



San Diego Community Power

Finance and Risk Management
Committee

Special Meeting

November 5, 2020





Closed Session

Item 1: Conference with Legal Counsel – Existing Litigation

Pursuant to Government Code Section 54956.9(d)(1)

Name of Case: SDCP Advice Letter Request to California Public Utilities Commission Regarding Resource Adequacy Waiver



Agenda

1. Welcome
2. Roll Call
3. Public Comment for Items Not on the Agenda
4. Items to be Added, Withdrawn, or Reordered on the Agenda

Regular Agenda

5. Discussion and Recommendation to the Board Regarding the Inclusive and Sustainable Workforce Policy
6. Discussion and Provide Input on Proposed Feed-In Tariff Parameters
7. Committee Member Announcements
8. Adjournment



Item 5

Discussion and Recommendation to the Board Regarding the Inclusive and Sustainable Workforce Policy

San Diego Community Power

Inclusive and Sustainable Workforce Policy

Purpose

The purpose of this Policy is to further the purposes of San Diego Community Power (“SDCP”) Joint Powers Agreement, including: (1) demonstrating quantifiable economic benefits to the region, including prevailing wage jobs and local workforce development; (2) supporting a stable, skilled, and trained workforce; and (3) promoting supplier and workforce diversity including returning veterans and those from regional ~~disadvantaged and under-represented communities of concern~~ diverse and minority communities.

SDCP intends that this Policy will be updated as SDCP grows and becomes more established.

Policy

1. Inclusive Workforce

- a. SDCP Staff – To help enable a diverse and inclusive staff, SDCP will:
 - i. Engage in broad outreach in diverse and minority communities, while adhering to SDCP’s Non-Discrimination Pledge, to ensure a diverse pool of candidates for open positions;
 - ii. Provide fair compensation that aligns with regional market indicators for compensation levels for each position;
 - iii. Be transparent about these practices and lessons learned; and
 - iv. Provide contact information for staff who can answer questions about this Policy.
- b. Supply Chain (Goods and Services) – SDCP’s commitment to inclusion also extends to its supply chain. Where and from whom SDCP purchases goods and services have important consequences for businesses, customers, and their communities. Where appropriate, an inclusive supply chain is an important driver for successful delivery of SDCP’s services to its customers, and of fair and equitable economic development generally.

Where appropriate, and consistent with applicable law and other SDCP policies, including but not limited to its Procurement Policy, to support a diverse and inclusive supply chain, SDCP will strive to:

- i. Use local businesses and provide fair compensation in the purchases of services and supplies;
- ii. Proactively seek services from local businesses and from businesses that are taking steps to protect the environment;

- iii. Engage in efforts to reach diverse and minority communities to ensure an inclusive pool of potential suppliers;
- iv. Collect information from vendors and developers on their status as a women, minority, disabled veteran, and/or LGBT business enterprise (see Section 3 below; Cal. Pub. Util. Code § 366.2(m));
- v. Include questions about supplier inclusivity in requests for proposals (RFPs) for services;
- vi. Encourage reporting from developers and vendors on inclusivity in business staff (see Section 3 below);
- vii. Be transparent about these practices and lessons learned; and
- viii. Provide contact information for staff who can answer questions about this Policy.

c. Inclusive Business Practices – In representing the communities that make up San Diego Community Power, SDCP will endeavor to ensure that its services and information are accessible to everyone. Therefore, SDCP will strive to:

- i. Provide information on SDCP's services in multiple languages commonly spoken in SDCP's service area (including mailers, tabling materials, customer service, call center, workshops and outreach events, advertisements, and other means of customer engagement);
- ii. Conduct marketing and outreach in diverse communities to increase awareness of SDCP's services and programs;
- iii. Attend multi-cultural community events with multi-lingual materials and speakers; and
- iv. Share information about activities and initiatives that promote inclusion, access, and diverse engagement in the community.

d. Non-Discrimination Pledge – SDCP will not discriminate, and will require its contractors to not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in subcontracting opportunities.

2. Sustainable Workforce

- a. PPAs – San Diego Community Power will encourage the submission of information from respondents to any bidding and/or RFP/Rfq process regarding planned efforts by project developers and their contractors to:
- i. Employ workers and use businesses from San Diego and Imperial County;
 - ii. Employ properly licensed contractors and California certified electricians;

- iii. Utilize local apprentices, particularly graduates of San Diego and Imperial County pre-apprenticeship programs;
 - iv. Pay workers the prevailing wage rates for each craft, classification and type of work performed;
 - v. Display a poster at jobsites informing workers of prevailing wage requirements;
 - vi. Provide workers compensation coverage to on-site workers; and
 - vii. Support and use of State of California approved apprenticeship programs.
- b. Owned Generation – *[Reserved – section will be updated to support the purposes described in this Policy once programs are further developed.]*
 - c. Feed-in-Tariffs – *[Reserved – section will be updated to support the purposes described in this Policy once programs are further developed.]*
 - d. Energy Efficiency/Programs – *[Reserved – section will be updated to support the purposes described in this Policy once programs are further developed.]*
 - e. Union Neutrality - SDCP will remain neutral regarding whether its employees choose to join or support labor unions and will not interfere with decisions by its contractors' and suppliers' employees about whether to join or support labor unions.
3. Reporting on Diverse Business Enterprises and Inclusive and Sustainable Workforces – Pursuant to California Public Utilities Code section 366.2(m), vendors and developers under contract with SDCP shall be required to report on their status as women, minority, disabled veteran, and/or LGBT business enterprises, as defined in Public Utilities Code section 8282. Reporting shall occur within one (1) month of contract execution and every January during the term of the contract, or as otherwise required by the California Public Utilities Commission. In addition, vendors and developers shall report on the number of women, minority, disabled veteran employees performing work for SDCP and the workforce level of these groups which may include administrative assistants, technicians, and executive staff.
4. Legal Compliance – In the event that the application of this Policy to a specific SDCP project or program is limited or proscribed pursuant to applicable state or federal law, or as a condition of the receipt of state or federal funds, such law or funding condition shall control. In addition, any information collected or received under this Policy shall be used only in a manner consistent with applicable law and SDCP policies.

San Diego Community Power

Inclusive and Sustainable Workforce Policy

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SDCP intends that this Policy will be updated as SDCP grows and becomes more established.

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Where appropriate, and consistent with applicable law and other SDCP policies, including but not limited to its Procurement Policy, to support a diverse and inclusive supply chain, SDCP will strive to:

- i. Use local businesses and provide fair compensation in the purchases of services and supplies;

Commented [SS1]: Staff recommends this wording, as it's more representative of today's communities of color.

FRMC Staff Recommended Changes Copy

- ii. Proactively seek services from local businesses and from businesses that are taking steps to protect the environment;
 - iii. Engage in efforts to reach diverse and minority communities to ensure an inclusive pool of potential suppliers;
 - iv. Collect information from vendors and project developers on their status as a women, minority, disabled veteran, and/or LGBT business enterprise (see Section 3 below; Cal. Pub. Util. Code § 366.2(m));
 - ~~v. Include questions about supplier inclusivity in requests for proposals (RFPs) for services;~~
 - ~~vi-v.~~ Encourage reporting from project developers and vendors on inclusivity in business staff (see Section 3 below);
 - ~~vii-vi.~~ Be transparent about these practices and lessons learned; and
 - ~~viii-vii.~~ Provide contact information for staff who can answer questions about this Policy.
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2. Sustainable Workforce
- a. PPAs – San Diego Community Power will encourage the submission of information from respondents to any bidding and/or RFP/RFQ process regarding planned efforts by project developers and their contractors to:

Commented [SS2]: Staff recommends the removal of this section due to potential issues that may arise with Prop 209, which is still in effect as of today.

- i. Employ workers and use businesses from San Diego and Imperial County;
 - ii. Employ properly licensed contractors and California certified electricians;
 - iii. Utilize local apprentices, particularly graduates of San Diego and Imperial County pre-apprenticeship programs;
 - iv. Pay workers the prevailing wage rates for each craft, classification and type of work performed;
 - v. Display a poster at jobsites informing workers of prevailing wage requirements;
 - vi. Provide workers compensation coverage to on-site workers; and
 - vii. Support and use of State of California approved apprenticeship programs.
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- c. Feed-in-Tariffs – *[Reserved – section will be updated to support the purposes described in this Policy once programs are further developed.]*
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Commented [SS3]: Staff recommends keeping this section to just San Diego County so it is consistent with the geographical nature of our region.

FRMC Staff Recommended Changes Copy

shall control. In addition, any information collected or received under this Policy shall be used only in a manner consistent with applicable law and SDCP policies.

