery Energy Storage Projected rated at 49.7 MW & 198.8 MWh

Interconnection Point: PNode OTAY_6_PL1X2Q (Proxy until CAISO assigns new resource ID)

Facility Meter: See Exhibit R

Facility Metering Points: See Exhibit R

P-node: SDG&E Otay Substation 69kv bus

Transmission Provider: PTO = SDG&E

Additional Information: Site Plan provided below.

EXHIBIT B

FACILITY CONSTRUCTION AND COMMERCIAL OPERATION

1. **Construction of the Facility**.

   a. "**Construction Start**" will occur upon Seller's acquisition of all applicable regulatory authorizations, approvals and permits necessary to commence 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 (or similar 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 Daily Delay Damages pursuant to Section 1(b) of this Exhibit B and/or a Development Cure Period pursuant to Section 4 of this Exhibit B.

   b. In addition to extensions pursuant to a Development Cure Period, Seller may extend the Guaranteed Construction Start Date by paying Daily Delay Damages in advance to Buyer for each day Seller desires to extend the Guaranteed Construction Start Date, not to exceed [redacted] of extensions by such payment of Daily 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 (including any previous extensions) Guaranteed Construction Start Date, Seller shall provide notice and payment to Buyer of the Daily 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 Daily Delay Damages, Buyer shall refund to Seller the Daily Delay Damages for each day Seller achieves Construction Start prior to the Guaranteed Construction Start Date times the Daily Delay Damages, not to exceed the total amount of Daily Delay Damages paid by Seller pursuant to this Section 1(b) of Exhibit B. If Seller achieves Commercial Operation on or before the Guaranteed Commercial Operation Date (not including any extensions to such date resulting from Seller's payment of Commercial Operation Delay Damages, but as may be extended pursuant to a Development Cure Period), then Buyer shall refund to Seller all Daily Delay Damages paid by Seller and not previously refunded by Buyer.

2. **Commercial Operation of the Facility**. "**Commercial Operation**" means the condition existing when (i) Seller has fulfilled all of the conditions precedent in Section 2.3 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, which acknowledgement shall not be unreasonably withheld, conditioned or delayed. The "**Commercial Operation Date**" shall be the date on which Commercial Operation is achieved.

[redacted]

b. Subject to Section 2(d) of this Exhibit B, Seller shall cause Commercial Operation to occur no later than the Guaranteed Commercial Operation Date, as such date may be adjusted pursuant to Section 2(a) of this Exhibit B, and extended pursuant to Section 2(c) of this Exhibit B and/or a Development Cure Period pursuant to Section 4 of this Exhibit B. Seller shall notify Buyer at least sixty (60) days before the anticipated Commercial Operation Date.

c. In addition to extensions pursuant to a Development Cure Period, Seller may extend the Guaranteed Commercial Operation Date by (i) [redacted] upon Notice to Buyer and/or (ii) paying Commercial Operation Delay Damages in advance to Buyer [redacted] provided by the preceding clause (i) that Seller desires to extend the Guaranteed Commercial Operation Date, not to exceed [redacted] 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 ten (10) days prior to the then-current Guaranteed Commercial Operation Date, Seller may 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 Section 2(b) of Exhibit B.

[redacted]

[redacted]

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)(ii) and 11.2. If the Facility has not achieved Commercial Operation on or before the Guaranteed Commercial Operation Date (as may be extended hereunder) or June 1, 2027 (as may permitted under Section 2(d) above), as applicable, 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, both be automatically extended on a day-for-day basis (the "**Development Cure Period**") for the duration of any and all delays arising out any of the following circumstances 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:

   a. a Force Majeure Event occurs; or

   b. the Interconnection Facilities or Reliability Network Upgrades are not complete and ready for the Facility to connect and sell Product at the Delivery Point by the Guaranteed Commercial Operation Date despite the exercise of diligent and commercially reasonable efforts by Seller (an "**Interconnection Delay**"); or

   c. Buyer or the Facility SC has not made all necessary arrangements to receive the Product at the Delivery Point by the Guaranteed Commercial Operation Date or Buyer has otherwise breached it obligation(s) under this Agreement and such breach causes a delay in the COD; or

[redacted]



EXHIBIT C

COMPENSATION

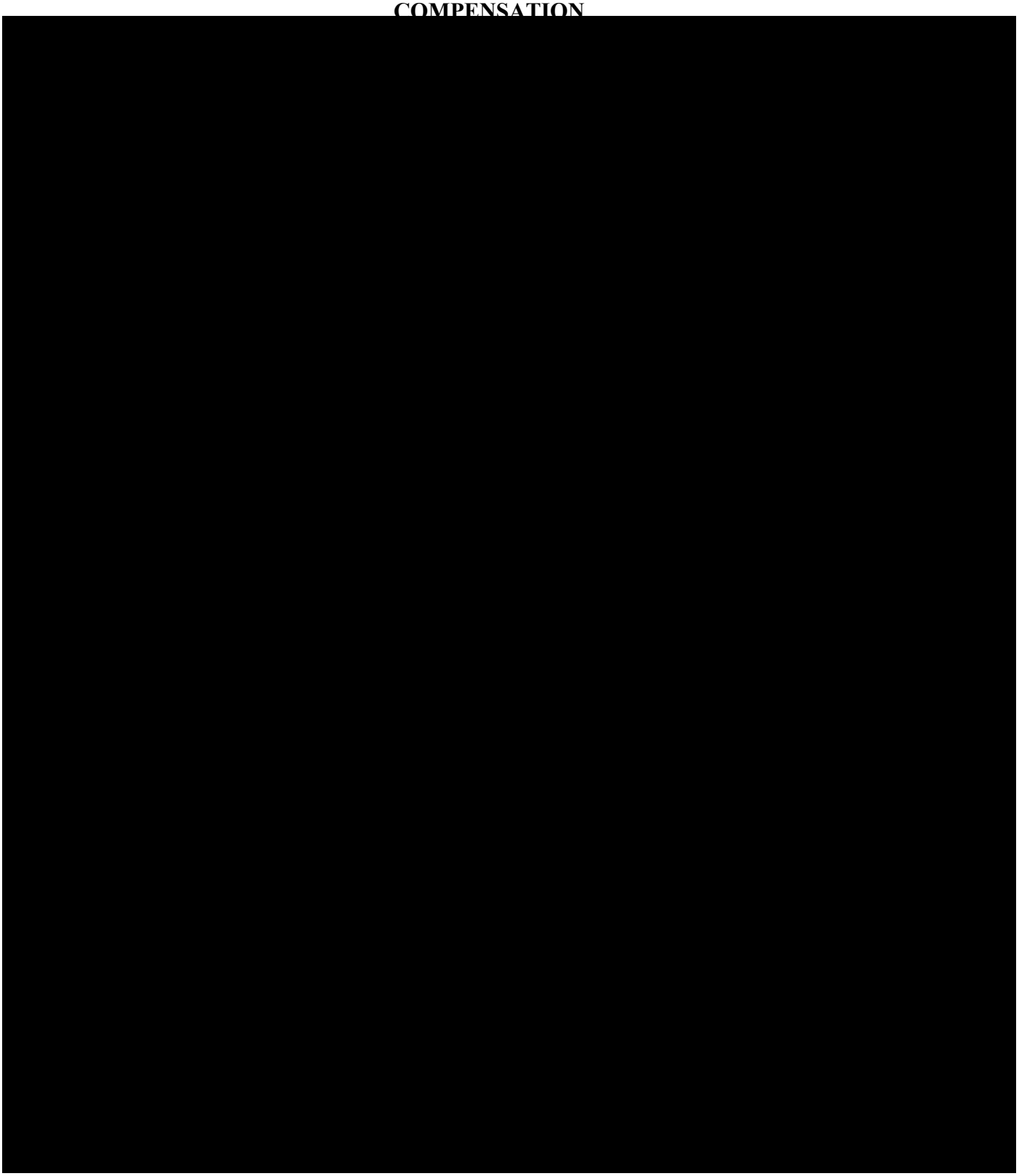




EXHIBIT D

SCHEDULING COORDINATOR RESPONSIBILITIES

(a) Election of SC. As of the Effective Date, Buyer hereby (i) selects Seller to be responsible for the provision of Scheduling Coordinator Services and (ii) consents to allowing Wellhead Power Exchange, LLC ("**WPX**") to be the Scheduling Coordinator for the Facility for both the delivery and the receipt (as applicable) of Charging Energy, Discharging Energy and the Product at the Delivery Point. Commencing on the Commercial Operation Date, Buyer will pay Seller $10,000 per month in arrears for Scheduling Coordinator Services for each month WPX remains the Facility SC. Such services will include, but not be limited to, bid optimization to maximize Buyer revenues in coordination with and subject to approval by Buyer, subject to the Operating Restrictions and the CAISO Tariff. The Parties shall enter into good faith negotiations to agree on necessary amendments to this Agreement, if any, to effectuate the selection of Seller as responsible for Scheduling Coordinator Services and WPX as the Facility SC so long as such amendment will not require approval by Buyer's board of directors. Such negotiations shall be limited to necessary amendments related to the Scheduling Coordinator Services for the Facility and shall, to the greatest extent possible, maintain the relative benefits, burdens, and obligations under this Agreement. Buyer shall have the right to revoke its selection of Seller as the responsible Party for Scheduling Coordinator Services and remove WPX as the Facility SC at any time and at Buyer's sole discretion, (1) if WPX fails, in the sole opinion of Buyer, to adequately perform the Scheduling Coordinator Services, or (2) if Buyer elects to revoke the selection for any cost related reasons. Such revocation will become effective [sixty (60) days] after Buyer provides notice to Seller of its revocation pursuant to this clause (a) (the "**Change in SC Effective Date**"). If such a revocation occurs, Buyer or Buyer's agent will become the Facility SC.

(b) Buyer as Scheduling Coordinator for the Facility. If pursuant to clause (a) immediately above, Buyer elects to be the Facility SC or designates a qualified third party to provide Scheduling Coordinator Services with the CAISO for the Facility at least thirty (30) days prior to the Change in SC Effective Date, (i) Seller shall take all commercially reasonable actions and execute and deliver to Buyer and the CAISO all documents in Seller's control and responsibility which are necessary to authorize or designate Buyer (or Buyer's designee) as the Scheduling Coordinator for the Facility effective as of the Change in SC Effective Date, and (ii) Buyer shall, and shall cause its designee to, expeditiously 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 Change in SC Effective Date through the termination or expiration of the Delivery Term. On or after the Change in SC Effective Date, 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, and Seller shall not revoke Buyer's authorization to act as the Facility's Scheduling Coordinator unless agreed to by Buyer. From and after the Change in SC Effective Date, the Facility 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 transmission to the personnel designated to receive such information.

