

RESOLUTION NUMBER 2023-01

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF SAN DIEGO COMMUNITY POWER
ADOPTING CREDIT AGREEMENT**

WHEREAS, San Diego Community Power is a California joint powers authority formed to operate a Community Choice Aggregation Plan for its members (“SDCP”); and

WHEREAS, SDCP entered into that certain Amended and Restated Credit Agreement dated March 24, 2022 (the “RCB Facility”) with River City Bank (“RCB”), as lender, for working capital and credit support for the purchase of energy; and

WHEREAS, SDCP issued a request for proposal for a revolving credit facility in October 2022, the purpose of which was to expand the existing amount of credit available to SDCP for working capital and the issuance of letters of credit and cash collateral in connection with the purchase of energy and the collateral requirements of SDG&E under SDG&E Rule 27; and

WHEREAS, J.P. Morgan Chase Bank, N.A. (“JPM”) submitted a proposal in November 2022 and was selected to move forward with negotiations and SDCP staff and legal counsel have negotiated the terms of a \$150,000,000 revolving credit facility with JPM and are in the process of finalizing the language of the credit agreement for such facility (together with the exhibits thereto, the “Credit Agreement”), a draft copy of which is attached to the staff report; and

WHEREAS, the amounts due under the Credit Agreement and the Note referenced therein will be secured by a first priority pledge of and lien on the net revenues of SDCP; and

WHEREAS, certain energy providers have a first priority pledge of and lien on the revenues of SDCP pursuant to SDCP’s existing lockbox security arrangement with RCB, acting in its capacity as collateral agent for such energy providers.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of SDCP (the “Board of Directors”) as follows:

1. The Board of Directors has determined that the recitals herein are true and correct; and
2. The Board of Directors hereby approves the Credit Agreement and the other Transaction Documents (as defined below) and authorizes the Chief Financial Officer, or his designee, to (i) finalize the terms of the Credit Agreement substantially in the form attached to the staff report with the advice of legal counsel and complete the negotiation of any ancillary documents or agreements in connection therewith, including but not limited to the Note and the Fee Agreement referenced therein (together with the Credit Agreement, collectively, the “Transaction Documents”); and (ii) execute and deliver, and perform the obligations under, the Transaction Documents, including but not limited to borrowing thereunder and the grant of the first priority

security interest in the net revenues of SDCP; and

3. In connection with the execution of the Transaction Documents, the Board of Directors hereby authorizes the termination of RCB Facility and the other security and ancillary documents entered into in connection therewith, the payment of all amounts due thereunder and the release of all security interests and liens granted thereby, provided, however, that RCB will continue to act as the collateral agent pursuant to the existing lockbox security arrangements; and
4. The Board of Directors approves the grant of the first priority pledge of and security interest in the net revenues of SDCP (as described in the Credit Agreement) to secure the obligations of SDCP to JPM under the Credit Agreement and the other Transaction Documents, subject only to the rights of certain of SDCP's power providers who are beneficiaries of the existing lockbox security arrangements; and
5. The Board of Directors authorizes the Chief Executive Officer and the Chief Financial Officer, acting alone or in combination with one another, to take such additional action as is necessary or appropriate to carry out the obligations of SDCP under the Credit Agreement and the exhibits thereto; and
6. This Resolution shall be effective immediately after its adoption by the Board of Directors.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power on January 23, 2023



Chairman of the Board, Joe LaCava

Approved as to form:



SDCP Legal Counsel