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Item 6

Discussion and Provide Input on
Proposed Feed-In Tariff Parameters

Feed-In Tariff: Overview

Feed-In Tariff for local, small-scale RE projects

- Provides opportunity for local RE developers to transact with SDCP
- Creates opportunity for smaller-scale projects
- Strikes balance between goal of RE advancement, rate impacts to SDCP customers, operations and budgetary impacts
- Standard offer eliminates need for negotiation and minimizes administrative costs
- Successfully administered by both IOUs and CCAs
- Ongoing wholesale supply opportunity, subject to participatory cap
- Complementary to other wholesale RE supply

Feed-In Tariff: Key Considerations & Requirements

- Often introduced as pilot program
 - Initial parameters represent starting point, subject to change – FIT will evolve over time
 - Allows sponsor to gauge participant interest
 - Allows sponsor to develop experience with FIT Program on a manageable scale
 - Allows flexibility related to pricing, program expansion and other parameters
- Standard offer: non-modifiable contract
- Total Program Size (limit): 2-5 MW
- Individual Project Size (limit): ≤ 1 MW
- Contract Term: 10, 15 or 20 years
- Location: w/in SDCP Member Communities
- Eligible Technologies/Fuel Sources: all RPS-eligible technologies w/CEC certification required
- Pricing Level(s) & Structure(s): may vary by technology type and/or delivery profile; should reflect value of energy, plus adjustments for local development costs and/or project size

Feed-In Tariff: Initial Recommendations

- Launch SDCP as Pilot Program
- Begin accepting project applications in January 2021
- FIT Contract Form: utilize existing templates created by MCE or RCEA, subject to legal review
- Initial Participatory Cap (limit): 3 MW total
- Individual Project Size (limit): < 1 MW
- Contract Term: 10, 15 or 20 years (seller's choice)
- COD: no sooner than March 1, 2021, no later than December 31, 2022
- Project Location: must be w/in SDCP Member Communities
- Eligible Technologies/Fuel Sources: all RPS-eligible technologies w/CEC certification required
- Pricing Level(s) & Structure(s): \$80/MWh base price (all generating technologies/delivery profiles)

Feed-In Tariff: Initial Recommendations (continued)

Pricing Level(s) & Structure(s) – Other Considerations

– Initial Pricing Comps

- *MCE FIT at \$80/MWh, dropping to \$75/MWh soon*
- *SCP previously at \$95/MWh, but program is fully subscribed*
- *RCEA FIT at \$84 with pricing subject to periodic adjustment*

– Incentives (range from \$1-5/MWh, additive to base FIT price)

- *Incentives for projects developed by Local Business(es)*
- *Incentives for use of previously developed sites*
- *Incentives for smaller projects*
- *Other?*

– Periodic evaluation of pricing relative to participation/success

Feed-In Tariff: Prospective Annual Budgetary Impact

Key Assumptions: typical annual solar PV production (1,750 MWh/year), utility scale renewable energy price \approx \$45/MWh

FIT Price	1 MW Cap	2 MW Cap	3 MW Cap	4 MW Cap	5 MW Cap
\$75/MWh	\$52,500	\$105,000	\$157,500	\$210,000	\$262,500
\$80/MWh	\$61,250	\$122,500	\$183,750	\$245,000	\$306,250
\$85/MWh	\$70,000	\$140,000	\$210,000	\$280,000	\$350,000

Participatory cap could be expanded following SDCP's successful completion of customer enrollments, monitoring of initial financial performance, anticipated reserve accruals, etc.

Feed-In Tariff: Complementary Documents

Attachments:

- Feed-In Tariff (RCEA)
- Feed-In Tariff Application (RCEA)
- Feed-In Tariff Power Purchase Agreement (MCE)



FEED-IN TARIFF

Eligibility Criteria

An Eligible Small-Scale Distributed Renewable Generation Resource (“Eligible Resource”) must meet the following criteria:

New Resource. The Eligible Resource must be new, meaning that the Eligible Resource must not have produced or delivered electric energy prior to the date on which its FIT Application is received by RCEA.

Small-Scale. The nameplate generating capacity of any Eligible Resource must be smaller than 1 MW (megawatt), alternating current.

Located in RCEA Service Territory. The Eligible Resource must be located entirely within the service territory of Redwood Coast Energy Authority, as such service territory is defined on the date of FIT Application submittal.

RPS Compliant. The Eligible Resource must use a fuel source permitted under California’s current RPS program, as further described in the California Energy Commission’s Renewables Portfolio Standard Eligibility Guidebook. Eligible fuel sources include, but are not limited to, the following:

Biomass	Biodiesel
Fuel cells using renewable fuels	Digester gas
Landfill gas	Municipal solid waste
Ocean wave	Ocean thermal
Tidal current	Solar Photovoltaic
Small hydroelectric	Solar thermal
Wind	Geothermal

Interconnection. Projects need to interconnect using Pacific Gas & Electric Company (PG&E’s) Wholesale Distribution Tariff (WDT) to be eligible. Electric interconnection of the Eligible Resource, including execution of all applicable agreements, shall be the sole responsibility of the FIT applicant, inclusive of all related costs, and shall be completed consistent with interconnection requirements specified by PG&E and/or the California Independent System Operator (CAISO), as appropriate.

Permits. The FIT applicant must obtain all necessary permits from the appropriate jurisdictional agency having authority and shall maintain such permits, as may be required, for the duration of the Agreement.

Bundled Product. The product sold by an Eligible Resource and purchased by RCEA shall include all electric energy, net of station service, environmental attributes (including related Renewable Energy Certificates, which shall be transferred to RCEA) and capacity. For the sake of clarity, environmental

FEED IN TARIFF

attributes shall include all emission reduction benefits associated with the generation of renewable electricity by the Eligible Resource as well as other attributes. Participating Applicants will need to register with WREGIS and transfer all Renewable Energy Credits (RECs) to RCEA's account.

FIT Agreement. All Eligible Resources shall execute RCEA's FIT Agreement which is a standard, non-negotiable, long term power purchase agreement (PPA).

Prime Agriculture Land Exclusion. New renewable energy projects for the FIT may not be developed on Prime Agriculture land. Site eligibility may be determined by consulting the County of Humboldt's WebGIS portal <http://webgis.co.humboldt.ca.us/HCEGIS2.0/>. For prime agricultural soils, select the "Natural Resources" Layer Group and "NRCS 2014 Soils (Proposed)" Layer within that Group. Facilities on "Farmland of statewide importance" or "Prime farmland if irrigated" as identified in this Layer are discouraged.

FIT Agreement Length

Contract length will be set at 20 years. More details are in the standard contract.

FIT Contract Initial Base Price

The initial contract base price is \$0.08/kilowatt-hour (kWh) [*\$80/MWh*].

Market Adjusting Pricing

The base price for the FIT is subject to periodic adjustments based on the market. After each two-month period the base price of the FIT will be adjusted to reflect market interest in the program. In a two-month period, 2 MWs of capacity will be available for contract while total programmatic capacity lasts. At the end of each period, if 0-25% of the available capacity is claimed the base price in the next period will increase by \$0.002/kilowatt-hour (kWh) [*\$2.00/MWh*]. If 25%-75% of the period capacity is claimed, the base price in the next period will stay the same. If 75%-100% of the capacity is brought under contract, the base price for the next period will decrease by \$0.002/kilowatt-hour (kWh) [*\$2.00/MWh*]. The base price for each new period will be available on RCEA's website by the first day of the period.

Price Ceiling and Floor

While the FIT base price may adjust upward or downward from the initial \$0.08/kilowatt-hour (kWh) [*\$80/MWh*], the base price may not exceed \$0.09/kilowatt-hour (kWh) [*\$90/MWh*] and may not drop below \$0.07/kilowatt-hour (kWh) [*\$70/MWh*]. The base price ceiling and floor do not include bonus incentives. When applicable, bonus incentives may be included in a project's price that would otherwise exceed the price ceiling.

Bonus Incentives

RCEA may adjust FIT pricing for certain Eligible Resources that meet the following criteria:

Bonus Criteria	Bonus Amount	Bonus Payout Period
EnviroStor Brownfield	\$0.01 / kWh (<i>\$10 / MWh</i>)	Paid during the first 5 contract years of Eligible Resource operation
Previously Developed Site Location	\$0.005 / kWh (<i>\$5 / MWh</i>)	
Local Business	\$0.005 / kWh (<i>\$5 / MWh</i>)	

FEED IN TARIFF

Bonus payments, if any, will be added to the contract base price for the first five (5) years of the contract. After the first five contract years, the price will revert to the base price in effect at the time the project application was received.

The bonus incentives for EnviroStor Brownfields and for Previously Developed Sites cannot be claimed together. If a project is eligible for both incentives the higher, EnviroStor Brownfields, incentive will be applied.

Details on required documentation are outlined in the FIT Application. Characteristics are defined as follows:

EnviroStor Brownfields are specific sites identified by the Department of Toxic Substances Control data management system, EnviroStor. A list of eligible sites may be found at <https://redwoodenergy.org/feed-in-tariff/>.

Previously Developed Sites are defined as areas that either contain or have contained structures or were used for parking, loading or storage related to a previous or existing land use other than agricultural grazing or crop production within the last 20 years. To claim this bonus, the previously developed land must make up at least 20% of the project footprint. Development documentation, in the form of building permits or verifiable ground, aerial, or satellite photography, as solely determined by RCEA, must be provided by the FIT applicant.

Local Business To qualify for the Local Business incentive the applicant and/or prime contractor must have a place of business (i.e. possesses a business license) and is headquartered in Humboldt County.

FIT Payments

Payments will be made monthly by RCEA to the applicant for each Eligible Resource based on metered electric deliveries. Meter readings delivered by PG&E will be used for payment determination and quantification as described in the FIT Agreement.

FIT Capacity Limit

RCEA's FIT has a capacity limit of six megawatts. The program will continue until there is no remaining available capacity, or until RCEA decides at its discretion to stop accepting new applications.

Forecasting Requirements

Generation forecasts will be required at the time of application and updated (as needed) during construction and throughout the Delivery Term. Underperforming years may be grounds for penalties and changes to the PPA or termination as appropriate.

Penalties

If the system over-generates beyond 115% of contractual output in any contract year, compensation will be at 50% of standard price per kWh of surplus generation up to any contractual and/or financial limits for that contract year.

System underperformance that results in less than 80% of contractual output for two consecutive years is grounds for contract renegotiation or termination.

Collateral

Applicants are required to post and maintain a collateral requirement of twenty dollars (\$20.00) for each kilowatt (kW AC) of Contract Capacity. The Collateral Requirement will be held by RCEA and must be in the form of either cash deposit or Letter of Credit.

FEED IN TARIFF

Fees and Deposit

There is a non-refundable application fee of \$500, and a required deposit of \$4 per kW (AC) of installed capacity, which is fully refundable upon project completion.

Application Timeline

Interconnection supplemental review must be complete (i.e. tendered IA in place) and application for permits submitted at time of FIT application to RCEA.

Curing Period

RCEA will review all applications upon receipt. If there are minor errors in the application the applicant will have ten days to correct the deficiencies after being informed by RCEA. The applicant will retain their place in the queue during this curing period. If the applicant fails to correct those errors in the ten-day window their place in the queue will be forfeited.