(c) Scheduling Coordinator Services. The Facility 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, real time or other CAISO market basis that may develop after the Effective Date, as determined by Buyer (the "**Scheduling Coordinator Services**").

(d) CAISO Costs and Revenues. Buyer shall be responsible for CAISO costs, charges and penalties (including Buyer Charging Energy, penalties, Imbalance Energy costs or revenues when related to Buyer Charging Energy or Buyer Discharging Energy, and other charges) that do not result from Seller exercising Seller's Dispatch Rights and shall be entitled to all CAISO revenues (including Buyer Discharging Energy, credits, Imbalance Energy revenues or costs when related to Buyer Charging Energy or Buyer Discharging Energy, and other payments) that do not result from Seller exercising Seller's Dispatch Rights, 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 Delivery Point and Buyer Charging Energy delivered to the Delivery Point; *provided*, *however*, Seller shall assume all liability and reimburse Buyer for any and all CAISO penalties (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 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, if Buyer or Buyer's agent is the Facility SC), (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, or (iii) resulting from Seller exercising Seller's Dispatch Rights. The Parties agree that any Availability Incentive Payments (as defined in the CAISO Tariff) are for the benefit of Seller and for Seller's account and that any Non-Availability Charges (as defined in the CAISO Tariff) are the responsibility of Seller and for Seller's account (except to the extent such Non-Availability Charges arise out of Buyer's failure to perform its duties as Scheduling Coordinator for the Facility, if Buyer or Buyer's agent is the Facility SC). 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.

(e) CAISO Settlements. The Facility SC shall be responsible for all settlement functions with the CAISO related to the Facility. The Facility SC shall render a separate invoice to each of Seller and Buyer for any CAISO payments, charges or penalties ("**CAISO Charges Invoice**") for which such Party 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, each Party acknowledges that the CAISO will issue additional invoices reflecting CAISO adjustments to such CAISO charges. The Facility SC shall review, validate, and if requested by a Party under clause (f) below, dispute any charges that are the responsibility of such Party in a timely manner and consistent with the Facility SC's existing settlement processes for charges. Subject to each Party's right to dispute and to have the

Facility SC pursue the dispute of any such invoices, the disputing Party shall pay the amount of CAISO Charges Invoices within ten (10) Business Days of such Party's receipt of the CAISO Charges Invoice. If a Party fails to pay such CAISO Charges Invoice within that period, the Facility SC may net or offset any amounts owing to it for such CAISO Charges Invoices against any future amounts it may owe to the other Party 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.

(f) Dispute Costs. The Facility SC may be required by either Party to dispute CAISO settlements in respect of the Facility. Such Party agrees to pay the Facility SC'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 the disputing Party with respect to the Facility that the disputing Party has directed the Facility SC to dispute, except to the extent such dispute arises from the Facility Party's failure to perform its duties as Scheduling Coordinator for the Facility.

(g) Terminating Buyer's Designation as Scheduling Coordinator. If Buyer or its agent is the Facility SC, 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 or its agent as Scheduling Coordinator for the Facility as of 11:59 p.m. on such expiration date.

(h) Master Data File and Resource Data Template. Seller shall provide the data to the CAISO (and 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. Neither Party shall change such data without the other Party's prior written consent.

(i) NERC Reliability Standards. If Buyer is the Facility SC, Buyer shall cooperate reasonably with Seller, or cause its designated Scheduling Coordinator to 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 or its designated SC's possession, and if applicable, that Buyer (as the Facility SC) or its designated Scheduling Coordinator, as applicable, has provided to the CAISO related to the Facility or actions taken by Buyer (as Facility SC) or its designated Scheduling Coordinator, as applicable, related to Seller's compliance with applicable 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 incidents.

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 reasonably likely to 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.

12. Progress and schedule of all material agreements, contracts, permits, approvals, financing agreements and major equipment purchase orders showing the projected and completion dates.

13. Pictures, in sufficient quantity and of appropriate detail, in order to document construction and startup progress of the Facility, the interconnection into the Transmission System and all other interconnection utility services.

14. Workforce Development or Supplier Diversity Reporting (if applicable). Format to be provided by Buyer.

15. Any other documentation reasonably requested by Buyer.

EXHIBIT F

FORM OF MONTHLY EXPECTED AVAILABLE CAPACITY REPORT

[Available Capacity, MW 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

FORM OF DAILY AVAILABILITY NOTICE

Trading Day: _____

Station: _____ Issued By: _____

Unit: _____ Issued At: _____

Unit 100% Available No Restrictions: _____

Hour Ending	Available Capacity			Comments
	(MW)			
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				
0:00				

Comments: _____

_____

_____

_____

_____

_____

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, a California joint powers authority **(**"**Buyer**") in accordance with the terms of that certain Energy Storage Service Agreement dated _____ ("**Agreement**") by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

As of _____[DATE]_____, Engineer hereby certifies and represents to Buyer the following:

1. The Facility is fully operational, interconnected, and synchronized with the Transmission System in accordance with the Interconnection Agreement.

2. The Facility has met all Interconnection Agreement requirements and is capable of receiving Charging Energy from, and delivering Discharging Energy to, the CAISO Balancing Authority.

3. The commissioning of the equipment has been completed in accordance with the applicable material requirements of the manufacturers' specifications.

4. The Facility's Installed Capacity is no less than ninety-five percent (95%) of the Guaranteed Capacity and the Facility is capable of charging, storing and discharging Energy, all within the operational constraints and subject to the applicable Operating Restrictions.

5. Authorization to parallel the Facility was obtained by the Transmission Provider, [Name of Transmission Provider as appropriate] on___[DATE]____.

6. The Transmission Provider has provided documentation supporting full unrestricted release for Commercial Operation by [Name of Transmission Provider as appropriate] on _____[DATE]_____.

7. The CAISO has provided notification supporting Commercial Operation, in accordance with the CAISO Tariff on _____[DATE]_____.

8. 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 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:_____
Its:_____
Date:_____

EXHIBIT I

FORM OF CAPACITY AND EFFICIENCY RATE TEST CERTIFICATE

This certification ("**Certification**") of Capacity and Efficiency Rate Test results is delivered by [licensed professional engineer] ("**Engineer**") to San Diego Community Power, a California joint powers authority ("**Buyer**") in accordance with the terms of that certain Energy Storage Service Agreement dated _____ ("**Agreement**") by and between [*SELLER ENTITY*] 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 that a Capacity Test conducted on [Date] demonstrated (i) an [Installed or Effective] Capacity of __ MW AC to the Delivery Point at four (4) hours of continuous discharge, (ii) a Battery Charging Factor of __%, (iii) a Battery Discharging Factor of __%, and (iv) an Efficiency Rate of __%, all in accordance with the testing procedures, requirements and protocols set forth in Section 4.4 and Exhibit O.

EXECUTED by **[**LICENSED PROFESSIONAL ENGINEER**]**
this _____ day of _____, 20__.

[LICENSED PROFESSIONAL ENGINEER**]**
By:_____
Its:_____
Date:_____

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, a California joint powers authority ("**Buyer**") in accordance with the terms of that certain Energy Storage Service Agreement dated _____ ("**Agreement**") by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Seller hereby certifies and represents to Buyer the following:

(1) 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: _____
(such description shall amend the description of the Site in Exhibit A of the Agreement.)

IN WITNESS WHEREOF, the undersigned has executed this Certification on behalf of Seller as of the ___ day of _____.

[SELLER ENTITY]

By:_____
Its:_____

Date:_____

EXHIBIT K

Form of Letter of Credit

IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT
LETTER OF CREDIT NUMBER: [●]

ISSUANCE DATE: [●]

EXPIRATION DATE: [●]

PLACE OF EXPIRY: [●]

ISSUING BANK:
[•]

BENEFICIARY:
[•]

APPLICANT:
[•]

AVAILABLE AMOUNT: USD [•] (UNITED STATES DOLLARS [•])

LADIES AND GENTLEMEN:

WE, [•], [•], (THE "BANK") HEREBY ESTABLISHES THIS IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT NO. [●] ("LETTER OF CREDIT") IN FAVOR OF [•] (THE "BENEFICIARY"), FOR THE ACCOUNT OF [•], A [●] LIMITED LIABILITY CORPORATION (THE "APPLICANT"), FOR THE AMOUNT STATED ABOVE (THE "AVAILABLE AMOUNT"), EFFECTIVE IMMEDIATELY.

THIS LETTER OF CREDIT SHALL BE OF NO FURTHER FORCE OR EFFECT AT 5:00 P.M., NEW YORK TIME ON THE EXPIRATION DATE STATED ABOVE OR, IF SUCH DAY IS NOT A BUSINESS DAY (AS HEREINAFTER DEFINED), ON THE NEXT BUSINESS DAY (AS MAY BE EXTENDED PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT) (THE "EXPIRATION DATE").

FOR THE PURPOSE HEREOF, "BUSINESS DAY" SHALL MEAN ANY DAY OTHER THAN:

1. A SATURDAY OR A SUNDAY,

2. A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF NEW YORK ARE REQUIRED OR AUTHORIZED BY LAW TO REMAIN CLOSED, OR

3. A DAY ON WHICH THE PAYMENT SYSTEM OF THE FEDERAL RESERVE SYSTEM IS NOT OPERATIONAL.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT THE EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED, WITHOUT AMENDMENT, FOR ONE (1) YEAR FROM THE EXPIRATION DATE HEREOF OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO SUCH EXPIRATION DATE, THE BANK HAS SENT BENEFICIARY WRITTEN NOTICE BY CERTIFIED MAIL OR OVERNIGHT COURIER, AT THE ADDRESS STATED BELOW, THAT THE BANK ELECTS NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. NO PRESENTATION MADE UNDER THIS LETTER OF CREDIT AFTER SUCH EXPIRATION DATE WILL BE HONORED.