Applicant Heterogeneity Preference

If there are more than three (3) applications in a given period, including more than one application from one applicant, contracts will be awarded to different applicants to maximize heterogeneity.

Application Queue

All applications submitted will be accepted on a first come-first served basis. Projects that have missed their milestones may be terminated to allow for more applications.

Board Approval

The RCEA Board of Directors must approve every FIT PPA before execution.



Feed-in Tariff Application

By submitting this application, applicants agree to: 1) pursue the construction and operation of a new (not yet delivering electricity to the grid) source of renewable electricity; 2) review, understand and abide by all of the terms and conditions identified in the Redwood Coast Energy Authority (RCEA) Feed-in Tariff Program (Feed-In Tariff and Power Purchase Agreement) adopted on 3/28/2019; and 3) immediately notify RCEA in the event any of the information provided in this application changes or ceases to be correct.

Applicant Information

PROJECT (FACILITY) NAME			
APPLICANT'S FORM OF BUSINESS & STATE OF ORGANIZATION			
APPLICANT NAME		TITLE	
APPLICANT COMPANY			
APPLICANT STREET ADDRESS		CITY	STATE ZIP
MAILING ADDRESS (If different from above)		CITY	STATE ZIP
PHONE	ALT. PHONE	EMAIL	

Generating Unit Information *(Note: Generator Must Be Located within RCEA's Service Territory)*

Location Address: _____ City: _____ Zip: _____

Parcel Number: _____

Permitting Agency/Jurisdiction: _____

Is there a Williamson Act contract on the property? ☐ Yes ☐ No

Is this property Prime Agriculture land as defined in the Tariff? ☐ Yes ☐ No

Renewable Resource Type: _____

Proposed Generator Capacity (at point of delivery): _____ kW (AC) **Note: Size limited to less than 1 MW.**

Expected Annual Energy Output: _____ kWh

Anticipated Interconnection Agreement Execution Date: _____

Description of Physical Interconnection Point: _____

Interconnection Service Voltage: _____ kV

Expected Commercial Operation Date: _____

Is there Redwood Coast Energy Authority service at this address? ☐ Yes ☐ No

If yes, PG&E Account #: _____

Company Structure

If applicant is a company rather than an individual, briefly describe the ownership structure of the company, including full legal name and valid phone number of all principals: _____

Site Control

Briefly describe the site control for this project (lease, direct ownership or other): _____

Financial Plan

Briefly describe your intended financing plan for the referenced generator. Identify prospective partners and intended share of ownership assigned to each: _____

Bonus Information

Bonuses for which you are applying and will document: ☐ EnviroStor Brownfield ☐ Previously Developed Site ☐ Local Business (*please describe below*)

EnviroStor Brownfield: If the project is located on an EnviroStor identified brownfield, please list the EnviroStor number, Project Name and Status: _____

Previously Developed Sites: If applicable, briefly describe the location where the generator will be installed: _____

Local Business: To qualify for the Local Business bonus, applicants must utilize a project developer and/or prime contractor which is headquartered within Humboldt County. If this bonus is desired, please list such entities, including related business addresses: _____

Generator Interconnection (PG&E)

As the organization responsible for distribution system planning, maintenance and safety, PG&E will be your primary point of contact for all matters related to generator interconnection. Feed-in Tariff applicants will work directly with PG&E during the generator interconnection process. Applicants may access the following website for information regarding PG&E's generator interconnection process:

- <http://www.pge.com/en/b2b/energytransmissionstorage/newgenerator/index.page>.
- PG&E's wholesale generator interconnection application can be accessed at the following link: <http://www.pge.com/mybusiness/customerservice/nonpgeutility/generateownpower/egi/>

Briefly describe your progress and timeline for completing PG&E's Generator Interconnection Process: _____

Application Queue

All applications will be accepted and queued on a first come-first served basis.

Fees

As noted under Application Checklist, the reservation deposit and non-refundable application fee must be submitted as a part of this completed Feed-in Tariff application. Please remit payment by check payable to Redwood Coast Energy Authority.

Reservation deposits will be refunded once the project is constructed and delivering electricity to Redwood Coast Energy Authority. The full deposit amount will be included with the first payment for generated electricity. If the project fails to demonstrate substantial progress which results in removal from the project queue, the reservation deposit will be forfeited.

In the event that an application is deemed approved and enters the queue but is unable to proceed for lack of RCEA program funds or other reason not attributable to the applicant, the deposit will be fully refunded.

Milestones and Schedule

At RCEA's sole discretion, any project that fails to demonstrate substantial progress toward completion of any outstanding development checklist item may have its Feed-in Tariff Application rejected at any time. Specified timelines for each milestone are listed in Appendix E of the Power Purchase Agreement.

The applicant is encouraged to coordinate with assigned RCEA staff throughout the process. Please submit additional requisite documents to the assigned RCEA staff member as such documents become available, referencing the applicant's assigned Feed-In Tariff (FIT) Record Number.

APPLICATION CHECKLIST

THE FOLLOWING MUST BE COMPLETED AND SUBMITTED TO RCEA AS PART OF THE FEED-IN TARIFF APPLICATION:

1. ☐ **Feed-in Tariff Application (this document)**
2. ☐ **Tendered (draft) Interconnection Agreement or evidence project has passed Fast Track screening**
3. ☐ **Evidence of site control throughout the Delivery Term of the Power Purchase Agreement ("PPA") and form of site control**
4. ☐ **Feed-in Tariff Generation Forecast**
5. ☐ **Non-Refundable Application Fee – \$500.00**
6. ☐ **Reservation Deposit – Proposed Generator Capacity (total kilowatts AC) x \$4 = \$ _____**

*Please include two separate checks for the Application fee and the Reservation Deposit.

Submit completed Feed-in Tariff applications and payment to RCEA via mail:

Redwood Coast Energy Authority
Attn: Feed-In Tariff
633 3rd St
Eureka, CA 95501

Upon receipt of all application materials, including the payment of applicable fees and deposit amounts, RCEA will perform a completeness review of such materials within 20 business days. Incomplete applications will be rejected and returned to applicant (along with the reservation deposit) with no further processing. Applicant may resubmit application with correction of deficiencies. RCEA will approve complete applications within 30 business days of application submittal. Information received by RCEA in conjunction with this application is considered public information. RCEA will not be deemed to have accepted Applicant's offer and will not be bound by any term thereof, unless and until authorized representatives of Applicant and RCEA execute a FIT PPA. Prior to such execution, RCEA reserves the right to reject any Application, at any time and for any reason whatsoever, in its sole discretion.

Confirmation of application receipt will be delivered by email along with an assignment to an RCEA staff member and FIT Record Number. For any questions regarding this application for RCEA's Feed-in Tariff Program, please contact us at 707-269-1700 or feedintariff@redwoodenergy.org.

☐ *By submission of this Feed-in Tariff Application, I acknowledge review and acceptance of RCEA's FIT Power Purchase Agreement Terms and Conditions available at <https://redwoodenergy.org/feed-in-tariff/>.*

X: _____

Date: _____

Redwood Coast Energy Authority Feed-in Tariff Program



**SMALL RENEWABLE GENERATOR
POWER PURCHASE AGREEMENT
BETWEEN
MARIN CLEAN ENERGY
AND**

THIS SMALL RENEWABLE GENERATOR POWER PURCHASE AGREEMENT (“Agreement”) is entered into as of the Effective Date between Marin Clean Energy, a California joint powers authority (“MCE” or “Buyer”), and _____ (“Seller”). MCE and Seller are each also referred to as a “Party” and collectively as the “Parties.”

The Parties agree as follows:

1. DOCUMENTS INCLUDED; DEFINED TERMS

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

Appendix A – Definitions
Appendix B – Initial Product Delivery Date Confirmation Letter
Appendix C – Counterparty Notification and Forecasting Requirements
Appendix D – Description and Location of Facility
Appendix E – Facility Drawings
Appendix F – Workforce Requirements
Appendix G – Form of Commercial Operation Date Certificate
Appendix H – Pollinator Scorecard

2. SELLER’S GENERATING FACILITY, PURCHASE PRICES AND PAYMENT

2.1. Facility. This Agreement governs MCE’s purchase of Product from the Generating Facility [and Storage Facility]¹ described below in this Section 2.1 (the “Facility”):

2.1.1 The Facility’s Energy Delivery Profile is _____
[select one of the following designations that best represents the energy generating profile for the Facility: 1) “Peak”; 2) “Baseload”; or 3) “Intermittent”]. Seller shall be required to deliver Product consistent with the Energy Delivery Profile of the Facility.

2.1.2 Contract Type: Standard Feed-In-Tariff – Schedule FIT

2.1.3 A description of the Facility, including a summary of its significant energy generating [and energy storage]² components, is attached and incorporated herein as Appendix D. A drawing showing the general arrangements of the Facility, and a single line diagram illustrating the interconnection of the Facility and loads with the PG&E electric transmission or distribution system, other applicable

¹ If applicable.

² If applicable.

interconnecting utility, and/or CAISO, as applicable (collectively, “Interconnection Provider”), are attached and incorporated herein as Appendix E.

- 2.1.4 The name and address MCE and the Interconnection Provider use to locate the electric service account(s) and premises used to interconnect the Facility with the Interconnection Provider’s transmission or distribution system is:

- 2.2. Contract Capacity. “Contract Capacity” means the amount of Generating Capacity plus, if applicable, the Storage Capacity. Generating Capacity shall not exceed 1,000 kilowatts. A Generating Facility using solar photovoltaic (PV) technology shall include a co-located Storage Facility with an Installed Battery Capacity that is not less than forty percent (40%) of the Installed Generating Capacity of the Generating Facility. Seller shall not modify the Facility to increase the Contract Capacity without the prior written consent of MCE. Any increase in Contract Capacity must be consistent with the interconnection requirements of the Interconnection Provider.

- 2.3. Transaction. Subject to the terms of this Agreement, during the Delivery Term of this Agreement, Seller shall sell and deliver, or cause to be delivered, and MCE shall purchase and receive, or cause to be received, the Product from the Facility at the Delivery Point, pursuant to Seller’s election of a (check one) ☐ Full Buy/Sell or ☐ Excess Sale arrangement as described in Sections 2.3.1 and 2.3.2 below. MCE shall pay Seller the Contract Price, set forth in Section 2.5, in accordance with the terms hereof. Whenever Facility output is not enough to supply Station Use and transformation and transmission losses to the Delivery Point, Seller shall purchase energy required to serve the Facility’s on-site load from MCE pursuant to MCE’s applicable retail rate schedule. In no event shall Seller have the right to procure or substitute the Product from sources other than the Facility for sale or delivery to MCE under this Agreement. MCE shall have no obligation to receive or purchase Product from Seller prior to the Initial Product Delivery Date, as defined in Section 2.4, or after the end of the Delivery Term, as defined in Section 2.4.

- 2.3.1 Full Buy/Sell. Seller agrees to sell to MCE the Facility’s gross output of Product delivered to the Delivery Point. For purposes of this Section 2.3.1, the Energy conveyed to MCE shall be net of Station Use and transformation and transmission losses.

- 2.3.2 Excess Sale. Seller agrees to sell to MCE the Facility’s gross output of Product delivered to the Delivery Point. For purposes of this Section 2.3.2, the Energy conveyed to MCE shall be net of Station Use and any on-site use by Seller and transformation and transmission losses.

- 2.3.3 Excess Energy.

- A. If the Facility does not have a Storage Facility, and during any CAISO Settlement Interval (as defined by CAISO) Seller delivers energy in excess of the product of the Generating Capacity and the duration of the Settlement Interval, expressed in hours, the price applicable to all such excess MWh shall be zero dollars (\$0.00);

- B. If the Facility does have a Storage Facility and during any CAISO Settlement Interval (as defined by CAISO) and Seller delivers (i) energy in excess of the product of the Contract Capacity and the duration of the Settlement Interval, expressed in hours, or (ii) energy solely from the Generating Facility in excess of the product of 1,000 kW and the duration of the Settlement Interval, expressed in hours, the price applicable to all such excess MWh shall be zero dollars (\$0.00).

2.4. Delivery Term.

2.4.1 The Seller shall deliver the Product from the Facility to MCE for a period of twenty (20) Contract Years (“Delivery Term”), which shall commence on the Initial Product Delivery Date (as defined below) and continue until the end of the last Contract Year unless terminated under the terms of this Agreement. “Initial Product Delivery Date” means the date set forth in the Initial Product Delivery Date Confirmation Letter” attached hereto as Appendix B. The Initial Product Delivery Date shall not occur until Seller has completed to MCE’s reasonable satisfaction the following conditions:

- A. The Commercial Operation Date has occurred, if the Facility was not in operation prior to the Execution Date of this Agreement;
- B. Seller has identified a certified Qualified Reporting Entity (“QRE”), according to criteria established by WREGIS, for the Facility and has executed the appropriate agreement(s) with such QRE to ensure that the net electric energy produced by the Facility will be timely reported to WREGIS for the purpose of creating related renewable energy certificates throughout the Delivery Term; a copy of the aforementioned QRE agreement(s) has been provided to MCE;
- C. The Facility’s status as an Eligible Renewable Energy Resource is demonstrated by Seller’s receipt of pre-certification from the CEC and registration with WREGIS;
- D. Seller has demonstrated compliance with the Workforce Requirements in Appendix F by certifying such compliance to MCE in writing and providing reasonably requested documentation demonstrating such compliance as set forth in Appendix F; and
- E. If applicable, Seller will have provided a certificate as set forth in Appendix G demonstrating an Installed Battery Capacity of not less than forty percent (40%) of the installed generating capacity of the Generating Facility.

As evidence of the Initial Product Delivery Date, the Parties shall execute and exchange the “Initial Product Delivery Date Confirmation Letter” attached hereto as Appendix B.

2.5. Contract Price. For the Delivery Term, the contract price for the Product shall be **[\$XX/MWh, without escalation]** (“Contract Price”). Amounts owed to Seller by MCE will be calculated by multiplying (a) the Contract Price plus, as applicable, the Rooftop

Bonus and/or Technology Bonus, by (b) the applicable hourly Energy quantity delivered to MCE (as metered at the Delivery Point), net of any Station Use and transformation and transmission losses, as described above in Section 2.3; however, Seller shall not receive payment for any Product delivered in any hour to MCE in excess of the maximum hourly energy delivery quantity specified in Section 2.3.3 or Appendix D.

- 2.5.1 Rooftop Price Bonus. A Generating Facility that is located on a rooftop or carport and has a nameplate capacity of 250 kW or less is eligible for a \$5.00/MWh price bonus in addition to the Contract Price (the “Rooftop Price Bonus”). The Rooftop Price Bonus will be applicable for a period of no longer than five (5) years, commencing on the Initial Product Delivery Date.
- 2.5.2 Technology Bonus. A Generating Facility that uses a non-solar, non-baseload fuel source otherwise meeting the eligibility criteria expressed in the CEC’s most current edition of the RPS Eligibility guidebook to generate electricity, is eligible for a \$7.00/MWh price bonus in addition to the then applicable Pricing Condition (the “Technology Bonus”). The Technology Bonus will be applicable for the entire Delivery Term.
- 2.6. Billing. MCE shall pay Seller by check or Automated Clearing House transfer no later than thirty (30) days of invoice receipt from Seller if the value of the purchased energy in a month is at least fifty dollars (\$50.00); if less, MCE may pay Seller quarterly. Seller shall submit invoices for Product to MCE on a monthly basis consistent with the terms of this Agreement. MCE shall have the right, but not the obligation, to read the Facility’s meter on a daily basis.
- 2.7. Title and Risk of Loss. Title to and risk of loss related to the Product from the Facility shall transfer from Seller to MCE at the Delivery Point. Seller warrants that it will deliver to MCE all Product from the Facility free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.
- 2.8. No Additional Incentives. Seller agrees that during the Term of this Agreement, Seller shall not seek additional compensation or other benefits pursuant to the Self-Generation Incentive Program, as defined in CPUC Decision (“D.”) 01-03-073, the California Solar Initiative, as defined in CPUC D.06-01-024, PG&E’s net energy metering tariff, MCE’s net energy metering tariff, or other similar California ratepayer subsidized program relating to energy production with respect to the Facility.
- 2.9. Private Energy Producer. Seller agrees to provide to MCE copies of each of the documents identified in California Public Utilities Code Section 2821(d)(1), if applicable, as may be amended from time to time, as evidence of Seller’s compliance with such California Public Utilities Code section. Such documentation shall be provided to MCE within thirty (30) days of Seller’s receipt of written request therefore.
- 2.10. Workforce Requirements. Seller agrees to comply with Workforce Requirements and to provide MCE copies of documentation establishing ongoing compliance with the Workforce Requirements set forth in Appendix F, as may be reasonably requested by MCE from time to time.

2.11. Sale of Facility.

2.11.1 Seller shall give MCE at least thirty (30) days' prior notice of the commencement by Seller or any of its affiliates of substantive negotiations with any unaffiliated third party with respect to the sale of any equity interests in Seller or the Facility, or any group(s) of assets or equity interests that includes the Facility, in order to provide MCE with an opportunity to discuss and negotiate with Seller the possible sale of the Facility to MCE.

2.11.2 After the seventh (7th) Contract Year, MCE shall have the right to initiate discussions with Seller regarding the potential sale of the Facility to MCE. MCE may initiate such discussions by notifying Seller in writing of this election at least three (3) months prior to the anticipated purchase date. The purchase price for the Facility shall be equal to the fair market value of the Facility at the applicable purchase date ("Purchase Price"). The Purchase Price amount shall be determined through good faith negotiations by both Parties hereto, except that if the Parties cannot agree upon the fair market value determination, the Parties shall select an independent appraiser who is familiar with appraising renewable energy facilities to perform the required evaluation. Such appraiser shall determine, at equally shared expense of MCE and Seller, the fair market value of the Facility as of the applicable purchase date, taking into account such items as deemed appropriate by the appraiser, which may include the resale value of the Facility, and the price of the Product. In the event Seller agrees to sell and MCE agrees to buy the Facility, (a) the Parties shall promptly execute all documents necessary to (X) cause title to the Facility to pass to MCE on the purchase date, free and clear of any liens or encumbrances, and (Y) assign all vendor warranties for the Facility to MCE, and (b) MCE shall pay the Purchase Price to Seller on the purchase date, such payment to be made in accordance with any previous written instructions delivered to MCE for payments under the Agreement. Upon execution of the documents and payment of the Purchase Price, in each case as described in the preceding sentence, this Agreement shall terminate automatically. Notwithstanding anything to the contrary, neither Party is obligated to proceed with negotiations for the sale of the Facility, or be obligated to proceed with the purchase or sale of the Facility, or the payment of the Purchase Price, except following the execution of binding, definitive documents.

2.12. Support for Pollinators. MCE supports healthy habitats for bees, bats, butterflies, hummingbirds and other pollinators through pollinator habitat creation, restoration, and protection efforts. The following requirements are applicable to a Facility if such Facility is (a) located on arable land and (b) is a ground-mounted solar photovoltaic (PV) resource.

- i. Seller shall provide a written narrative that describes the vegetation design and management plan for the Site, including landscape drawings and seed/plant listing. Seller shall use reasonable efforts to provide such narrative to MCE no later than the Construction Start Date.
- ii. Seller shall provide MCE within thirty (30) days of the Commercial Operation Date a Pollinator-friendly solar scorecard in the form attached as Appendix H ("Pollinator Scorecard").

- iii. Seller shall provide MCE with an updated Pollinator Scorecard within sixty (60) days after each three (3) Contract Year period during the Delivery Term. Seller shall use commercially reasonable efforts to achieve and maintain a score of at least 70 or above on the Pollinator Scorecard.