SUBJECT TO THE TERMS AND CONDITIONS HEREIN, FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO BENEFICIARY BY COMPLYING PRESENTATION ON OR BEFORE 5:00 P.M. NEW YORK TIME, ON OR BEFORE THE THEN CURRENT EXPIRATION DATE OF THE FOLLOWING:

1. THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENTS, OR A COPY OF SUCH DOCUMENTS IN THE CASE OF PARTIAL DRAWINGS,

2. A DRAWING CERTIFICATE ISSUED IN THE FORM OF ATTACHMENT "A" ATTACHED HERETO AND WHICH FORMS AN INTEGRAL PART HEREOF, DULY COMPLETED AND BEARING THE SIGNATURE OF AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY SIGNING AS SUCH, AND

3. A SIGHT DRAFT IN THE FORM OF ATTACHMENT "B" ATTACHED HERETO AND WHICH FORMS AN INTEGRAL PART HEREOF, DULY COMPLETED AND BEARING THE SIGNATURE OF AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY.

DRAWINGS MAY ALSO BE PRESENTED AS A PDF ATTACHMENT TO AN EMAIL TO [BANK EMAIL ADDRESS] OR BY FACSIMILE TRANSMISSION ("FAX") TO FAX NUMBER [●] OR SUCH OTHER NUMBER AS SPECIFIED FROM TIME-TO-TIME BY THE BANK WITH TELEPHONE CONFIRMATION BY THE BENEFICIARY TO THE BANK AT [●] OR [●], OR SUCH OTHER NUMBERS AS SPECIFIED FROM TIME-TO-TIME BY THE BANK. BENEFICIARY'S FAILURE TO SEEK SUCH A TELEPHONE CONFIRMATION DOES NOT AFFECT THE BANK'S OBLIGATION TO HONOR SUCH A PRESENTATION. THE EMAIL OR FACSIMILE TRANSMITTAL SHALL BE DEEMED DELIVERED WHEN RECEIVED. IT IS UNDERSTOOD THAT ANY SUCH FAX PRESENTATION SHALL BE CONSIDERED THE SOLE OPERATIVE INSTRUMENT OF DRAWING. IN THE EVENT OF PRESENTATION BY EMAIL OR FAX, THE ORIGINAL DOCUMENTS SHOULD NOT ALSO BE PRESENTED.

PARTIAL DRAWING OF FUNDS SHALL BE PERMITTED UNDER THIS LETTER OF CREDIT, AND THIS LETTER OF CREDIT SHALL REMAIN IN FULL FORCE AND EFFECT

WITH RESPECT TO ANY CONTINUING BALANCE, PROVIDED, THE AVAILABLE AMOUNT SHALL BE REDUCED BY THE AMOUNT OF EACH SUCH DRAWING PAID HEREUNDER.

THIS LETTER OF CREDIT IS NOT TRANSFERABLE OR ASSIGNABLE. ANY PURPORTED TRANSFER OR ASSIGNMENT SHALL BE VOID AND OF NO FORCE OR EFFECT.

ALL CORRESPONDENCE AND ANY DRAWINGS (OTHER THAN THOSE MADE BY FACSIMILE) HEREUNDER ARE TO BE DIRECTED TO [•]. ATTN: [•].

ALL NOTICES TO BENEFICIARY WILL BE IN WRITING AND ARE REQUIRED TO BE SENT BY CERTIFIED MAIL OR OVERNIGHT COURIER TO: [•], MANAGER OF RISK OPERATIONS AND COLLATERAL MANAGEMENT, [•]. [•]. 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.

BANKING CHARGES SHALL BE THE SOLE RESPONSIBILITY OF THE APPLICANT.

THIS LETTER OF CREDIT SETS FORTH IN FULL OUR OBLIGATIONS AND SUCH OBLIGATIONS SHALL NOT IN ANY WAY BE MODIFIED, AMENDED, AMPLIFIED OR LIMITED BY REFERENCE TO ANY DOCUMENTS, INSTRUMENTS OR AGREEMENTS REFERRED TO HEREIN, EXCEPT ONLY THE ATTACHMENT REFERRED TO HEREIN, AND ANY SUCH REFERENCE SHALL NOT BE DEEMED TO INCORPORATE BY REFERENCE ANY DOCUMENT, INSTRUMENT OR AGREEMENT EXCEPT FOR SUCH ATTACHMENT. EXCEPT IN THE CASE OF AN INCREASE IN THE AVAILABLE AMOUNT OR EXTENSION OF THE EXPIRATION DATE, THIS LETTER OF CREDIT MAY NOT BE AMENDED OR MODIFIED WITHOUT THE BENEFICIARY'S PRIOR WRITTEN CONSENT.

THE BANK ENGAGES WITH THE BENEFICIARY THAT BENEFICIARY'S DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED IF PRESENTED TO THE BANK ON OR BEFORE THE EXPIRATION DATE.

EXCEPT SO FAR AS OTHERWISE STATED, THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES ISP98 (ALSO KNOWN AS ICC PUBLICATION NO. 590), OR REVISION CURRENTLY IN EFFECT (THE "ISP"). AS TO MATTERS NOT COVERED BY THE ISP, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREUNDER, SHALL GOVERN ALL MATTERS WITH RESPECT TO THIS LETTER OF CREDIT.

[•]
AUTHORIZED SIGNATURE FOR BANK

BY: _____
NAME:
TITLE:

ATTACHMENT A
DRAWING CERTIFICATE

TO: [•]
[•]
[•]
ATTN: [•]

IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT REFERENCE NUMBER: [●]
DATE: (INSERT DATE OF ISSUE)

[•] (THE "BENEFICIARY"), DEMANDS [•], (THE "BANK") PAYMENT TO THE ORDER OF THE BENEFICIARY THE AMOUNT OF USD (INSERT AMOUNT) (INSERT AMOUNT IN WORDS U.S. DOLLARS), DRAWN UNDER THE LETTER OF CREDIT REFERENCED ABOVE (THE "LETTER OF CREDIT"), FOR THE FOLLOWING REASON(S) (CHECK APPLICABLE PROVISION):

( )A. AN EVENT OF DEFAULT, AS DEFINED IN THAT CERTAIN [●] AGREEMENT BETWEEN [•] OR ITS SUCCESSOR (THE "APPLICANT") AND BENEFICIARY, DATED AS OF [●] (AS MAY BE AMENDED FROM TIME TO TIME) (THE "AGREEMENT") WITH RESPECT TO THE APPLICANT HAS OCCURRED AND IS CONTINUING.

( )B. THE LETTER OF CREDIT WILL EXPIRE IN FEWER THAN [●] BUSINESS DAYS (AS DEFINED IN THE AGREEMENT) FROM THE DATE HEREOF, AND THE APPLICANT OR ITS SUCCESSOR HAS NOT PROVIDED BENEFICIARY ALTERNATIVE FINANCIAL SECURITY ACCEPTABLE TO BENEFICIARY.

( )C. BENEFICIARY IS ENTITLED TO RETAIN ALL OR PART OF THE PROJECT SECURITY (AS DEFINED IN THE AGREEMENT).

UNLESS OTHERWISE PROVIDED HEREIN, CAPITALIZED TERMS WHICH ARE USED AND NOT DEFINED HEREIN SHALL HAVE THE MEANING GIVEN EACH SUCH TERM IN THE LETTER OF CREDIT.
AUTHORIZED SIGNATURE FOR BENEFICIARY:

[•]

BY: _____

NAME: (PRINT NAME)

TITLE: (PRINT TITLE)

ATTACHMENT B
SIGHT DRAFT

TO: [•]
[•]
[•]
[•]

DATE: (INSERT ISSUE DATE)

PAY AT SIGHT TO THE ORDER OF [•] (THE "BENEFICIARY")
THE AMOUNT OF (USD INSERT AMOUNT) (AMOUNT IN WORDS)

DRAWN UNDER [•], IRREVOCABLE NON-TRANSFERABLE STANDY LETTER OF CREDIT NUMBER [●] ISSUED ON [●]

FUNDS PAID PURSUANT TO THE PROVISIONS OF THE LETTER OF CREDIT SHALL BE WIRE TRANSFERRED TO THE BENEFICIARY IN ACCORDANCE WITH THE FOLLOWING INSTRUCTIONS:

(INSERT WIRING INSTRUCTION)

AUTHORIZED SIGNATURE

[•]

BY:

NAME: (PRINT NAME)

TITLE: (PRINT TITLE)

EXHIBIT L

[RESERVED]

EXHIBIT M

FORM OF REPLACEMENT RA NOTICE

This Replacement RA Notice (this "**Notice**") is delivered by [SELLER ENTITY] ("**Seller**") to [_____], a California joint powers authority ("**Buyer**") in accordance with the terms of that certain Energy Storage Service Agreement dated _____ ("**Agreement**") by and between Seller and Buyer. All capitalized terms used in this Notice but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Pursuant to Section 3.5 of the Agreement, Seller hereby provides the below Replacement RA product information:

Unit Information[1]

Name	
Location	
CAISO Resource ID	
Unit SCID	
Prorated Percentage of Unit Factor	
Resource Type	
Point of Interconnection with the CAISO Controlled Grid ("substation or transmission line")	
Path 26 (North or South)	
LCR Area (if any)	
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment	
Run Hour Restrictions	
Delivery Period	

Month	Unit CAISO NQC (MW)	Unit Contract Quantity (MW)
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

[1] To be repeated for each unit if more than one.