Seller is strongly encouraged to consider, but is not required to implement, the following solar array design elements to encourage and support pollinator-friendly habitats and reduce maintenance costs:

- i. 36-inch minimum height above ground of the lowest edge of the solar panels;
- ii. Burying conduits and wiring with homeruns tight to bottom of panels;
- iii. Designing inter-row access/spacing to enable vegetation management; and
- iv. Utilizing BeeWhere registration if bee hives are placed onsite.

Additional pollinator reference materials can be found at EPRI at <https://www.epri.com/#/pages/sa/pollinators?lang=en-US>, including EPRI Overview of Pollinator-Friendly Solar Energy (December 2019).

3. GREEN ATTRIBUTES; RESOURCE ADEQUACY BENEFITS

- 3.1 Conveyance of Green Attributes. Seller provides and conveys all rights, title, and interest in all Green Attributes (whether now existing or that hereafter come into existence during the Term) from the Facility to MCE as part of the Product delivered to MCE for the duration of the Delivery Term. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Facility, and Seller agrees to convey and hereby conveys all such Green Attributes to MCE to the fullest extent allowed by applicable law as included in the delivery of the Product from the Facility. Seller represents that the Product and Green Attributes from the Facility have not been, nor will be, sold or used to satisfy any California Renewables Portfolio Standard obligation other than the RPS Requirements applicable to MCE.
- 3.2 WREGIS. Prior to the Initial Product Delivery Date, Seller shall register the Facility in WREGIS and take all other actions necessary to ensure that the Product from the Facility are tracked for purposes of satisfying the MCE RPS Requirements. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. [STC REC-2, Non-modifiable. D.11-01-025]
- 3.3 Resource Adequacy Benefits. In accordance with California Public Utilities Code Section 399.20(f), Seller conveys to MCE all Resource Adequacy Benefits attributable to the physical generating capacity of Seller's Facility to enable MCE to count such capacity towards MCE's resource adequacy requirement for purposes of California Public Utilities Code Section 380. At MCE's request, Seller shall take all reasonable actions and execute documents and instructions necessary to enable MCE to secure Resource Adequacy Benefits; Seller shall comply with all applicable reporting requirements.

4. REPRESENTATION AND WARRANTIES; COVENANTS

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

- 4.1.1 It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- 4.1.2 The execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- 4.1.3 This Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;
- 4.1.4 It is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
- 4.1.5 There is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement; and
- 4.1.6 It is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of, and understands and accepts, the terms, conditions and risks of this Agreement.

4.2. General Covenants. Each Party covenants that throughout the Term of this Agreement:

- 4.2.1 It shall continue to be duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- 4.2.2 It shall maintain (or obtain from time to time as required, including through renewal, as applicable) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and
- 4.2.3 It shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it.

4.3. Seller Representation and Warranty and Covenant.

- 4.3.1 Representation and Warranty. In addition to the representations and warranties specified in Section 4.1, Seller makes the following additional representations and warranties as of the Execution Date:

- A. Seller has not received an incentive under the Self-Generation Incentive Program, as defined in CPUC D.01-03-073, or the California Solar Initiative, as defined in CPUC D.06-01-024.
 - B. Seller's execution of this Agreement will not violate California Public Utilities Code Section 2821(d)(1) if applicable.
- 4.3.2 Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a Change in Law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009].
- 4.3.3 Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC REC-1, Non-modifiable. D.11-01-025]

5. GENERAL CONDITIONS

- 5.1. Extension of Guaranteed Commercial Operation Date. So long as Seller is not otherwise in breach of this Agreement, Seller may be eligible for a one-time extension of the Guaranteed Commercial Operation Date of up to twelve (12) months. An extension request must be submitted in writing at least thirty (30) days prior to the original Guaranteed Commercial Operation Date, and Seller must demonstrate to the reasonable satisfaction of MCE Staff that (a) Seller has pursued development of the Facility in a commercially reasonable, diligent and continuous manner and (b) the pre-parallel date recorded in its executed Small Generator Interconnection Agreement with the Interconnection Provider is reasonably expected to occur within the requested extension period.
- 5.2. Facility Care, Interconnection and Transmission Service. If either MCE or the Interconnection Provider does not deem Seller's existing interconnection service, equipment and agreement satisfactory for the delivery of Product under this Agreement, Seller shall execute an interconnection agreement for the Facility with the Interconnection Provider and pay and be responsible for designing, installing, operating, and maintaining the Facility in accordance with all applicable laws and regulations and shall comply with all applicable MCE, Interconnection Provider, CAISO, CPUC and FERC tariff provisions, including applicable interconnection and metering requirements. Seller shall also comply with any modifications, amendments or additions to the applicable tariff and protocols.

Prior to and during the Delivery Term, Seller shall arrange and pay independently for any and all necessary costs under any interconnection agreement with the Interconnection Provider. To make deliveries to MCE, Seller must maintain an interconnection agreement with the Interconnection Provider in full force and effect.

- 5.3. Metering Requirements. Seller shall comply with all applicable rules in installing a meter appropriate for deliveries pursuant to the Full Buy/Sell or Excess Sale arrangement selected in Section 2.3, above, which can be electronically read daily by: (a) telephone and modem; (b) an analog or digital phone connection; or (c) an internet portal address for the Interconnection Provider's Energy Data Services ("EDS") or similar web interface. Seller's meter must be a revenue grade meter capable of separately metering the Facility, and must be installed on the high side of the Facility's step up transformer, unless otherwise approved by MCE. Seller shall be responsible for procuring and maintaining the communication link to electronically retrieve this metering data. A Seller will not be allowed to install or maintain a Solar Generation Meter behind the primary service meter unless (a) the Seller is also the accountholder for the primary service meter and (b) the Seller is and remains an active MCE customer throughout the Delivery Term.
- 5.4. Standard of Care. Seller shall: (a) maintain and operate the Facility and Interconnection Facilities, except facilities installed by the Interconnection Provider, in conformance with all applicable laws and regulations and in accordance with Good Utility Practice; (b) obtain any governmental authorizations and permits required for the construction and operation thereof; and (c) generate, schedule and perform transmission services in compliance with all applicable operating policies, criteria, rules, guidelines and tariffs and Good Utility Practice. Seller shall reimburse MCE for any and all losses, damages, claims, penalties, or liability MCE incurs as a result of Seller's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of the Facility throughout the Term of this Agreement.
- 5.5. Access Rights. MCE, its authorized agents, employees and inspectors shall have the right to inspect the Facility on reasonable advance notice during normal business hours and for any purposes reasonably connected with this Agreement or the exercise of any and all rights secured to MCE by law, or its tariff schedules, PG&E Interconnection Handbook and rules on file with the CPUC, or similar rules of the Interconnection Provider. Seller shall keep MCE and the Interconnection Provider advised of current procedures for communicating with the Facility operator's Safety and Security Departments.
- 5.6. Protection of Property. Seller shall be responsible for protecting the Facility from possible damage resulting from electrical disturbances or faults caused by the operation, faulty operation, or non-operation of the Interconnection Provider interconnection facilities.
- 5.7. MCE Performance Excuse; Seller Curtailment.
 - 5.7.1 MCE Performance Excuse. MCE shall not be obligated to accept or pay for any Product provided from the Facility during a Dispatch Down Period, or an event of Force Majeure.
 - 5.7.2 Seller Curtailment. MCE, CAISO, or the Interconnection Provider may require Seller to interrupt or reduce deliveries of energy: (a) in the case of PG&E, when necessary to construct, install, maintain, repair, replace, remove, or investigate any of its equipment or part of PG&E's transmission system or distribution system or

facilities; or (b) if MCE, CAISO, or the Interconnection Provider determines that curtailment, interruption, or reduction is necessary because of a System Emergency, as defined in the CAISO Tariff, Forced Outage, Force Majeure as defined in Appendix A, or compliance with Good Utility Practice.

- 5.8. Interconnection Agreement. Seller shall comply with the terms and conditions of the Facility's interconnection agreement between Seller and the Interconnection Provider.
- 5.9. Greenhouse Gas Emissions. During the Term, Seller acknowledges that a Governmental Authority may require MCE to take certain actions with respect to greenhouse gas emissions attributable to the generation of Energy, including, but not limited to, reporting, registering, tracking, allocating for or accounting for such emissions. Promptly following MCE's written request, Seller agrees to take all commercially reasonable actions and execute or provide any and all documents, information or instruments with respect to generation by the Facility reasonably necessary to permit MCE to comply with such requirements, if any.

6. INDEMNITY

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

7. LIMITATION OF DAMAGES

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 6 (INDEMNITY), IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

8. NOTICES

Notices shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail). Whenever this Agreement requires or permits delivery of a “notice” (or requires a Party to “notify”), the Party with such right or obligation shall provide a written communication in the manner specified below. A notice sent by facsimile transmission or email will be recognized and shall be deemed received on the Business Day on which such notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party unless it confirms a prior oral communication, in which case any such notice shall be deemed received on the day sent. A Party may change its addresses by providing notice of same in accordance with this provision. All written notices shall be directed as follows:

TO MCE: Marin Clean Energy
Attention: Director, Power Resources
1125 Tamalpais Ave.
San Rafael, CA 94901

TO SELLER: _____

9. INSURANCE

9.1. General Liability Coverage.

- 9.1.1 Seller shall maintain during the performance hereof, General Liability Insurance³ of not less than \$1,000,000 if the Facility’s nameplate rating is over 100 kW, \$500,000 if the nameplate rating of the Facility is over 20 kW to 100 kW or \$100,000 if the nameplate rating of the Facility is 20 kW or below of combined single limit or equivalent for bodily injury, personal injury, and property damage as the result of any one occurrence.
- 9.1.2 General Liability Insurance shall include coverage for Premises Operations, Owners and Contractors Protective, Product/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations.
- 9.1.3 Seller shall use reasonable efforts to provide for thirty (30) days written notice to MCE prior to cancellation, termination, alteration, or material change of such insurance.

³ Governmental agencies which have an established record of self-insurance may provide the required coverage through self-insurance.