[SELLER ENTITY]

By:_____
Its:_____

Date:_____

EXHIBIT N

NOTICES

CHULA VISTA ENERGY CENTER 2, LLC ("Seller")	**SAN DIEGO COMMUNITY POWER** ("Buyer")
All Notices: Street: 650 Bercut Dr. Suite C City: Sacramento, CA 95811 Attn: Hal Dittmer Phone: 916-447-5171 Email: Contracts@wellhead.com	**All Notices:** PO Box 12716 San Diego, CA 92112 Attn: Gordon Samuel, Chief Commercial Officer Phone: (619) 657-0407 Email: gsamuel@sdcommunitypower.org
Reference Numbers: Duns: **[To be Updated]** Federal Tax ID Number: 99-1058323	**Reference Numbers:** Duns: [redacted] Federal Tax ID Number: [redacted]
Invoices: Attn: Accounting department Phone: 916-447-5171 Email: settlements@wellhead.com	**Invoices:** Attn: SDCP Settlements Phone: (619) 880-6545 Email: settlements@sdcommunitypower.org
Scheduling: Attn: 24 Hour Operations Phone: 916-447-5171 Email: 24hrkesk@wellhead.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: 24 Hour Operations Phone: 916-447-5171 Email: 24hrkesk@wellhead.com	**Confirmations:** Attn: SDCP Settlements Phone: (619) 880-6545 Email: settlements@sdcommunitypower.org
Payments: Attn: Accounting department Phone: 916-447-5171 Email: settlements@wellhead.com	**Payments:** Attn: Michael Maher Phone: (415) 526-3020 Email: mmaher@mahercpa.com
Wire Transfer: [To be Updated] BNK: ABA: ACCT:	**Wire Transfer:** BNK: River City Bank ABA: [redacted] ACCT: [redacted]

CHULA VISTA ENERGY CENTER 2, LLC ("Seller")	**SAN DIEGO COMMUNITY POWER** ("Buyer")
With additional Notices of an Event of Default to: Attn: Gregory Contreras Phone: 916-281-8440 Email:gcontreras@wellhead.com	**With additional Notices of an Event of Default to:** PO Box 12716 San Diego, CA 92112 Attn: SDCP General Counsel Email: Legal@sdcommunitypower.org
Emergency Contact: [To be Updated] Attn: Phone: Email:	**Emergency Contact:** Attn: Gordon Samuel, Chief Commercial Officer Phone: (619) 657-0407 Email: gsamuel@sdcommunitypower.org

EXHIBIT O

CAPACITY AND EFFICIENCY RATE TESTS

Capacity Test Notice and Frequency

A. Commercial Operation Capacity Test(s). Upon no less than ten (10) Business Days prior Notice to Buyer, Seller shall schedule and complete a Commercial Operation Capacity Test prior to the Commercial Operation Date. Such initial Commercial Operation Capacity Test (and any subsequent Commercial Operation Capacity Test permitted in accordance with Section 6 of Exhibit B) shall be performed in accordance with this Exhibit O and shall establish the Installed Capacity and initial Efficiency Rate hereunder based on the actual capacity and capabilities of the Facility determined by such Commercial Operation Capacity Test(s).

B. Subsequent Capacity Tests. Following the Commercial Operation Date, at least fifteen (15) days in advance of the start of each Contract Year, upon no less than ten (10) Business Days prior Notice to Buyer, Seller shall schedule and complete a Capacity Test. In addition to the annual capacity test, if Buyer has reason to believe that the Effective Capacity or the Efficiency Rate is materially less than shown by the most recent test results, Buyer shall have the right to require a Capacity Test at any time upon no less than five (5) Business Days prior Notice to Seller. Seller shall have the right to run a retest of any Capacity Test at any time upon five (5) Business Days' prior Notice to Buyer (or any shorter period reasonably acceptable to Buyer consistent with Prudent Operating Practice).

C. Test Results and Re-Setting of Effective Capacity and Efficiency Rate. No later than five (5) days following any Capacity Test, Seller shall submit a testing report detailing results and findings of the test. The report shall include Facility Meter readings and plant log sheets verifying the operating conditions and output of the Facility. In accordance with Section 4.4(a)(ii) of the Agreement and Part II(I) below, after the Commercial Operation Capacity Test(s), the Effective Capacity (up to, but not in excess of, the Installed Capacity) and Efficiency Rate determined pursuant to such Capacity Test shall become the new Effective Capacity and Efficiency Rate at the beginning of the day following the completion of the test for calculating the Monthly Capacity Payment and all other purposes under this Agreement.

Capacity Test Procedures

PART I. GENERAL.

A. Each Capacity Test shall be conducted in accordance with Prudent Operating Practices, the Operating Restrictions, and the provisions of this Exhibit O. For ease of reference, a Capacity Test is sometimes referred to in this Exhibit O as a "**CT**". Buyer or its representative may be present for the CT and may, for informational purposes only, use its own metering equipment (at Buyer's sole cost).

B. Conditions Prior to Testing.

(1) EMS Functionality. The EMS shall be successfully configured to receive data from the Battery Management System (BMS), exchange DNP3 data with the Buyer SCADA device, and transfer data to the database server for the calculation, recording and archiving of data points.

(2) Communications. The Remote Terminal Unit (RTU) testing should be successfully completed prior to any testing. The interface between Buyer's RTU and the Facility SCADA System should be fully tested and functional prior to starting any testing, including verification of the data transmission pathway between Buyer's RTU and Seller's EMS interface and the ability to record SCADA System data.

(3) Commissioning Checklist. Commissioning shall be successfully completed per manufacturer guidance on all applicable installed Facility equipment, including verification that all controls, set points, and instruments of the EMS are configured.

PART II. REQUIREMENTS APPLICABLE TO ALL CAPACITY TESTS.

Note: Seller shall have the right and option in its sole discretion to install storage capacity in excess of the Guaranteed Capacity; provided, for all purposes of this Agreement, the amount of Installed Capacity shall never be deemed to exceed the Guaranteed Capacity, and all SOC measurements associated with a Capacity Test shall be based on the Installed Capacity without taking into account any capacity that exceeds the Guaranteed Capacity.

A. Test Elements. Each CT shall include at least the following individual test elements, which must be conducted in the order prescribed in Part III of this Exhibit O, unless the Parties mutually agree to deviations therefrom. The Parties acknowledge and agree that should Seller fall short of demonstrating one or more of the Test Elements as specified below, the Test will still be deemed "complete," and any adjustments necessary to the Effective Capacity or to the Efficiency Rate resulting from such Test, if applicable, will be made in accordance with this Exhibit O.

(1) Electrical output at maximum discharging level (MW) for four (4) continuous hours; and

(2) Electrical input at maximum charging level at the Facility Meter (MW), as sustained until the SOC reaches at least 90%, continued by the electrical input at a rate up to the maximum charging level at the Facility Meter (MW), as sustained until the SOC reaches 100%, not to exceed six (6) hours of total charging time.

B. Parameters. During each CT, the following parameters shall be measured and recorded simultaneously for the Facility, at the specified intervals:

(1) Time in 1-minute intervals;

(2) The amount of Discharging Energy to the Facility Meters (kWh) (i.e., to each measurement device making up the Facility Meter) in 5-minute intervals;

(3) Net electrical energy input from the Facility Meters (kWh) (i.e., from each measurement device making up the Facility Meter) in 5-minute intervals; and

(4) Stored Energy Level (MWh) in 1-minute intervals.

C. Site Conditions. During each CT, the following conditions at the Site shall be measured and recorded simultaneously at thirty (30) minute intervals:

(1) Relative humidity (%);

(2) Barometric pressure (inches Hg) near the horizontal centerline of the Facility; and

(3) Ambient air temperature (°F).

D. Test Showing. Each CT shall record and report the following datapoints:

(1) That the CT successfully started;

(2) The maximum sustained discharging level for four (4) consecutive hours pursuant to A(1) above;

(3) The maximum sustained charging level for six (6) consecutive hours (or such lesser time as is required to reach 100% SOC) pursuant to A(2) above;

(4) Intentionally Omitted;

(5) Intentionally Omitted;

(6) Amount of Charging Energy, registered at the Facility Meter, to go from 0% SOC to 100% SOC;

(7) Amount of Discharging Energy, registered at the Facility Meter, to go from 100% SOC to 0% SOC.

E. Test Conditions.

(1) General. At all times during a CT, the Facility shall be operated in compliance with Prudent Operating Practices, the Operating Restrictions, and all operating protocols recommended, required or established by the manufacturer for the Facility.

(2) Abnormal Conditions. If abnormal operating conditions that prevent the testing or recordation of any required parameter occur during a CT, Seller may postpone or reschedule all or part of such CT in accordance with Part II.F below.

(3) Instrumentation and Metering. Seller shall provide all instrumentation, metering and data collection equipment required to perform the CT. The instrumentation, metering and data collection equipment electrical meters shall be calibrated in accordance with Prudent Operating Practice and, as applicable, the CAISO Tariff.

F. Incomplete Test. If any CT is not completed in accordance herewith, Buyer may in its sole discretion: (i) accept the results up to the time the CT stopped without any modification to the Effective Capacity or Efficiency Rate pursuant to Section I below; (ii) require that the portion of the CT not completed, be completed within a reasonable specified time period; or (iii) require that the CT be entirely repeated within a reasonable specified time period. Notwithstanding the above, if Seller is unable to complete a CT due to a Force Majeure Event or the actions or inactions of Buyer or the CAISO or the Transmission Provider, Seller shall be permitted to reconduct such CT on dates and at times reasonably acceptable to the Parties.

G. Test Report. Within five (5) Business Days after the completion of any CT, Seller shall prepare and submit to Buyer a written report of the results of the CT, which report shall include:

(1) A record of the personnel present during the CT that served in an operating, testing, monitoring or other such participatory role;

(2) The measured and calculated data for each parameter set forth in Part II.A through D, including copies of the raw data taken during the test; and

(3) Seller's statement of either Seller's acceptance of the CT or Seller's rejection of the CT results and reason(s) therefor.

Within ten (10) Business Days after receipt of such report, Buyer shall notify Seller in writing of either Buyer's acceptance of the CT results or Buyer's rejection of the CT and reason(s) therefor. If either Party rejects the results of any CT, such CT shall be repeated in accordance with Part II.F.

H. Supplementary Capacity Test Protocol. No later than sixty (60) days prior to commencing Facility construction, Seller shall deliver to Buyer for its review and approval (such approval not to be unreasonably delayed or withheld) a supplement to this Exhibit O with additional and supplementary details, procedures and requirements applicable to Capacity Tests based on the then current design of the Facility ("**Supplementary Capacity Test Protocol**"). Thereafter, from time to time, Seller may deliver to Buyer for its review and approval (such approval not to be unreasonably delayed or withheld) any Seller recommended updates to the then-

current Supplementary Capacity Test Protocol. The initial Supplementary Capacity Test Protocol (and each update thereto), once approved by Buyer, shall be deemed an amendment to this Exhibit O.

I. Adjustment to Effective Capacity and Efficiency Rate. The Effective Capacity and Efficiency Rate shall be updated as follows:

(1) The total amount of Discharging Energy delivered to the Delivery Point (expressed in MWh AC) during the first four (4) hours of discharge (up to, but not in excess of, the product of (i) (a) the Guaranteed Capacity (in the case of a Commercial Operation Capacity Test, including under Section 6 of Exhibit B) or (b) the Installed Capacity (in the case of any other Capacity Test), multiplied by (ii) four (4) hours) shall be divided by four (4) hours to determine the Effective Capacity, which shall be expressed in MW AC, and shall be the new Effective Capacity in accordance with Section 4.4(a)(ii) of the Agreement.

(2) The total amount of Discharging Energy (as reported under Section II.D(7) above) divided by the total amount of Charging Energy (as reported under Section II.D(6) above), and expressed as a percentage, shall be recorded as the new Efficiency Rate, and shall be used for the calculation of the Efficiency Rate liquidated damages in Exhibit C until updated pursuant to a subsequent Capacity Test.

PART III. INITIAL SUPPLEMENTARY CAPACITY TEST PROTOCOL.

A. **Effective Capacity and Efficiency Rate Test**

- Procedure:

(1) System Starting State: The Facility will be in the on-line state at 0% SOC.

(2) Record the initial value of the SOC.

(3) Command a real power charge that results in an AC power of Facility's maximum charging level and continue charging until the earlier of (a) the Facility has reached 100% SOC or (b) six (6) hours have elapsed since the Facility commenced charging.

(4) Record and store the SOC after the earlier of (a) the Facility has reached 100% SOC or (b) six (6) hours of continuous charging. Such data point shall be used for purposes of calculation of the Battery Charging Factor.

(5) Record and store the amount of Charging Energy, registered at the Facility Meter, to go from 0% SOC to 100% SOC.

(6) Following one (1) hour rest period, command a real power discharge that results in an AC power output of the Facility's maximum discharging level and maintain the discharging state until the earlier of (a) the Facility has discharged at the maximum discharging level for four (4) consecutive hours, or (b) the Facility has reached 0% SOC.

(7) Record and store the SOC after four (4) hours of continuous discharging. Such data point shall be used for purposes of calculation of the Battery Discharging Factor. If the Facility SOC remains above zero percent (0%) after discharging at a rate at or above the Guaranteed Capacity (or at or above the Installed Capacity after a Commercial Operation Capacity Test) for four (4) consecutive hours pursuant to Part III.A.6(a), the SOC will be deemed 0 for the purposes of calculating the Battery Discharging Factor.

(8) Record and store the Discharging Energy as measured at the Facility Meter. Such data point shall be used for purposes of calculation of the Effective Capacity.

(9) If the Facility has not reached 0% SOC pursuant to Section III.A.6, continue discharging the Facility until it reaches a 0% SOC.

(10) Record and store the Discharging Energy as measured at the Facility Meter from the commencement of discharging pursuant to Part III.A.6 until the Facility has reached a 0% SOC pursuant to either Part III.A.7 or Part III.A.9, as applicable.

- Test Results:

(1) The resulting Effective Capacity measurement is the sum of the total Discharging Energy after 4 hours of continuous discharging at the Facility Meter divided by four (4) hours.

The starting interval of the Capacity Test is the first 5-minute interval for which the output is above 99% of the commanded discharge output.

The ending interval of the Capacity Test is the 5-minute interval that ends 4 hours after the commencement of the starting interval.

(2) The total amount of Discharging Energy (as reported under Section III.A(10) above) divided by the total amount of Charging Energy (as reported under Section III.A(5) above), and expressed as a percentage, shall be recorded as the new Efficiency Rate, and shall be used for the calculation of the Efficiency Rate liquidated damages in Exhibit C until updated pursuant to a subsequent Capacity Test.

The starting interval of the Efficiency Rate test is the interval before the first 5-minute interval for which the output is above 99% of the commanded

discharge output.

The ending interval of the Efficiency Rate test is the interval after the last 5-minute interval for which the output is above 99% of the commanded discharge output.

B. **Intentionally Omitted**.

C. **Intentionally Omitted**.

D. **Intentionally Omitted**.

E. **Intentionally Omitted**.

EXHIBIT P

FACILITY AVAILABILITY CALCULATION

Monthly Capacity Availability Calculation. Seller shall calculate the "**Monthly Capacity Availability**" from the Commercial Operation Date through the RA Guarantee Date and thereafter for each given month of the Delivery Term using the formula set forth below:

$$\text{Monthly Capacity Availability (\%)} = \frac{[\text{AVAILHRS}_m + \text{EXCUSEDHRS}_m]}{[\text{MONTHRS}_m]}$$

Where:

m = relevant month "m" in which Monthly Capacity Availability is calculated;

MONTHRS_m is the total number of hours for the month;

AVAILHRS_m is the total number of hours, or partial hours, in the month during which the Facility was available to charge and discharge Energy between the Facility and the Delivery Point and to provide Ancillary Services at the Delivery Point (excluding, for avoidance of doubt, all circumstances at the high-voltage side of the Delivery Point or beyond that may limit Seller's delivery of Product). If the Facility is available pursuant to the preceding sentence during any applicable hour, or partial hour, but for less than the full amount of the Effective Capacity, the AVAILHRS_m for such time period shall be calculated by multiplying such AVAILHRS_m by a percentage determined by dividing (a) by (b); where (a) is the lower of (i) such capacity amount reported as available by Seller's real-time EMS data feed to Buyer for the Facility for such hours, or partial hours, and (ii) Seller's most recent Availability Notice (as updated pursuant to Section 4.10(b)), and (b) is the Effective Capacity.

EXCUSEDHRS_m is the total number of hours, or partial hours, in the month that are not included as AVAILHRS_m due to Buyer Default, the failure of Buyer's SC to comply with the CAISO Tariff, Force Majeure Events (excluding Insurable Force Majeure Events), periods during which the receipt of Charging Energy or delivery of Discharging Energy is prevented due to a Curtailment Order, Buyer Dispatched Tests, Approved Maintenance Outages, CAISO approved Short Term Opportunity Outages (as that term is defined in the CAISO Tariff), or the Operating Restrictions in Exhibit Q (each, an "**Excused Event**"). If an Excused Event results in less than the full amount of the Effective Capacity for the Facility being unavailable during any applicable hour, or partial hour, the EXCUSEDHRS_m for such time period shall be calculated by multiplying such EXCUSEDHRS_m by a percentage determined by dividing (a) by (b); where (a) is the lower of such Effective Capacity amount that is not reported as available by (i) Seller's real-time EMS data feed to Buyer for the Facility for such hours, or partial hours, and (ii) Seller's most recent Availability Notice (as updated pursuant to Section 4.10(b)), and (b) is the Effective Capacity. For avoidance of doubt, the total of AVAILHRS_m plus EXCUSEDHRS_m for

any hour, or partial hour, shall never exceed 1.

If the Storage Facility or any component thereof was previously deemed unavailable for an hour or part of an hour, and Seller provides a revised Notice indicating the Storage Facility is available for that hour or part of an hour by 5:00 a.m. of the morning Buyer schedules or bids the Storage Facility in the Day-Ahead Market, the Storage Facility will be deemed to be available to the extent set forth in the revised Notice.

EXHIBIT Q

OPERATING RESTRICTIONS

The Parties will develop and finalize the Operating Restrictions prior to the Commercial Operation Date; *provided*, the Operating Restrictions (i) may not be materially more restrictive of the operation of the Facility than as set forth below, unless agreed to by Buyer in writing (it being acknowledged and agreed that Buyer's consent shall not be required if any modifications to the Operating Restrictions are recommended or required by Seller's battery supplier(s) to maintain the Facility's expected degradation curve, warranty requirements, and the obligations of this Agreement), (ii) will, at a minimum, include the rules, requirements and procedures set forth in this Exhibit Q, (iii) will include protocols and parameters for Seller's operation of the Facility in the absence of Charging Notices, Discharging Notices or other similar instructions from Buyer relating to the use of the Facility, (iv) may include facility scheduling, operating restrictions and Communications Protocols, and (v) will not be limited in any way by Seller's Dispatch Rights (if applicable).

File Update Date:	
Technology:	
Storage Unit Name:	
A. Contract Capacity	
Guaranteed Capacity (MW):	49.7MW
Effective Capacity (MW):	TBD

[redacted]



Exhibit S - 2

EXHIBIT R

METERING DIAGRAM

EXHIBIT S

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 (WMDVLGBTEs) 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 WMDVLGBTBE 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

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

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 33 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 36 is "Yes", please explain and provide supporting documentation.

EXHIBIT T

CONSENT TO COLLATERAL ASSIGNMENT AGREEMENT

This Consent to Collateral Assignment Agreement (this "Consent") is entered into as of [__], 2025 (the "Effective Date") by and among (i) San Diego Community Power, a California joint powers authority ("SDCP"), (ii) Chula Vista Energy Center 2, LLC, a Delaware limited liability company ("Project Company"), and (iii) [•], as Collateral Agent for the secured parties under the Financing Documents referred to below (such secured parties together with their successors permitted under this Consent in such capacity, the "Secured Parties", and, such agent, together with its successors in such capacity, "Collateral Agent"). SDCP, Project Company and Collateral Agent are hereinafter sometimes referred to individually as a "Party" and jointly as the "Parties". Capitalized terms used but not otherwise defined in this Consent shall have the meanings ascribed to them in the Agreement (as defined below).

RECITALS

The Parties enter into this Consent with reference to the following facts:

A. Project Company and SDCP have entered into that certain Energy Storage Service Agreement, dated as of [•] (as may be amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"), pursuant to which Project Company has been developing, constructing, commissioning, testing and operating the Project and will sell the Product to SDCP, and SDCP will purchase the Product from Project Company;

B. As collateral for Project Company's obligations under the Agreement, Project Company has agreed to provide to SDCP certain collateral, which may include Performance Assurance and Security Interests and other collateral described in the Agreement (collectively, the "Agreement Collateral");

C. Project Company has entered into that certain Financing Agreement, dated as of January [__], 2024, among Project Company, the financial institutions from time to time party thereto as lenders and as issuers of letters of credit (together with their respective successors and assigns, collectively, the "Lenders"), [•], in its capacity as Administrative Agent, and [•], in its capacity as Collateral Agent (as the same may be amended, modified, restated or supplemented and as in effect from time to time, the "Financing Agreement"), pursuant to which, among other things, the Lenders have extended commitments to make loans to Project Company;

D. As collateral security for Project Company's obligations under the Financing Agreement and related agreements (collectively, the "Financing Documents"), Project Company has, among other things, assigned all of its right, title and interest in, to and under the Agreement and Project Company's owners have pledged their ownership interest in Project Company (collectively, the "Assigned Interest") to Collateral Agent pursuant to the Financing Documents; and

E. It is a requirement under the Financing Agreement and the Agreement that SDCP and the other Parties hereto shall have executed and delivered this Consent.