9.2. Additional Insurance Provisions.

- 9.2.1 Evidence of coverage described above in Section 9.1 shall state that coverage provided is primary and is not excess to or contributing with any insurance or self-insurance maintained by MCE.
- 9.2.2 MCE shall have the right to inspect or obtain a copy of the original policy(ies) of insurance.
- 9.2.3 Seller shall furnish the required certificates and endorsements to MCE prior to commencing operation.

10. TERM, EVENTS OF DEFAULT AND REMEDIES

- 10.1. Term. The term of this Agreement shall commence upon execution by the duly authorized representatives of each of MCE and Seller; and shall remain in effect until the conclusion of the Delivery Term or unless terminated sooner pursuant to Section 10.3 of this Agreement (the “Term”). All indemnity rights shall survive the termination of this Agreement for twelve (12) months.
- 10.2. Events of Default. The following shall constitute an event of default (“Event of Default”):
 - 10.2.1 The failure of either Party to comply with the terms, provisions and conditions of this Agreement and such failure continues for more than thirty (30) days after receiving written notice of such failure;
 - 10.2.2 The Facility has not received a final conditional use permit from the local planning authority within forty-five (45) days of the date this Agreement is executed;
 - 10.2.3 Seller has failed to demonstrate substantial construction mobilization on the Facility site with ninety (90) days of the execution of this Agreement to MCE’s reasonable satisfaction;
 - 10.2.4 Seller has failed to demonstrate compliance with the Workforce Requirements in Appendix F or failed to provide documentation of Workforce Requirements requested by MCE pursuant to Section 2.10, and Seller has not cured such failure within thirty (30) days after receiving written notice of such failure from MCE;
 - 10.2.5 The Facility has not achieved the Guaranteed Commercial Operation Date within twelve (12) months of the Execution Date;
 - 10.2.6 The Facility has not achieved the Initial Energy Delivery Date within twelve (12) months of the Execution Date;
 - 10.2.7 Seller has not sold or delivered Energy from the Facility to MCE for a period of twelve (12) consecutive months;
 - 10.2.8 Seller fails to deliver Energy from the Facility consistent with the selected Energy Delivery Profile as calculated over the most recent rolling twenty- four (24) month period; and

- 10.2.9 Seller breaches its covenant to maintain its status as an ERR as set forth in Section 4.3.2 of the Agreement and has not restored such status following thirty (30) days' written notice from MCE.
- 10.3. Force Majeure. 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 due to Force Majeure. The occurrence and continuation of an event of Force Majeure shall not suspend or excuse the obligation of a Party to make any payments due hereunder.
- 10.4. Remedies.
- 10.4.1 If an Event of Default of Seller has occurred and is continuing, MCE shall have the option to: (a) suspend performance or payments pending Seller's remediation of the circumstances constituting an Event of Default, (b) terminate this Agreement upon written notice to Seller, (c) recover from Seller the damages MCE incurred as a direct result of the Event of Default, and (d) except as may be limited under the terms of this Agreement, exercise any other right or remedy MCE may have at law or equity, including specific performance.
- 10.4.2 If an Event of Default of MCE has occurred and is continuing, Seller shall have the option to (x) suspend performance or payments pending MCE's remediation of the circumstances constituting an Event of Default, or (y) terminate this Agreement upon written notice to MCE.
- 10.4.3 If an event of Force Majeure has occurred that has caused either Party to be wholly or partially unable to perform its obligations hereunder, and has continued for a consecutive twelve (12) month period, then the non-claiming Party may terminate this Agreement upon written notice to the other Party.
- 10.5. Limitation of Remedies. Upon termination of this Agreement pursuant to Section 10.4.1, neither Party shall be under any further obligation or subject to liability hereunder, except (a) as expressly provided in Section 10.4.1 and (b) with respect to the indemnity provision in Section 6 hereof, which shall remain in effect for a period of twelve (12) months following such termination date.

11. SCHEDULING

- 11.1. Scheduling Obligations. If the Facility's electric output is required to be scheduled with the CAISO, MCE shall designate a Scheduling Coordinator (as defined by CAISO Tariff) for Seller's Facility. At MCE's direction, MCE's designated Scheduling Coordinator will schedule the output of the Facility using Good Utility Practices and Seller shall employ Good Utility Practices and exercise reasonable efforts to operate and maintain the Facility. All necessary generation interconnection and scheduling services shall be performed in accordance with all applicable operating policies, criteria, guidelines and tariffs of the CAISO or its successor, and any other generally accepted operational requirements. Seller, at its own expense, shall be responsible for complying with all applicable contractual, metering and interconnection requirements. Seller shall promptly notify MCE and the Scheduling Coordinator, as applicable, of significant (i.e., greater than 100 kW) changes to its energy schedules using Scheduling Coordinator's website. Seller will exercise

reasonable efforts to comply with conditions that might arise if the CAISO modifies or amends its tariffs, standards, requirements, and/or protocols in the future.

11.2. CAISO Charges.

11.2.1 CAISO Charge Obligations. If the Facility's electric output is scheduled with the CAISO, MCE and Seller shall cooperate to minimize CAISO delivery imbalances and any resulting fees, liabilities, assessments or similar charges assessed by the CAISO ("CAISO Charges") to the extent possible, and shall each promptly notify the other as soon as possible of any material loss of system capability, deviation or imbalance that is occurring or has occurred. Subject to Seller's compliance with the foregoing requirements, MCE shall be responsible for imbalance charges; provided, however that if the Facility's electric output is scheduled with the CAISO, Seller shall reimburse MCE for any CAISO Charges MCE incurs as a result of Seller's violation of the terms and conditions of this Agreement or the CAISO Tariff. Notwithstanding anything to the contrary herein, in the event Seller makes a change to its schedule on the actual date and time of delivery for any reason (other than an adjustment imposed by CAISO) which results in differences between the Facility's actual generation and the scheduled generation (whether in part or in whole), Seller shall use reasonable efforts to notify MCE and the Scheduling Coordinator.

11.2.2 CAISO Penalties. To the extent that the Facility's electric output is scheduled with the CAISO, Seller shall be responsible for any "non-Performance Penalties" assessed to MCE by the CAISO ("CAISO Penalties"), under the CAISO Tariff Enforcement Protocol, and not due to any fault of MCE, which shall include, without limitation, any deviation, imbalance or uninstructed energy charges or penalties payable to the CAISO that are due to the fault of Seller. To the extent that Seller materially deviates from its energy schedules (other than an adjustment imposed by the CAISO, a deviation due to any fault of MCE, or an excused Seller failure to deliver, whether for reasons of Force Majeure or otherwise), and such departure results in CAISO Penalties being assessed to MCE, such CAISO Penalties shall be passed on to Seller. Any such CAISO Penalties passed on to Seller shall be limited to the period until the commencement of the next settlement period following Seller's notification (as described above) for which the delivery schedule can be adjusted.

12. CONFIDENTIALITY

Seller authorizes MCE to release to the California Energy Commission ("CEC") and/or the CPUC information regarding the Facility, including the Seller's name and location, and the size, location and operational characteristics of the Facility, the Term, the ERR type, the Initial Product Delivery Date and the net power rating of the Facility, as requested from time to time pursuant to the CEC's or CPUC's rules and regulations.

The Parties hereto acknowledge that MCE is a local agency and subject to provisions of the California Public Records Act (Cal. Government Codes section 6250 and following). In the event that Seller contends that any information disclosed or required to be disclosed by Seller pursuant to this Agreement is confidential, Seller shall clearly identify such documents as such before transmitting the same to MCE. In the event that any claim or action is filed against MCE pursuant to the Public Records Act seeking the disclosure of any records or documents provided by Seller

which were marked confidential hereunder, MCE shall notify Seller in writing of such fact and Seller shall thereupon defend, save harmless and indemnify MCE from all costs and expense in connection with said claim or litigation, including attorney's fees, and agrees to abide by the final decision of a court of competent jurisdiction in connection therewith.

13. ASSIGNMENT

Except as expressly provided in this Section, neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof to its financing providers and the financing provider(s) shall assume the payment and performance obligations provided under this Agreement with respect to the transferring Party provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request. Notwithstanding anything to the contrary set forth herein, Seller may transfer or assign its interest under this Agreement without the consent of MCE, to an affiliate, subsidiary, or parent of Seller, or a corporation, partnership or other legal entity wholly owned by Seller (collectively, an "Affiliated Party") (such transfer a "Permitted Transfer" and any such assignee or transferee of a Permitted Transfer, a "Permitted Transferee"); provided that Seller shall give MCE written notice at least ten (10) days prior to the effective date of the proposed Permitted Transfer and any such Permitted Transferee shall agree in writing to be bound by the terms and conditions hereof. As used herein, (1) "parent" shall mean a company which owns a majority of Seller's voting equity; (2) "subsidiary" shall mean an entity wholly owned by Seller or at least fifty-one percent (51%) of whose voting equity is owned by Seller; and (3) "affiliate" shall mean an entity controlled, controlling or under common control with Seller. Seller shall be responsible for MCE's costs associated with the preparation, review, execution and delivery of documents in connection with any assignment of this Agreement, including without limitation reasonable attorneys' fees.

14. APPLICABLE 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. [STC 17, (Source: D.07-11-025, Attachment A.) D.08-04-009].

15. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF MCE

MCE 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 the Joint Powers Agreement and is a public entity separate from its constituent members. MCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Seller shall have no rights and shall not make any claims, take any actions or assert any remedies against any of MCE's constituent members in connection with this Agreement.

16. SEVERABILITY

If any provision in this Agreement is determined to be invalid, void or unenforceable by the CPUC or any court having jurisdiction, such determination shall not invalidate, void, or make

unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

17. COUNTERPARTS

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

18. ENTIRE AGREEMENT; INTEGRATION; EXHIBITS

This Agreement, together with Appendices attached hereto constitutes the entire agreement and understanding between Seller and MCE with respect to the subject matter hereof and supersedes all prior agreements and MCE tariffs relating to the subject matter hereof, which are of no further force or effect. The Appendices 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 Appendices, the provisions of first the Agreement shall prevail, and such Appendix 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. GENERAL

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

Absent the prior mutual written agreement of all parties to the contrary, the standard of review for any proposed changes to the rates, terms, and/or conditions of service of this Agreement, whether proposed by a Party, a non-party or FERC acting sua sponte, 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).