AGREEMENT

In consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Parties hereto hereby agree as follows:

ARTICLE 1

CONSENT TO ASSIGNMENT, ETC.

1.1 Consent and Agreement.

SDCP hereby acknowledges:

notice of and consents to the assignment as collateral security to Collateral Agent, for the benefit of the Secured Parties, of the Assigned Interest; and

the right (but not the obligation) of Collateral Agent in the exercise of its rights and remedies under the Financing Documents, to make all demands, give all notices, take all actions and exercise all rights of Project Company permitted under the Agreement (subject to SDCP's rights and defenses under the Agreement and the terms of this Consent) and accepts any such exercise; provided, however, that, insofar as Collateral Agent exercises any such rights under the Agreement or makes any claims with respect to payments or other obligations under the Agreement, the terms and conditions of the Agreement applicable to such exercise of rights or claims shall apply to Collateral Agent to the same extent as to Project Company.

1.2 Project Company's Acknowledgement.

Each of Project Company and Collateral Agent hereby acknowledges and agrees that SDCP is authorized to act in accordance with Collateral Agent's instructions, and that SDCP shall bear no liability to Project Company or Collateral Agent in connection therewith, including any liability for failing to act in accordance with Project Company's instructions.

1.3 Right to Cure.

If Project Company defaults in the performance of any of its obligations under the Agreement, or upon the occurrence or non-occurrence of any event or condition under the Agreement which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable SDCP to terminate or suspend its performance under the Agreement (an "Agreement Default"), SDCP will not terminate or suspend its performance under the Agreement until it first gives written notice of such Agreement Default to Collateral Agent and affords Collateral Agent the right to cure such Agreement Default within the applicable cure period under the Agreement, which cure period shall run concurrently with that afforded Project Company under the Agreement. In addition, if Collateral Agent gives SDCP written notice prior to the expiration of the applicable cure period under the Agreement of Collateral Agent's intention to cure such Agreement Default (which notice shall include a reasonable description of the time during which it anticipates to cure such Agreement Default) and is diligently proceeding to cure such Agreement Default, notwithstanding the applicable cure period under the Agreement, Collateral Agent shall

have a period of sixty (60) days (or, if such Agreement Default is for failure by the Project Company to pay an amount to SDCP which is due and payable under the Agreement other than to provide Agreement Collateral, thirty (30) days, or, if such Agreement Default is for failure by Project Company to provide Agreement Collateral, five (5) Business Days) from the Collateral Agent's receipt of the notice of such Agreement Default from SDCP to cure such Agreement Default; provided, however, that (a) if possession of the Project is necessary to cure any such non-monetary Agreement Default and Collateral Agent has commenced foreclosure proceedings within sixty (60) days after notice of the Agreement Default and is diligently pursuing such foreclosure proceedings, Collateral Agent will be allowed a reasonable time, not to exceed one hundred eighty (180) days after the notice of the Agreement Default, to complete such proceedings and cure such Agreement Default, and (b) if Collateral Agent is prohibited from curing any such Agreement Default by any process, stay or injunction issued by any Governmental Authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving Project Company, then the time periods specified herein for curing an Agreement Default shall be extended for the period of such prohibition, so long as Collateral Agent has diligently pursued removal of such process, stay or injunction. Collateral Agent shall provide SDCP with reports concerning the status of efforts to cure an Agreement Default upon SDCP's reasonable request.

1.4 Substitute Owner.

Subject to Section 1.7, the Parties agree that if Collateral Agent notifies (such notice, a "Financing Document Default Notice") SDCP that an event of default has occurred and is continuing under the Financing Documents (a "Financing Document Event of Default") then, upon a judicial foreclosure sale, non-judicial foreclosure sale, deed in lieu of foreclosure or other transfer following a Financing Document Event of Default, Collateral Agent (or its designee) shall be substituted for Project Company (the "Substitute Owner") under the Agreement, and, subject to Sections 1.7(b) and 1.7(c) below, SDCP and Substitute Owner will recognize each other as counterparties under the Agreement and will continue to perform their respective obligations (including those obligations accruing to SDCP and the Project Company prior to the existence of the Substitute Owner) under the Agreement in favor of each other in accordance with the terms thereof; provided, however, that before SDCP is required to recognize the Substitute Owner, the Substitute Owner must have demonstrated to SDCP's reasonable satisfaction that the Substitute Owner has (i) a minimum tangible net worth of at least $[•] and (ii) at least three (3) years of experience operating a generating plant of similar technology and similar size (or has retained a third party with such operating experience) (such person or entity, a "Permitted Transferee"). For purposes of the foregoing, SDCP shall be entitled to assume that any such purported exercise of rights by Collateral Agent that results in substitution of a Substitute Owner under the Agreement is in accordance with the Financing Documents without independent investigation thereof but shall have the right to require that Collateral Agent and its designee (if applicable) provide reasonable evidence demonstrating the same.

1.5 Replacement Agreements.

Subject to Section 1.7, if the Agreement is terminated, rejected or otherwise invalidated as a result of any bankruptcy, insolvency, reorganization or similar proceeding affecting Project

Company, its owner(s) or guarantor(s), and if Collateral Agent or its designee directly or indirectly takes possession of, or title to, the Project (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure) ("Replacement Owner"), SDCP shall, and Collateral Agent shall cause Replacement Owner to, enter into a new agreement with one another for the balance of the obligations under the Agreement remaining to be performed having terms substantially the same as the terms of the Agreement with respect to the remaining Term ("Replacement Agreement"); provided, that before SDCP is required to enter into a Replacement Agreement, the Replacement Owner must have demonstrated to SDCP's reasonable satisfaction that the Replacement Owner satisfies the requirements to be a Permitted Transferee. For purposes of the foregoing, SDCP is entitled to assume that any such purported exercise of rights by Collateral Agent that results in a Replacement Owner is in accordance with the Financing Documents without independent investigation thereof but shall have the right to require that the Replacement Owner provide reasonable evidence demonstrating the same. Notwithstanding the execution and delivery of a Replacement Agreement, to the extent SDCP is, or was otherwise prior to its termination as described in this Section 1.5, entitled under the Agreement, SDCP may suspend performance of its obligations under such Replacement Agreement, unless and until all Agreement Defaults of Project Company under the Agreement or Replacement Agreement have been cured.

1.6 Transfer.

Subject to Section 1.7, a Substitute Owner or a Replacement Owner may assign all of its interest in the Project and the Agreement and a Replacement Agreement to a natural person, corporation, trust, business trust, joint venture, joint stock company, association, company, limited liability company, partnership, Governmental Authority or other entity (a "Person") to which the Project is transferred; provided, however, that the proposed transferee shall have demonstrated to SDCP's reasonable satisfaction that such proposed transferee satisfies the requirements to be a Permitted Transferee.

1.7 Assumption of Obligations.

Transferee.

Any transferee under Section 1.6 shall expressly assume in a writing reasonably satisfactory to SDCP all of the obligations of Project Company, Substitute Owner or Replacement Owner under the Agreement or Replacement Agreement, as applicable, including posting and collateral assignment of the Agreement Collateral. Upon such assignment and the cure of any outstanding Agreement Default, and payment of all other amounts due and payable to SDCP in respect of the Agreement or such Replacement Agreement, the transferor shall be released from any further liability under the Agreement or Replacement Agreement, as applicable.

Substitute Owner.

Subject to Section 1.7(c), any Substitute Owner pursuant to Section 1.4 shall be required to perform Project Company's obligations under the Agreement, including posting and collateral assignment of the Agreement Collateral; provided, however, that the obligations of such Substitute Owner shall be no more than those of Project Company under the Agreement.

No Liability.

SDCP acknowledges and agrees that neither Collateral Agent nor any Secured Party shall have any liability or obligation under the Agreement as a result of this Consent (except to the extent Collateral Agent or a Secured Party is a Substitute Owner or Replacement Owner) nor shall Collateral Agent or any other Secured Party be obligated or required to (i) perform any of Project Company's obligations under the Agreement, except as provided in Sections 1.7(a) and 1.7(b) and to the extent Collateral Agent or a Secured Party is a Substitute Owner or Replacement Owner, or (ii) take any action to collect or enforce any claim for payment assigned under the Financing Documents. If Collateral Agent becomes a Substitute Owner pursuant to Section 1.4 or enters into a Replacement Agreement, Collateral Agent shall not have any personal liability to SDCP under the Agreement or Replacement Agreement and the sole recourse of SDCP in seeking enforcement of such obligations against Collateral Agent shall be to the aggregate interest of the Secured Parties in the Project; provided, however, that such limited recourse shall not limit SDCP's right to seek equitable or injunctive relief against Collateral Agent, or SDCP's rights with respect to any offset rights expressly allowed under the Agreement, a Replacement Agreement or the Agreement Collateral.

1.8 Delivery of Notices.

SDCP shall deliver to Collateral Agent, concurrently with the delivery thereof to Project Company, a copy of each notice, request or demand given by SDCP to Project Company pursuant to the Agreement relating to (a) an Agreement Default, (b) any claim regarding Force Majeure by SDCP under the Agreement, (c) any notice of dispute under the Agreement, (d) any notice of intent to terminate or any termination notice, and (e) any matter that would require the consent of Collateral Agent pursuant to Section 1.11 or any other provision of this Consent. Collateral Agent acknowledges that delivery of such notice, request and demand shall satisfy SDCP's obligation to give Collateral Agent a notice of Agreement Default under Section 1.3. Collateral Agent shall deliver to SDCP, concurrently with delivery thereof to Project Company, a copy of each notice, request or demand given by Collateral Agent to Project Company pursuant to the Financing Documents relating to a default by Project Company under the Financing Documents.

1.9 Confirmations.

SDCP will, as and when reasonably requested by Collateral Agent from time to time, confirm in writing matters relating to the Agreement (including the performance of the same by Project Company); provided, however, that such confirmation may be limited to matters of which SDCP is aware as of the time the confirmation is given and such confirmations shall be without prejudice to any rights of SDCP under the Agreement as between SDCP and Project Company.