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

the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then the foregoing shall not apply, provided that, consistent with the foregoing, neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in the foregoing.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below (the “Effective Date”).

MARIN CLEAN ENERGY

SELLER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Appendix A

DEFINITIONS

“Agreement” has the meaning set forth in the preamble.

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

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

“CAISO Tariff” means the CAISO FERC Electric Tariff as amended from time to time.

“California Renewables Portfolio Standard” means the renewable energy program and policies established by Senate Bill 1038 and 1078, codified in California Public Utilities Code Sections 399.11 through 399.20 and California Public Resources Code Sections 25740 through 25751, as such provisions may be amended or supplemented from time to time.

“CEC” means the California Energy Resources Conservation and Development Commission, also known as the California Energy Commission, or its successor agency.

“Commercial Operation” means the period of operation of the Facility once the Commercial Operation Date has occurred.

“Commercial Operation Date” means the date on which the Facility is operating and is in compliance with applicable interconnection and system protection requirements, and able to produce and deliver energy pursuant to the terms of this Agreement.

“Contract Capacity” has the meaning set forth in Section 2.2.

“Contract Price” has the meaning set forth in Section 2.5.

“Contract Year” means a period of twelve (12) consecutive months with the first Contract Year commencing on the first day of the month immediately following the Initial Product Delivery Date and each subsequent Contract Year commencing on the anniversary of the Initial Product Delivery Date.

“CPUC” means the California Public Utilities Commission, or successor entity.

“Delivery Point” means the point of interconnection of the Facility to the Interconnection Provider’s distribution system.

“Delivery Term” has the meaning set forth in Section 2.4.

“Dispatch Down Period” means: (a) curtailments ordered by the CAISO or the Interconnection Provider as a result of a System Emergency, as defined in the CAISO Tariff; or (b) scheduled or unscheduled

maintenance on the Interconnection Provider's transmission, distribution or interconnection facilities that prevents MCE from receiving Delivered Energy at the Delivery Point.

"Distribution Operator" means the Interconnection Provider.

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

"Energy" means electrical energy delivered from the Facility to the Distribution System of the Interconnection Provider for the benefit of MCE with the voltage and quality required by the Interconnection Provider, and measured in megawatt-hours ("MWh") or kilowatt-hours ("kWh").

"Energy Delivery Profile" means the manner in which Energy is delivered from the Facility as set forth in Section 2.1.1.

"ERR Credits" means any and all credits associated with electricity procured from Eligible Renewable Energy Resources, pursuant to the California Renewables Portfolio Standard, that are directly attributable to electric production from the Facility.

"Execution Date" means the latest signature date found at the end of the Agreement.

"Expected Annual Output" means the Energy that the Facility can be expected to produce during a typical year of operation, factoring in typical weather patterns, expected fuel availability, etc. The Expected Annual Output is shown in Appendix D.

"Facility" has the meaning set forth in Section 2.1.

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

"Force Majeure" means any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, but only if and to the extent (i) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (ii) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures to prevent or avoid such event or mitigate the effect of such event on such Party's ability to perform its obligations under this Agreement and which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (iii) such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Party seeking to have its performance obligations excused thereby. Force Majeure shall not be based on: (i) MCE's inability economically to use or resell the energy or capacity purchased hereunder; (ii) Seller's ability to sell the energy, capacity or other benefits produced by or associated with the Facility at a price greater than the price set forth in this Agreement, (iii) Seller's inability to obtain approvals of any type for the construction, operation, or maintenance of the Facility; (iv) Seller's inability to obtain sufficient fuel to operate the Facility, except if Seller's inability to obtain sufficient fuel is caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Majeure; (v) a Forced Outage except where such Forced Outage is caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Majeure; (vi) a strike or

labor dispute limited only to Seller, Seller's affiliates, the Engineering, Procurement, and Construction Contractor or subcontractors thereof; or (vii) any equipment failure not caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Majeure.

"Forced Outage" means any unplanned reduction or suspension of the electrical output from the Facility resulting in the unavailability of the Facility, in whole or in part, in response to a mechanical, electrical, or hydraulic control system trip or operator-initiated trip in response to an alarm or equipment malfunction and any other unavailability of the Facility for operation, in whole or in part, for maintenance or repair that is not a scheduled maintenance outage and not the result of Force Majeure.

"Generating Capacity" means the amount of generating capacity of the Generating Facility as set forth in Appendix D.

"Generating Facility" means the renewable energy electricity generating facility described in Appendix D.

"Good Utility Practice" means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or 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. Good Utility Practice is not intended to be limited to any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4). Seller acknowledges that the use of Good Utility Practice by Seller does not exempt Seller from any obligations set forth in this Agreement. Good Utility Practice includes, at a minimum, those professionally responsible practices, methods and acts that comply with manufacturers' warranties, restrictions in this Agreement, the interconnection requirements of the Interconnection Provider, the requirements of Governmental Authorities, and WECC and NERC standards.

Good Utility Practice also includes taking reasonable steps to ensure that:

- a) Equipment, materials, resources, and supplies, including spare parts inventories, are available to meet the Facility's needs;
- b) Sufficient operating personnel are available at all times and are adequately experienced and trained and licensed as necessary to operate the Facility properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions at the Facility and emergencies whether caused by events on or off the Facility site;
- c) Preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable, long-term and safe operation of the Facility, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;
- d) Appropriate monitoring and testing are performed to ensure equipment is functioning as designed;
- e) Equipment is not operated in a reckless manner, in violation of manufacturer's guidelines or in a manner unsafe to workers, the general public, or the connecting utility's electric system or contrary

to environmental laws, permits or regulations or without regard to defined limitations such as, flood conditions, safety inspection requirements, operating voltage, current, volt ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, and control system limits; and equipment and components are designed and manufactured to meet or exceed the standard of durability that is generally used for electric energy generating facilities operating in the Western United States and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Facility site and under both normal and emergency conditions.

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

“Guaranteed Commercial Operation Date” means the scheduled Commercial Operation Date set forth in Appendix D, as may be extended (a) for an event of Force Majeure and (b) pursuant to Section 5.1; provided, that the sum of (a) and (b) shall not exceed twelve (12) months.

“Initial Product Delivery Date” has the meaning set forth in Section 2.4.

“Installed Battery Capacity” means the maximum dependable operating capability of the Storage Facility to discharge electric energy, as measured in MW at the Delivery Point, that achieves Commercial Operation, adjusted for ambient conditions on the date of the performance test, and as evidenced by a certificate substantially in the form attached as Appendix G hereto.

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

“Installed Generating Capacity” means the maximum demonstrated peak electrical output of the Generating Facility, as measured in MW at the Delivery Point, as adjusted for ambient conditions on the date of the performance test, and as evidenced by a certificate substantially in the form attached as Appendix G hereto.

“MCE RPS Requirements” means (i) the California Renewables Portfolio Standard-compliant energy MCE is required to procure pursuant to the California Renewables Portfolio Standard, and (ii) any additional California Renewables Portfolio Standard-compliant energy procured by MCE in excess of the mandatory California Renewables Portfolio Standard requirements.

“NERC” means the North American Electric Reliability Corporation, or any successor organization.

“Party” or “Parties” has the meaning set forth in the preamble.

“PG&E” means Pacific Gas & Electric Company, or any successor entity.

“Product” means Energy, Contract Capacity, Resource Adequacy Benefits, and Green Attributes, and if applicable, storage-related attributes and services associated with the Storage Facility.

“Project” has the same meaning as “Facility.”

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

“Resource Adequacy” means a requirement by a governmental authority or in accordance with its FERC-approved tariff, or a policy approved by a local regulatory authority, that is binding upon either Party and that requires such Party to procure a certain amount of electric generating capacity.

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

“Resource Adequacy Rulings” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 0606-064, 06-07-031 and any subsequent CPUC ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable governmental authority, as such decisions, rulings, laws, rules or regulations may be amended or modified from time-to-time during the Delivery Term.

“Seller” has the meaning set forth in the preamble.

“Station Use” means energy consumed within the Facility’s electric energy distribution system as losses, as well as energy used to operate the Facility’s auxiliary equipment. The auxiliary equipment may include, but is not limited to, forced and induced draft fans, cooling towers, boiler feeds pumps, lubricating oil systems, plant lighting, fuelhandling systems, control systems, and sump pumps.

“Storage Capacity” means the maximum dependable operating capability of the Storage Facility to discharge energy that can be sustained for four (4) consecutive hours, as set forth in Appendix D.

“Storage Facility” means the integrated energy storage facility described in Appendix D.

“Term” has the meaning set forth in Section 10.1.

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

Appendix B

INITIAL PRODUCT DELIVERY DATE CONFIRMATION LETTER

In accordance with the terms of that certain Small Renewable Generator Power Purchase Agreement dated _____ (“Agreement”) by and between Marin Clean Energy (“MCE”) and _____ (“Seller”), this letter serves to document the parties’ further agreement that MCE will begin receiving the Product, as specified in the Agreement, as of this _____ day of _____, _____ (the “Initial Product Delivery Date”). This letter confirms the Initial Product Delivery Date, as defined in the Agreement, as the date referenced in the preceding sentence.

Pursuant to the Agreement, Seller hereby represents and warrants that as of the date hereof that:

- A. The Commercial Operation Date has occurred, if the Facility was not in operation prior to the Execution Date of this Agreement.
- B. Seller has identified a certified QRE, according to criteria established by WREGIS, for the Facility and has executed the appropriate agreement(s) with such QRE to ensure that the net electric energy produced by the Facility will be timely reported to WREGIS for the purpose of creating related renewable energy certificates throughout the Delivery Term; a copy of the aforementioned QRE agreement(s) has been provided to MCE.
- C. The Facility’s status as an Eligible Renewable Energy Resource, is demonstrated by Seller’s receipt of certification from the CEC and evidence of Seller’s registration with WREGIS has been satisfied.
- D. Seller’s compliance with the Workforce Requirements in Appendix F has been certified to MCE in writing and Seller has received written confirmation from MCE that such Workforce Requirements have been satisfied.