1.10 Exclusivity of Dealings.

Except as provided in Sections 1.3, 1.4, 1.8, 1.9, and 2.1, unless and until SDCP receives a Financing Document Default Notice, SDCP shall deal exclusively with Project Company in connection with the performance of SDCP's obligations under the Agreement. From and after such time as SDCP receives a Financing Document Default Notice and until a Substitute Owner is substituted for Project Company pursuant to Section 1.4, a Replacement Agreement is entered into

or the Agreement is transferred to a Person to whom the Project is transferred pursuant to Section 1.6, SDCP shall, until Collateral Agent confirms to SDCP in writing that all obligations under the Financing Documents are no longer outstanding, deal exclusively with Collateral Agent in connection with the performance of SDCP's obligations under the Agreement, and SDCP may irrevocably rely on instructions provided by Collateral Agent in accordance therewith to the exclusion of those provided by any other Person.

1.11 No Amendments.

To the extent permitted by applicable Laws, SDCP agrees that it will not, without the prior written consent of Collateral Agent (not to be unreasonably withheld, delayed or conditioned) (a) enter into any material supplement, restatement, novation, extension, amendment or modification of the Agreement, (b) terminate or suspend its performance under the Agreement (except in accordance with Section 1.3) or (c) consent to or accept any termination or cancellation of the Agreement by Project Company.

ARTICLE 2

PAYMENTS UNDER THE AGREEMENT

2.1 Payments.

Unless and until SDCP receives written notice to the contrary from Collateral Agent, SDCP will make all payments to be made by it to Project Company under or by reason of the Agreement directly to Project Company. SDCP, Project Company, and Collateral Agent acknowledge that SDCP will be deemed to be in compliance with the payment terms of the Agreement to the extent that SDCP makes payments in accordance with Collateral Agent's instructions.

2.2 No Offset, Etc.

All payments required to be made by [•] under the Agreement shall be made without any offset, recoupment, abatement, withholding, reduction or defense whatsoever, other than that expressly allowed by the terms of the Agreement.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SDCP

SDCP makes the following representations and warranties as of the date hereof in favor of Collateral Agent:

3.1 Organization.

SDCP is a joint powers authority and community choice aggregator duly organized and validly existing 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 its jurisdiction. SDCP has all requisite power and authority, corporate and otherwise, to enter into and to perform

its obligations hereunder and under the ESSA, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby.

3.2 Authorization.

The execution, delivery and performance by SDCP of this Consent and the Agreement have been duly authorized by all necessary corporate or other action on the part of SDCP and do not require any approval or consent of any holder (or any trustee for any holder) of any indebtedness or other obligation of SDCP which, if not obtained, will prevent SDCP from performing its obligations hereunder or under the Agreement except approvals or consents which have previously been obtained and which are in full force and effect.

3.3 Execution and Delivery; Binding Agreements.

Each of this Consent and the Agreement is in full force and effect, have been duly executed and delivered on behalf of SDCP by the appropriate officers of SDCP, and constitute the legal, valid and binding obligation of SDCP, enforceable against SDCP in accordance with its terms, except as the enforceability thereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application affecting the enforcement of creditors' rights generally and (b) general equitable principles (whether considered in a proceeding in equity or at law).

3.4 No Default or Amendment.

Except as set forth in Schedule A attached hereto: (a) Neither SDCP nor, to SDCP's actual knowledge, Project Company, is in default of any of its obligations under the Agreement; (b) SDCP and, to SDCP's actual knowledge, Project Company, has complied with all conditions precedent to the effectiveness of its obligations under the Agreement; (c) to SDCP's actual knowledge, no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either SDCP or Project Company to terminate or suspend its obligations under the Agreement; and (d) the Agreement has not been amended, modified or supplemented in any manner except as set forth herein and in the recitals hereto.

3.5 No Previous Assignments.

SDCP has no notice of, and has not consented to, any previous assignment by Project Company of all or any part of its rights under the Agreement, except as previously disclosed in writing and consented to by SDCP.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF PROJECT COMPANY

Project Company makes the following representations and warranties as of the date hereof in favor of Collateral Agent and SDCP:

4.1 Organization.

Project Company is a limited liability company duly organized and validly existing under the laws of the state of its organization, and is duly qualified, authorized to do business and in good standing in every jurisdiction in which it owns or leases real property or in which the nature of its business requires it to be so qualified, except where the failure to so qualify would not have a material adverse effect on its financial condition, its ability to own its properties or its ability to transact its business. Project Company has all requisite power and authority, corporate and otherwise, to enter into and to perform its obligations hereunder and under the Agreement, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby.

4.2 Authorization.

The execution, delivery and performance of this Consent by Project Company, and Project Company's collateral assignment of its right, title and interest in, to and under the Agreement to Collateral Agent pursuant to the Financing Documents, have been duly authorized by all necessary corporate or other action on the part of Project Company.

4.3 Execution and Delivery; Binding Agreement.

This Consent is in full force and effect, has been duly executed and delivered on behalf of Project Company by the appropriate officers of Project Company, and constitutes the legal, valid and binding obligation of Project Company, enforceable against Project Company in accordance with its terms, except as the enforceability thereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application affecting the enforcement of creditors' rights generally and (b) general equitable principles (whether considered in a proceeding in equity or at law).

4.4 No Default or Amendment.

Except as set forth in Schedule B attached hereto: (a) neither Project Company nor, to Project Company's actual knowledge, SDCP, is in default of any of its obligations under the Agreement; (b) Project Company and, to Project Company's actual knowledge, SDCP, has complied with all conditions precedent to the effectiveness of its obligations under the Agreement; (c) to Project Company's actual knowledge, no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either SDCP or Project Company to terminate or suspend its obligations under the Agreement; and (d) the Agreement has not been amended, modified or supplemented in any manner except as set forth herein and in the recitals hereto.

4.5 No Previous Assignments.

Project Company has not previously assigned all or any part of its rights under the Agreement.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF COLLATERAL AGENT

Collateral Agent makes the following representations and warranties as of the date hereof in favor of SDCP and Project Company:

5.1 Authorization.

The execution, delivery and performance of this Consent by Collateral Agent have been duly authorized by all necessary corporate or other action on the part of Collateral Agent and Secured Parties.

5.2 Execution and Delivery; Binding Agreement.

This Consent is in full force and effect, has been duly executed and delivered on behalf of Collateral Agent by the appropriate officers of Collateral Agent, and constitutes the legal, valid and binding obligation of Collateral Agent as Collateral Agent for the Secured Parties, enforceable against Collateral Agent (and the Secured Parties to the extent applicable) in accordance with its terms, except as the enforceability thereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application affecting the enforcement of creditors' rights generally and (b) general equitable principles (whether considered in a proceeding in equity or at law).

ARTICLE 6

MISCELLANEOUS

6.1 Notices.

All notices and other communications hereunder shall be in writing, shall be deemed given upon receipt thereof by the Party or Parties to whom such notice is addressed, shall refer on their face to the Agreement (although failure to so refer shall not render any such notice or communication ineffective), shall be sent by first class mail, by personal delivery or by a nationally recognized courier service, and shall be directed (a) if to SDCP or Project Company, in accordance with Section 9.1 of the Agreement, (b) if to Collateral Agent to the contact information provided below, or (c) to such other address or addressee as any such Party may designate by notice given pursuant hereto.

[•], as Collateral Agent
[•]
[•]
Attention: [•]
Telephone: [•]
Email: [•]

6.2 Governing Law; Submission to Jurisdiction.

THIS CONSENT SHALL BE CONSTRUED IN ACCORDANCE WITH, AND THIS CONSENT AND ALL MATTERS ARISING OUT OF THIS CONSENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, THE LAW OF THE STATE OF CALIFORNIA WITHOUT REGARD TO ANY CONFLICTS OF LAWS PROVISIONS THEREOF THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION.

All disputes, claims or controversies arising out of, relating to, concerning or pertaining to the terms of this Consent shall be governed by the dispute resolution provisions of the Agreement. Subject to the foregoing, any legal action or proceeding with respect to this Consent and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of California or of the United States of America for the Central District of California, and, by execution and delivery of this Consent, each Party hereby accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and appellate courts from any appeal thereof. Each Party further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to its notice address provided pursuant to Section 6.1 hereof. Each Party hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Consent brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of any Party to serve process in any other manner permitted by law.

6.3 Headings Descriptive.

The headings of the several sections and subsections of this Consent are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Consent.

6.4 Severability.

In case any provision in or obligation under this Consent shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

6.5 Amendment, Waiver.

Neither this Consent nor any of the terms hereof may (a) be terminated, amended, supplemented or modified, except by an instrument in writing signed by SDCP, Project Company and Collateral Agent or (b) waived, except by an instrument in writing signed by the waiving Party.

6.6 Termination.

Each Party's obligations hereunder are absolute and unconditional, and no Party has any right, and shall have no right, to terminate this Consent or to be released, relieved or discharged from any obligation or liability hereunder until SDCP has been notified by Collateral Agent that

all of the obligations under the Financing Documents shall have been satisfied in full (other than contingent indemnification obligations) or, with respect to the Agreement or any Replacement Agreement, its obligations under such Agreement or Replacement Agreement have been fully performed.

6.7 Successors and Assigns.

This Consent shall be binding upon each Party and its successors and assigns permitted under and in accordance with this Consent, and shall inure to the benefit of the other Parties and their respective successors and assigns permitted under and in accordance with this Consent. Each reference to a Person herein shall include such Person's successors and assigns permitted under and in accordance with this Consent.

6.8 Further Assurances.

SDCP hereby agrees to execute and deliver all such instruments and take all such action as may be necessary to effectuate fully the purposes of this Consent.

6.9 Waiver of Trial by Jury.

TO THE EXTENT PERMITTED BY APPLICABLE LAWS, THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS CONSENT OR ANY MATTER ARISING HEREUNDER. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.10 Entire Agreement.

This Consent and any agreement, document or instrument attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings in respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Consent and any such agreement, document or instrument, the terms, conditions and provisions of this Consent shall prevail.

6.11 Effective Date.

This Consent shall be deemed effective as of the Effective Date.