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

By: Seller

By: Marin Clean Energy

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Appendix C

COUNTERPARTY NOTIFICATION AND FORECASTING REQUIREMENTS

A. NOTIFICATION REQUIREMENTS FOR START-UP AND SHUTDOWN

Prior to paralleling to or after disconnecting from the electric system, ALWAYS notify your designated Distribution Operator as follows:

1. Call your Distribution Operator for permission to parallel before any start-up.
2. Call your Distribution Operator again after start-up with parallel time.
3. Call your Distribution Operator after any separation and report separation time as well as date and time estimate for return to service.

B. FORECASTING REQUIREMENTS

Seller shall abide with all established requirements and procedures described below:

1. Generating Facilities of 1000 kW must comply with the CAISO Tariff and Protocols while generating facilities under 1000 kW must comply with all applicable interconnection, communication and metering rules; and
2. Annual Energy Forecast: No later than January 1st of each year during the Delivery Term, Generating Facilities 100 kW and greater will electronically provide MCE and the Scheduling Coordinator, if applicable, with an Energy Forecast for the next calendar year.

The Annual Energy Forecast submitted to MCE and the Scheduling Coordinator, if applicable, shall:

1. Not include any anticipated or expected electric energy losses;
2. Be provided as instructed by MCE;
3. Include Seller's contact information and an indication of the Generating Facilities for which the forecast is being provided;
4. Identify the expected dates and times of any planned outages associated with the Generating Facilities.

Appendix D

DESCRIPTION AND LOCATION OF FACILITY

1. Seller's Feed-In Tariff Record Number as assigned by MCE: _____.
2. The Facility is described as

_____.
3. The Facility is located in MCE's service territory at the following address
_____.
4. The Facility's primary fuel is _____.
5. The Facility has a Generating Capacity of _____ kilowatts ("kW").
6. The Facility has a Storage Capacity of _____ kW.
7. The Facility has a Contract Capacity of _____ kW.
8. The maximum hourly energy delivery quantity is _____ kWh (Contract Capacity x 1 hour).
9. The Expected Annual Energy Output of the Facility is _____ kWh.
10. The scheduled Commercial Operation Date of the Facility is _____.
11. The Facility has a primary voltage level of _____ kilovolts ("kV").
12. The Facility is connected to the Interconnection Provider's electric system at _____ kV.
13. MCE shall revise this Appendix D as appropriate, give written notice to Seller regarding the revision, and issue a new Appendix D which shall then become part of the Agreement, in the event of changes to the information contained within Appendix D.

Appendix E

FACILITY DRAWINGS

[Seller to include: (i) a drawing showing the general arrangements of the Facility, and (ii) a single line diagram illustrating the interconnection of the Facility and loads with the Interconnection Provider's electric distribution system]

Appendix F

WORKFORCE REQUIREMENTS

- A. Local Hire: Seller will ensure that fifty percent (50%) of the construction workhours from its workforce (including contractors and subcontractors) providing work and services at the project site are obtained from permanent residents who live within the same county in which the Facility will be located during the period from full notice to proceed to the general contractor (NTP) through receipt of a permission to operate letter (PTO) from the interconnecting utility (such period, the “Construction Phase”). Seller’s construction of the Facility is also subject to any local hire requirements specific to the city or town where the Facility is located.
- B. Prevailing Wage: Seller will ensure that all employees hired by Seller and its contractors and subcontractors, that are performing work or providing services at the project site during the Construction Phase are paid wages at rates not lower than those prevailing for workers performing similar work in the locality as provided by Division 2, Part 7, Chapter 1 of the California Labor Code (“Prevailing Wage Requirement”). Nothing herein shall require Seller, its contractors and subcontractors to comply with, or assume liability created by other inapplicable provisions of the California Labor Code.
- C. General: The foregoing workforce requirements are included in this Agreement voluntarily and are not Public Works requirements. As a condition precedent to establishment of the Initial Product Delivery Date, Seller must certify that it met the Local Hire Requirement and Prevailing Wage Requirement, and be able to demonstrate, upon request from MCE, compliance with these requirements via a certified payroll system and such other documentation reasonably requested by MCE, including pursuant to an audit at Seller’s sole expense.

Appendix G

FORM OF COMMERCIAL OPERATION DATE CERTIFICATE

This certification (“Certification”) of Commercial Operation is delivered by [licensed professional engineer] (“Engineer”) to Marin Clean Energy, a California joint powers authority (“MCE”) in accordance with the terms of that certain Small Renewable Generator Power Purchase Agreement dated _____ (“Agreement”) by and between [Seller Entity] and MCE. 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 MCE the following:

1. The Facility is fully operational, reliable and interconnected, fully integrated and synchronized with the Interconnection Provider’s distribution and/or transmission system, as applicable.
2. Seller has installed equipment for the Generating Facility with a nameplate capacity of ____MW AC.
3. Seller has commissioned all equipment in accordance with its respective manufacturer’s specifications.
4. A performance test for the Generating Facility demonstrated peak electrical output of ____ MW AC at the Delivery Point, as adjusted for ambient conditions on the date of the performance test (“Installed Generating Capacity”).
5. [The Installed Battery Capacity is not less than forty percent (40%) of the Installed Generating Capacity.]⁴
6. Authorization to parallel the Facility was obtained from Interconnection Provider on [Date].
7. The CAISO has provided notification supporting Commercial Operation, in accordance with the CAISO Tariff on [Date].

[LICENSED PROFESSIONAL ENGINEER]

By: _____


Its: _____

Date: _____

⁴ Applicable if the Facility includes a Storage Facility.

Appendix H

POLLINATOR SCORECARD



Pollinator-friendly solar scorecard

The entomologist-approved standard for what constitutes "beneficial to pollinators" within the managed landscape of a PV solar facility. Only for use in countries and/or states that have not yet adopted a standard.

1. PERCENT OF PROPOSED SITE VEGETATION COVER TO BE DOMINATED BY WILDFLOWERS

<input type="checkbox"/> 31-45 %	+5 points
<input type="checkbox"/> 46-60 %	+10 points
<input type="checkbox"/> 61+ %	+15 points

Total points

Note: Projects may have "array" mixes and diverse open area/ border mixes; forb dominance should be averaged across the entire site. The dominance should be calculated from total numbers of forb seeds vs. grass seeds (from all seed mixes) to be planted.

2. PLANNED % OF SITE DOMINATED BY NATIVE SPECIES COVER

<input type="checkbox"/> 26-50%	+5 points
<input type="checkbox"/> 51-75%.	+10 points
<input type="checkbox"/> 76-100%	+15 points

Total points

3. PLANNED COVER DIVERSITY (# of species in seed mixes; numbers from upland and wetland mixes can be combined)

<input type="checkbox"/> 10-19 species	+5 points
<input type="checkbox"/> 20-25 species	+10 points
<input type="checkbox"/> 26 or more species	+15 points

Total points

Note: exclude invasives from species totals.

4. PLANNED SEASONS WITH AT LEAST 3 BLOOMING SPECIES PRESENT (check/add all that apply)

<input type="checkbox"/> Spring (April-May)	+5 points
<input type="checkbox"/> Summer (June-August)	+5 points
<input type="checkbox"/> Fall (September-October)	+5 points
<input type="checkbox"/> Winter (November-March)	+5 points

Total points

Note: Check local resources for data on bloom seasons

5. AVAILABLE HABITAT COMPONENTS WITHIN .25 MILES (check/add all that apply)

<input type="checkbox"/> Native bunch grasses for nesting	+2 points
<input type="checkbox"/> Native trees/shrubs for nesting	+2 points
<input type="checkbox"/> Clean, perennial water sources	+2 points
<input type="checkbox"/> Created nesting feature/s (bee blocks, etc.)	+2 points

Total points

6. SITE PLANNING AND MANAGEMENT

<input type="checkbox"/> Detailed establishment and management plan developed with funding/contract to implement	+15 points
<input type="checkbox"/> Signage legible at 40 or more feet stating "pollinator friendly solar habitat" (at least 1 every 20ac.)	+5 points

Total points

7. SEED MIXES

<input type="checkbox"/> Mixes are composed of at least 40 seeds per square foot	+5 points
<input type="checkbox"/> All seed genetic origin within 175 miles of site	+5 points
<input type="checkbox"/> At least 2% milkweed cover to be established from seed/plants	+10 points

Total points

8. INSECTICIDE RISK

<input type="checkbox"/> Planned on-site insecticide use or pre-planting seed/plant treatment (excluding buildings/ electrical boxes, etc.)	-40 points
<input type="checkbox"/> Perpetual bare ground under the panels as a result of pre and post emergent herbicide.	-40 points
<input type="checkbox"/> Communication/registration with local chemical applicators about need to prevent drift from adjacent areas.	+10 points

Total points

9. OUTREACH/EDUCATION


<input type="checkbox"/> Site is part of a study with a college, university, or research lab.	+5 points
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Grand total

Provides Exceptional Habitat Meets Pollinator Standards	>85 70-84
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Project Name:
Vegetation Consultant:
Project Location:
Total acres (array and open area):
Projected Seeding Date:

Note: Percent "cover" should be based on "absolute cover" (the percent of the ground surface that is covered by a vertical projection of foliage as viewed from above). To measure cover diversity use plots, and/or transects in addition to meander searches. Wildflowers in question 1 refer to "forbs" (flowering plants that are not woody or graminoids) and can include introduced clovers and other non-native, non-invasive species beneficial to pollinators.





Item 7

Committee Member Announcements



San Diego Community Power

Next regular meeting will be
on December 1

Finance and Risk
Management Committee