6.12 Counterparts; Electronic Signatures.

This Consent may be executed in one or more counterparts, each of which will be deemed to be an original of this Consent and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Consent and of signature pages by facsimile transmission, Portable Document Format (i.e., PDF), or by other electronic means shall constitute effective execution and delivery of this Consent as to the Parties and may be used in lieu of the original Consent for all purposes.

[Remainder of Page Left Intentionally Blank.]

IN WITNESS WHEREOF, the Parties hereto have caused this Consent to be duly executed and delivered by their duly authorized officers as of the Effective Date.

SAN DIEGO COMMUNITY POWER, a California joint powers authority

By:
Name:
Title:

CHULA VISTA ENERGY CENTER 2, LLC,
a Delaware limited liability company

By:
Name:
Title:

[•],
as Collateral Agent

By:
Name:
Title:

SCHEDULE A

None.

SCHEDULE B

None.

SAN DIEGO COMMUNITY POWER

Staff Report – Item 23

To:	Board of Directors
From:	Jack Clark, Chief Operating Officer Colin Santulli, Senior Director of Programs Sheena Tran, Associate Director of Programs
Via:	Karin Burns, Chief Executive Officer
Subject:	San Diego Regional Energy Network (SDREN) Update
Date:	October 23, 2025

Recommendation

Receive and file update on San Diego Regional Energy Network (SDREN) progress.

Background

On January 5, 2024, San Diego Community Power (Community Power), in partnership with the County of San Diego, submitted the SDREN Business Plan Application to the California Public Utilities Commission (CPUC). On August 1, 2024, the CPUC approved SDREN, authorizing funding of $124 million for program years 2024-2027 for ten energy efficiency programs serving underserved and hard-to-reach residents, businesses, public agencies, and Tribal governments across the region.

SDREN's governance structure is outlined in Figure 1. SDREN is led by the Oversight and Administration Team (Community Power and the County of San Diego). Community Power serves as the Lead Portfolio Administrator, overseeing fiscal, regulatory, procurement, and program functions. The Program Operations Team is made up of Community Power staff and third-party implementers and they manage day-to-day program operations.

In May 2024, the Oversight and Administration Team convened an inaugural Advisory Committee of regional entities to help inform the design of a future expanded Advisory Committee anticipated to launch in 2026. The standing committee will include local and regional governments, community-based organizations, and other stakeholders to advise on program outreach, enrollment, and implementation.

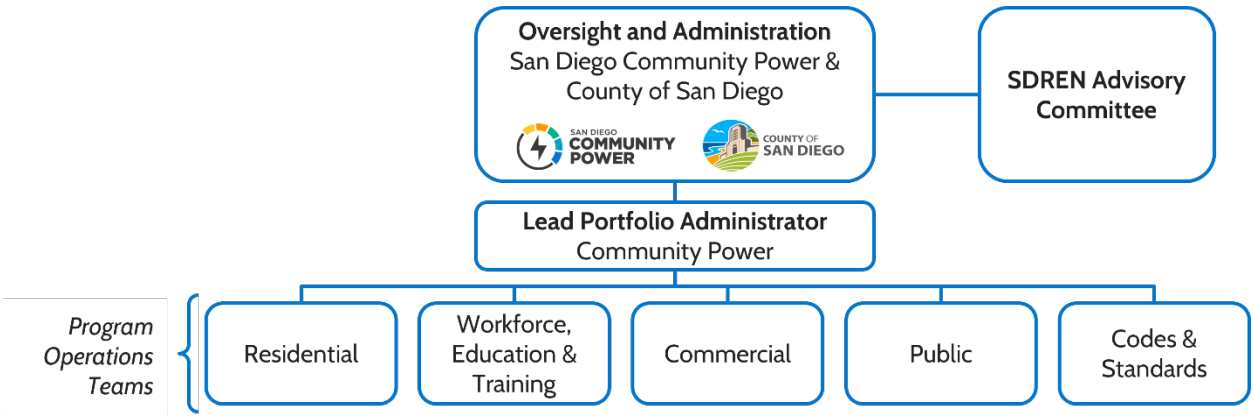


Figure 1: SDREN Governance Structure

After SDREN's approval in August 2024, Staff focused on completing CPUC requirements as directed in Decision 24-08-003 (Decision Addressing Motion for Authorization of San Diego Regional Energy Network) as well as other activities to prepare to launch programs, which included:

- Submitting a Joint Cooperation Memo with San Diego Gas and Electric (SDG&E) for program years 2024-2025 to memorialize the terms of SDREN's and SDG&E's programmatic and administrative relationship.
- Finalizing the SDREN Energy Efficiency Programs and Budget Agreement for Years 2024-2027 with SDG&E (approved by Community Power's Board of Directors in January 2025) to document how Community Power and SDG&E will coordinate administratively with respect to the collection and distribution of funds supporting SDREN's activities.
- Finalizing a Memorandum of Understanding with the County of San Diego to memorialize SDREN and the County's relationship.
- Completing the hiring of program managers, a marketing manager, and a finance manager, assembling a dedicated team to guide day-to-day administration.
- Laying the foundation for SDREN's branding, marketing, and communications strategy.
- Submitting Implementation Plans for SDREN's ten programs and initiating ongoing compliance reporting via the California Energy Data and Reporting System (CEDARS).

In early 2025, Staff focused on procurement of third-party implementers. Solicitations were released in the following three phases:

- Phase 1 (February 4 – March 24, 2025): Administrative, Technical, and Compliance Support; Cross-Cutting Sector Programs.
- Phase 2 (March 6 – April 24, 2025): Public and Residential Sector Programs.
- Phase 3 (May 8 – June 26, 2025): Commercial Sector Programs.

Community Power's Board of Directors adopted Resolution No. 2025-01 on January 23, 2025 that authorized the Chief Executive Officer to 'negotiate and execute contracts with third parties to implement the agreement or use of [SDREN] funds'. Phase 1 contracts were executed with the selected vendors in August and September 2025. Phase 2 contracts are expected to be executed with the selected vendors by October 2025 and Phase 3 contracts by December 2025 with amounts not exceeding the budgets stated in the solicitations.

Analysis and Discussion

SDREN's energy efficiency program portfolio includes ten programs that serve commercial, cross-cutting (workforce, education and training, and codes and standards), public, and residential sectors. SDREN anticipates launching programs beginning in early 2026. Below is a description of each program.

Cross-Cutting Sector Programs

SDREN's cross-cutting sector includes two workforce, education and training programs and one codes and standards program.

1. Energy Pathways Program
    - Description: SDREN's Energy Pathways Program will introduce high school students to energy careers, offering no-cost career technical education, mentorship, and direct ties to local employers.
    - Anticipated Launch: Q1 2026
    - Budget: $5,556,916
    - Implementer: The Energy Coalition
2. Workforce Training and Capacity Building Program
    - Description: SDREN's Workforce Training and Capacity Building Program will focus on strengthening workforce skills in electrification, renewable integration, and energy efficiency, benefiting both new entrants and incumbent workers.
    - Anticipated Launch: Q1 2026
    - Budget: $9,028,535
    - Implementer: Strategic Energy Innovations
3. Codes and Standards Program
    - Description: SDREN's Codes and Standards Program aims to enhance compliance with existing codes and standards, assist local governments in developing ordinances that surpass statewide minimum requirements and maximize participant benefits through close coordination with other programs.
    - Anticipated Launch: Q1 2026

- Budget: $5,077,756
- Implementer: TRC Solutions, Inc.

Public Sector Programs

SDREN's public sector includes one program focused on supporting public agencies and one program focused on supporting Tribal communities.

1. Climate Resilience Leadership Program
    - Description: SDREN's Climate Resilience Leadership Program will help public agencies obtain technical assistance, financing, and guidance to implement energy efficiency measures.
    - Anticipated Launch: Q1 2026
    - Budget: $9,740,641 (direct implementation), $7,442,846 (incentives)
    - Implementer: TBD
2. Tribal Engagement Program
    - Description: SDREN's Tribal Engagement Program will provide culturally responsive outreach and technical support for 17 Tribal governments seeking improved energy infrastructure and sovereignty.
    - Anticipated Launch: Q1 2026
    - Budget: $1,389,551
    - Implementer: TBD

Residential Sector Programs

SDREN's residential sector includes two programs, one serving single-family properties and a second serving multifamily properties.

1. Single-Family Program
    - Description: SDREN's Single-Family Program will assist owners and renters with energy education, energy efficiency starter kits, direct installations, and stacked rebates provided by a concierge-style service designed to cut single-family renter or owner energy costs.
    - Anticipated Launch: Q1 2026
    - Budget: $6,367,475 (direct implementation), $12,416,267 (incentives)
    - Implementer: TBD

2. Multifamily Program

- Description: SDREN's Multifamily Program will equip building owners, managers, and tenants with no-cost technical assistance, direct installation and measure incentives, energy education, and energy efficiency starter kits intended to reduce utility bills and improve living environments.
- Anticipated Launch: Q1 2026
- Budget: $3,492,276 (direct implementation), $6,539,071 (incentives)
- Implementer: TBD

Commercial Sector Programs

SDREN's commercial sector includes three programs targeting small and medium-sized businesses including hard-to-reach and underserved commercial customers.

1. Efficient Refrigeration Program

- Description: SDREN's Efficient Refrigeration Program will deliver no-cost refrigeration upgrades to small grocers and food service businesses, boosting both energy savings and fresh food accessibility.
- Anticipated Launch: Q2 2026
- Budget: $2,028,045 (direct implementation), $4,074,678 (incentives)
- Implementer: TBD

2. Market Access Program

- Description: SDREN's Market Access Program will employ a performance-based incentive model, encouraging energy aggregators to achieve peak-demand reductions.
- Anticipated Launch: Q2 2026
- Budget: $4,597,330 (direct implementation), $9,006,228 (incentives)
- Implementer: TBD

3. Small-Medium Business Energy Coach Program

- Description: SDREN's Small-Medium Business Energy Coach Program will offer personalized guidance to businesses on energy efficiency solutions, helping them navigate available incentives.
- Anticipated Launch: Q2 2026
- Budget: $6,567,110 (direct implementation), $2,016,518 (incentives)
- Implementer: TBD

Fiscal Impact

All SDREN activities are cost recoverable. Community Power staff time contributing to SDREN management is reimbursable by the CPUC.

Strategic Plan

This activity supports the strategic plan goal of launching all SDREN programs and making them available to customers by Fiscal Year 2026.

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.

LTPP – 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.